August 31, 2011

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Washington Utilities & Transportation Commission Pipeline Safety Section 1300 S. Evergreen Park Drive S.W. PO Box 47250 Olympia, WA 98504-7250 State of Washington UTC Pipeline Safety Program

Attn: Dave Lykken, Pipeline Safety Director

Subject: Bare Steel Replacement Program Semi-Annual Progress Report (Docket PG-030128)

Dear Mr. Lykken,

Pursuant to Docket No. **PG-030128** and PG-030080, Puget Sound Energy (PSE) is required to submit progress reports pertaining to the Bare Steel Replacement Program. This letter provides progress through June 30, 2011.

PSE completed the retirement of 21,951 feet of bare steel main during the first 6 months of calendar year 2011. The attached table shows program targets and actual retired footage.

If you have any questions regarding this report, please contact me at (425) 462-3207.

Sincerely,

Cheryl McGrath

Manager of Compliance and Regulatory Audits - Gas

CC:

Steve Secrist

Tom DeBoer

Sue McLain

Booga Gilbertson

Change A. Mr. She It

Cathy Koch

Jenifer Tada

Carol Wallace

Harry Shapiro

Duane Henderson

Enclosure

Bare Steel Replacement Program Semi-Annual Report

Progress Status through June 30, 2011

Year	Plan Year	Replace Unprotected Bare - Target	Replace Protected Bare - Target	Target Totals	Running Target Totals	Actual Reported Program Footage	Non - Program Footage
2005	Year 1	46,995		46,995	46,995	48,078	0
2006*	Year 2	99,205		99,205	99,205	88,624	1,648
2007	Year 3	99,205	45	99,205	99,205	165,504	9,882
2008	Year 4	99,205		99,205	99,205	109,552	2,701
2009	Year 5	99,205		99,205	99,205	104,210	5,165
2010	Year 6	99,205		99,205	99,205	111,127	0
2011**	Year 7	99,205	38,280	137,485	120,000	21,951	
2012	Year 8	99,205	38,280	137,485			
2013	Year 9	99,205	38,280	137,485			
2014	Year 10	99,205	38,280	137,485			
Total Footage		939,840	153,120	1,092,960	663,020	649,046	19,396
Total Mileage		178	29	207	125.6	122.9	3.7

- 1. * Carry over of 10,581' of remaining target footage was completed by Feb 12, 2007.
- 2. 2/9/2008 reconciled WUTC reported footages for year 2005 & 2006 to match program tracking documents.
- 3. **Target footage amended per 12/01/2010 Letter of Understanding with WUTC.
- 4. Semi Annual Report, 2011 Actual Reported Program Footage Jan through June.

Prior to 2010, Non Program Retirement included protected Bare & unprotected Bare replacements not originally identified in the program or being done prior to getting 'program' credit.

Starting in 2010, Non Program Retirement footage will only be footage not originally identified in the program.