



PUGET SOUND ENERGY

The Energy To Do Great Things

August 31, 2011

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

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
Cathy Koch
Jenifer Tada
Carol Wallace
Harry Shapiro
Duane Henderson

Enclosure

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State of Washington
UTC
Pipeline Safety Program

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 | | 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.