EXHIBIT NO. __(JH-2) DOCKET NO. PG-041624 WITNESS: JAMES HOGAN

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

Docket No. PG -041624

PUGET SOUND ENERGY, INC.,

Respondent.

FIRST EXHIBIT TO THE
PREFILED DIRECT TESTIMONY OF
JAMES HOGAN (NONCONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.



NEWS RELEASES

Investigators identify source of natural gas leak that led to explosion

Department: Fire

Contact: Lt. Todd E. Dickerboom 425-452-6995

Release Date: 9/4/2004

A team of investigators from the Bellevue Fire Department, Puget Sound Energy (PSE), the Washington State Utilities and Transportation Commission, and a private insurance company are confident that they have identified the source of the natural gas leak, which led to an explosion that destroyed a Bellevue home and critically injured a 68 year-old woman on Thursday morning, September 2, 2004.

According to investigators, the leak was isolated to a 3/4-inch service line that supplied natural gas to the house located at 16645 SE 26th Place. Buried approximately 18-inches below ground level near the foundation, investigators discovered a small hole in the line prior to its connection with the gas meter.

While processing the scene, investigators also discovered evidence that the ground directly above the gas line had been used as a small drainage area for a sink located in the lower level of the home. Instead of having a normal plumbing system in place, a pipe was diverted through the foundation wall so that any materials poured down it would drain into this particular area. As a result, the potential for unnecessary corrosion increased. Investigators conclude that this situation may have contributed to the failure of the line. The presence of the pipe in the wall of the foundation may have also contributed to the destruction of the house. As gas leaked up through the ground, the pipe provided an easy avenue for gas to reach the inside of the house, creating an explosive atmosphere.

Based on the evidence found so far, Bellevue Fire Department investigators have concluded that the source of the ignition was located somewhere inside the house. No conclusions have been made as to what the source may have been, however, the investigation will continue into next week.

The Bellevue Fire Department and PSE believe that nearby residents are safe and should have no reason to be concerned regarding the integrity of the gas line which leads to their home. Nonetheless, PSE is planning to take immediate preventative measures to ensure that there are no other natural gas leaks in the surrounding neighborhoods. Throughout the remainder of the holiday weekend, personnel from PSE will be taking constant air measurements in a designated area that extends from I-90 to SE 8th Street, and from 156th Ave SE to Lake Sammamish. In addition, PSE will utilize electronic detection equipment to check every service line that leads to a home in this area.

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