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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

October 4, 2005

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Sondra
Dave L.
Patt J
File
Rec. center - orig.

Attn: Alan Rathbun, Pipeline Safety Director

Subject: Docket PG-040210 Puget Sound Energy – 2004 Standard Inspection for Thurston & Lewis Counties

Dear Mr. Rathbun,

This letter is in response a request received from Pipeline Safety Staff to provide additional information on issues discussed in Puget Sound Energy's (PSE) response to the 2004 Standard Inspection for Thurston and Lewis Counties dated May 6, 2005.

Staff has requested follow-up information on 14 items. These requests, as well as PSE's responses are provided below.

1. Request: Probable Violation (PV) 6. Please provide a current copy of PSE's Atmospheric Corrosion Inspection and Remediation Improvement Initiative, including the detailed associated procedures for accomplishing the initiative.

Response: Attachment A of the audit response dated May 6, 2005 is a summary of the Atmospheric Corrosion Inspection and Remediation Improvement Initiatives that PSE has implemented and is still working on implementing. PSE has not identified any additional elements to this initiative. Therefore, the summary in the May 6, 2005 audit response is the most current. The detailed information on each element of the initiative is provided in response to staff's requests 2 through 4 below.

km
RMS
TA

2. Request: In PSE's Atmospheric Corrosion Inspection and Remediation Improvement Initiative PSE committed to include the identification of existing meterless risers and EUFs and their associated atmospheric corrosion inspections into the Isolated Facilities Program. Please provide the associated procedures for identification of existing meterless risers and EUFs and how that will be included into the Isolated Facilities Program.

Response: The Isolated Facilities Program is still under development. The procedures for the Isolated Facilities Program will be provided to Staff by January 30, 2006 in accordance with the Settlement Agreement.

3. Request: In PSE's Atmospheric Corrosion Inspection and Remediation Improvement Initiative. Please provide a copy of the portion of the 2005 Gas Operating Standards that include the specific categories of aboveground facilities and the associated responsibility for inspection and remediation.

Response: Attachment A to this letter is a copy of Gas Operating Standard 2600.1800 "Monitoring Facilities for Atmospheric Corrosion."

4. Request: In PSE's Atmospheric Corrosion Inspection and Remediation Improvement Initiative. Please provide a copy of the processes and procedures that PSE developed and implemented for locations that are difficult to access.

Response: On September 23, 2005, PSE sent a letter to Pipeline Safety Staff to communicate information on PSE's process for disconnecting customers when PSE representatives are unable to gain access to our facilities on the customer's property in order to perform compliance-related activities. These processes and procedures are being finalized and will be implemented shortly. Additional processes and procedures for inspecting and remediating atmospheric corrosion on locations that are difficult to access due to location are being developed. PSE will have these completed and will provide copies to the WUTC by July 1, 2006.

5. Request: PV 7. Please provide documentation that the maps for St Martin's College and Candlewood Mobile Manor have been updated and leak surveys have been performed.

Response: PSE provided copies of the updated maps to Staff and reviewed the leak surveys for St Martin's College and Candlewood Mobile Manor on October 4, 2005.

6. Request: PV 9. Please provide a current copy of PSE's Maps and Records Improvement Initiatives.

Response: Attachment A of the audit response dated May 6, 2005 is a summary of the Maps and Records Improvement Initiatives that PSE has implemented and is still working on implementing. Additional elements to this initiative were identified in PSE's Map Accuracy Assessment. This assessment is provided in Attachment B of this letter.

7. Request: In PSE's Maps and Records Improvement Initiatives. Please provide a copy of PSE's Map Accuracy Assessment that PSE committed to complete by 8-1-2005.

Response: This assessment is provided in Attachment B.

8. Request: In PSE's Maps and Records Improvement Initiatives. Please provide a copy of all PSE's current activities that have been changed or new initiative that resulted from the Map Accuracy Assessment i.e. EUFs, validity of mapping and trailer Parks. Please include the procedures for each initiative.

Response: The Map Accuracy Assessment provided in Attachment B provides information on PSE's plans to develop procedures and timeframes for updating Staff on these procedures.

9. Request: PV 10, finding b, bullet one, 2nd paragraph of PSE's Response. Please provide a copy of the new process for responding to findings on the bridge patrols. PSE committed to develop this process by 8-1-2005 and implement it by 10-1-2005.

Response: These processes are provided in Attachment C. PSE is on track to implement these processes by October 1, 2005.

10. Request: PV 10, Finding b, bullet 2. Please provide documentation that the atmospheric corrosion remediation was completed on or before 5-6-2005.

Response: On October 4, 2005 PSE provided Staff a copy of the as-installed showing that this work was completed on 5-11-05. PSE's audit response indicated this work "was expected to be completed on May 6, 2005." Construction completion was slightly longer than anticipated due to limited availability of construction equipment.

11. Request: PV 10, Finding b, bullet 3. Has the critical bond program for this system been completed?

Response: Yes, PSE completed the critical bond work on this system on June 27, 2005. The SAP record indicating the critical bond work on this system was completed is included in Attachment D, Critical Bond Record.

12. Request: PV 10, Finding b, bullet 5. Please provide documentation that the steel was replaced with pe.

Response: On October 4, 2005 PSE provided Staff a copy of the as-installeds for this job showing that the steel was replaced with PE.

13. Request: Please provide an update of PSE's plans for it Jackson Prairie Gate Station #1874 and the upstream facilities.

Response: PSE plans to replace the facilities originally built by Williams to ensure that adequate design and construction records are available. PSE is coordinating this work with Williams. Williams will do the work to replace the tap on the lateral and the inlet valve and PSE will replace inlet piping and first stage regulation. The outlet flange of the valve will be the point of demarcation between the Jackson Prairie laterals and PSE's distribution system. PSE and Williams are evaluating the feasibility of completing this work in 2005. Due to operational constraints, this work may only be done during certain windows. If the work is not able to be performed this fall, it will be completed at the earliest opportunity in 2006.

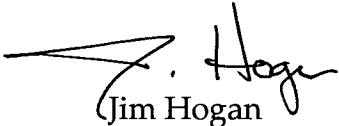
14. Request: Please provide a copy of all maintenance records for the upstream

facilities located at the Jackson Prairie Gate Station #1874 since January of 2005.

Response: PSE performed the inspection of the upstream facilities, the first stage regulators, on November 9, 2004. Copies of these maintenance records are included as Attachment E.

PSE and Pipeline Safety Staff have agreed to meet to answer any questions Staff has regarding this information. If Staff has any questions prior to this meeting, please call me at (425) 462-3957.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hogan". The signature is stylized with a large, sweeping initial "J" and a cursive "Hogan".

Jim Hogan

Manager, Standards & Compliance

Cc: Sue McLain
Booga Gilbertson
Duane Henderson
Kimberly Harris
Karl Karzmar

Attachments

Attachment A

Operating Standard 2600.1800 "Monitoring Facilities for Atmospheric Corrosion."

Monitoring Facilities for Atmospheric Corrosion

2600.1800

1. Scope

This Operating Standard establishes requirements for monitoring pipelines or portions of pipelines that are exposed to the atmosphere for atmospheric corrosion.

2. Responsibilities

(CTS 401, CTS 402, and CTS 505)

- 2.1 *Consulting Engineer, Corrosion Control* shall be responsible for ensuring that all piping exposed to the atmosphere is inspected for atmospheric corrosion in accordance with this Operating Standard.
- 2.2 *The Manager First Response* shall be responsible for performing a monthly review of the inspection records generated by Meter Services and First Response to assure compliance with the requirements of this Operating Standard.
- 2.3 *The Manager Meter Services, Manager First Response, Manager Jackson Prairie, Manager System Control and Protection, and the Manager Gas System Operations* are responsible for monitoring, remediation, and/or record keeping in accordance with the requirements of Section 4.
- 2.4 *The Manager System Control and Protection* shall be responsible for review of the inspection records generated by Pressure Control and Industrial Meters to ensure compliance with the requirements of this Operating Standard.

3. General Requirements

(CFR 192.481 and WAC 480-90-328)

- 3.1 Each aboveground pipeline or portion of a pipeline must be examined for evidence of atmospheric corrosion.
 - 3.1.1 All exposed pipe surfaces shall be inspected.
- 3.2 Atmospheric corrosion inspections shall be conducted in accordance with Field Procedure 4515.1220, "Monitoring Atmospheric Corrosion."
- 3.3 During inspections, the inspector must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.
- 3.4 As part of the above inspection process, all meters shall be relabeled with PSE's name and/or logo. If the company name changes in the future, all meters shall be relabeled within three years.

Monitoring Facilities for Atmospheric Corrosion

2600.1800

4. Atmospheric Corrosion Monitoring Program

Table 4:

Line	Facility Description	Monitoring Department	Remediation Department	Records	
				Format	Data Manager
1	Residential MSAs, inside and outside	Meter Services	Gas First Response	Access Database	Meter Services
2	Small Commercial MSAs (inches ≤ 1000), inside and outside	Meter Services	Gas First Response	Access Database	Meter Services
3	Large Commercial and Industrial MSAs (MSAs with # or inches > 1000 delivery)	Meter Services	SC&P Industrial Meter Department	Access Database	Meter Services
4	Rooftop MSAs	Meter Services	Gas First Response	Access Database	Meter Services
5	Rooftop Services	Gas First Response	Gas First Response	Access Database	Maintenance Programs
6	Master Meters	Meter Services	Gas First Response	Access Database	Meter Services
7	Gate Stations and DRs	SC&P-PC	SC&P-PC	SAP	Maintenance Programs
8	Farm Taps	SC&P-PC	SC&P-PC	SAP	Maintenance Programs
9	LP Reliefs	SC&P-PC	SC&P-PC	SAP	Maintenance Programs
10	Sidewalk Regulators	Gas First Response	Gas First Response	Access Database	Maintenance Programs
11	Propane MSAs	Meter Services	Gas First Response	Access Database	Meter Services
12	Bulk Propane Storage Sites	SC&P	SC&P	Hardcopy	SC&P
13	Underground Storage Site	Jackson Prairie	Jackson Prairie	Excel Spreadsheet	Jackson Prairie
14	All other Aboveground Mains and Services	Gas First Response	Gas First Response	Access Database	Maintenance Programs
15	EUFs	Gas First Response	Gas First Response	Access Database	Maintenance Programs
16	CNG Injection Sites	SC&P	SC&P	SAP	Maintenance Programs
17	RTUs	Instrumentation	Energy Measurement	Hardcopy	Energy Measurement
18	Unmetered Service Risers	Meter Services	Gas First Response	Access Database	Meter Services

Monitoring Facilities for Atmospheric Corrosion

2600.1800

5. Frequency (CFR 192.481)

- 5.1 Each pipeline exposed to the atmosphere, including service risers, meter sets, piping at district regulators, propane tank farms, and CNG injection sites; shall be inspected for evidence of atmospheric corrosion at least once every 3 years, but at intervals not exceeding 39 months, unless more frequent surveys are specifically requested.

6. Remedial Action

- 6.1 Pipe, pipe fittings, or coatings shall be repaired or replaced as required by Operating Standard 2600.1900, "Remedial Measures for Corrosion Control Discrepancies."
- 6.2 A work order shall be generated for all facilities requiring remedial action for atmospheric corrosion unless corrective action is taken at the time of discovery.
- 6.2.1 Facilities require remedial action if the atmospheric corrosion rating is "3," as defined in Field Procedure 4515.1220, "Monitoring Atmospheric Corrosion."

7. Records (CFR 192.491)

- 7.1 Records of inspections shall be retained for at least 5 years.
- 7.2 Records of inspections shall be documented in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist.

Attachment B

“Map Accuracy Assessment”

PSE has processes in place to maintain up-to-date and accurate maps, and continually evaluates opportunities to improve these processes. Recent process improvements have resulted in a significant reduction in the mapping backlog of new mains and services. For services, the backlog has been reduced from approximately 25,000 services at the beginning of 2004 to approximately 3,000 services at the beginning of 2005. The average backlog for 2005 is approximately 3,800 services which is just over a month of service installations. This far exceeds the new WAC rule which requires records to be updated within 6 months of completion of construction activity.

In addition, there is currently an initiative underway to address the challenges of maintaining up to date cathodic protection (CP) maps in multiple locations. This initiative will result in overlays on PSE's on-line operation maps with CP information including CP system boundaries and system number. This project is over 80% complete and is on track to be completed in 2005 which exceeds the initial goal to complete the work in the Spring of 2006.

In the third quarter of 2005, PSE completed a map accuracy assessment to determine if additional map accuracy initiatives should be undertaken. This assessment concluded that there are three areas that provide additional opportunities to improve the accuracy of PSE maps; map omissions, address accuracy, and special service accuracy. The findings and conclusions of this assessment are described below.

The assessment included a detailed analysis of over 14,000 service records for a variety of typical services that included both commercial and residential customers. Records that were analyzed included PSE's customer information database (CLX), service records (D-4's), and plat maps. Based on this analysis, PSE concluded that while PSE maps are generally accurate and complete, there are still opportunities to improve the accuracy of these records. These improvements would address map omissions and accuracy of addresses.

In addition to the evaluation of several thousand typical services, PSE evaluated the adequacy of processes for capturing maps and records information for more

unique services such as services to trailer parks, business parks, and campus type installations. This assessment revealed that there are additional opportunities to improve business processes associated with capturing and maintaining this information.

Based on the opportunities identified in this assessment, PSE has begun developing more formal processes to address these improvement opportunities. PSE will provide Staff a status report on the development and implementation of these processes by June 30, 2006.

Attachment C

Process for Responding to Bridge and Slide Patrol Findings

	Action	Description	Resource
1.0	Perform Scheduled, Quarterly Inspection.	PI inspector performs patrol and inspects bridge/slide area. PI corrects any minor maintenance issues (e.g. pipeline marker replacement).	PI GFR
2.0	Complete Report on Facility/Area as Required	If PI determines that no further action is required, PI completes report noting that no problems were found or makes note of what minor maintenance items were remediated.	PI
3.0	GFR notifies RPE of Emergency Condition.	If, as a result of the inspection, PI discovers an emergency condition, PI notifies GFR Supervisor who in turn notifies RPE and Manager GFR. RPE shall work to assemble a remediation team by determining what other groups need to be notified to best respond to the emergency.	GFR PI RPE
3.1	Develop Solution to Emergency	The remediation team works to develop a solution to the emergency.	PI, GFR, RPE GSE, TESP SMP, S&C SC&P, SP
3.2	Implement Solution to Emergency and Update Records	The solution is implemented and then documented as required by each group (e.g. Engineering updates design, MRT updates maps, PI updates report/patrol findings, etc.).	GFR, SP, GSE SC&P, PI MRT, TESP
4.0	GFR and Service Provider Coordinate to Remediate Maintenance Issue	If, as a result of the inspection, PI/GFR determines that the maintenance issue can be coordinated between GFR and the Service Provider, then GFR issues any necessary work requests (and SAP notifications) to Service Provider. GFR shall indicate what type of remediation is required and the timeline in which the work needs to be completed. Any notifications are copied to Contract Management and Maintenance Programs (MP). MP will track the notification to help ensure all required dates are met. PI documents action in report. GFR and Service Provider shall work together to ensure work is completed.	GFR SP Contract Management MP
5.0	Maintenance Request Sent to MP	If, as a result of the inspection, PI determines the maintenance issue needs to be processed by Maintenance Programs (MP), PI documents the issue in detail and includes as a maintenance request in quarterly report to MP.	PI MP

	Action	Description	Resource
5.1	MP receives maintenance request and processes	Maintenance Programs compiles reports and puts findings into database or spreadsheet. MP shall create SAP notifications as required to track the maintenance requests. MP shall communicate notification number back to PI/GFR so they can track progress of request. Any maintenance requests are sent on to System Maintenance Planning (SMP) for further processing.	MP
5.2	SMP Receives Maintenance Request	SMP receives request and indicates such in notification text.	SMP
6.0	Urgent Maintenance Request Sent to SMP	If, as a result of the inspection, PI determines the maintenance issue is potentially urgent, GFR supervisor should confirm that the issue is urgent. If the condition is urgent, GFR Supervisor shall immediately send the information on to System Maintenance Planning (SMP) for review and processing. GFR Supervisor should copy MP on all information sent to SMP. If the condition is determined non-urgent by the GFR Supervisor, the request should be sent to MP (step 5.0).	PI GFR SMP
6.1	SMP Processes Urgent Maintenance Request	SMP to create SAP notifications for urgent requests as required. Notification number shall be reported back to PI and MP so they can track progress.	SMP
7.0	Engineering Assessment	SMP determines if maintenance request requires engineering assessment and if so, GSE provides assessment of the problem and provides recommended solution(s) back to SMP. SMP updates notification text indicating that work request is being reviewed by Engineering. It should be noted that Engineering Assessment will be required for most maintenance request relating to the Bridge and Slide Patrols.	GSE SMP
8.0	Consultation With Internal Customers	SMP consults with other groups (TESP, S&C, MLM/MCPs, etc.) as needed based on the information provided. This is to ensure proposed work is compatible with system needs, municipal opportunity projects, regulatory requirements, etc. SMP updates notification with results of engineering analysis and any developments from talks with TESP, S&C, MLP/MCPs, etc.	PI, GFR, RPE GSE, TESP SMP, S&C SC&P, SP MLP, MCP
9.0	Communicate Status Back to PI and Track Maintenance Issue for Changes	SMP updates notification indicating when work is being budgeted for. SMP should communicate directly back to PI and MP Coordinator on scope/schedule of proposed work. Any change to the status of the facility prior to work being initiated should be communicated directly between PI and SMP, as this may change the priority of the work.	SMP MP PI
10.0	Initiate Work	SMP to set up any additional work orders and get all supporting documentation to service provider. SMP updates Notification and informs PI that the work has been sent to the Service Provider.	SMP SP

Resource Codes:

GFR	Gas First Response	
GSE	Gas System Engineering	
MCP	Municipal Construction Planner	
MLP	Municipal Land Planner	
MP	Maintenance Programs	
MRT	Maps and Records Technology	
OA	Operations Analyst	
PI	Public Improvement Inspector	
RPE	Response Planning Engineer	
S&C	Standards and Compliance	
SC&P	System Control and Inspection	
SMP	System Maintenance Planning	
SP	Service Provider	
	TESP	Total Energy System Planning

Attachment D

Critical Bond Record

Functional location Edit Goto Extras Structure Environment System Help

Display Functional Location: Master data

Classification Measuring points/counters Data origin...

Func. location: GA-030260 Cat: 6 Gas Operations

Description: PACIFIC HWY & KUHLMAN RD*

Status: CRTE CNST

General Location Structure **Classification**

Classification

CP SYSTEM PROTECTED FEET	4,085
CRITICAL BOND START DATE	05/20/2005
CRITICAL BOND TESTED DATE	05/20/2005
CRITICAL BOND COMPLETED DATE	06/27/2005
RETIRED DATE	
Default Retired Date (Y/N)?	
***** X LOCATION *****	
X DISTANCE FEET	
X DIRECTION	
X REFERENCE POINT	
X STREET	
***** Y LOCATION *****	
Y DISTANCE FEET	
Y DIRECTION	
Y REFERENCE POINT	
Y STREET	

Attachment E

Maintenance Record for Gate Station #1874

MAINTENANCE or CALL OUT WO# REQUEST	
Claim # or Job # <u>875000017</u>	SAP# _____
RS # <u>1874</u>	ADDR: <u>ZENDECK RD</u>
VA # _____	TOWN: <u>JACKSON PENN</u>
MTR # _____	
WORK COMMENTS: (use back if additional space needed)	
<u>Inspected 1st and 2nd stage - Will be</u>	
<u>Adding 1st stage to SAP - HAVE TAKEN</u>	
<u>ONE inspection from Williams Pipeline per</u>	
<u>WUTC.</u>	
<u>1st STAGE Req 1" FG30-103 (Big box) with 1/8" pipe</u>	
<u>SPRING 150#-200# # 0Y0664000A2 GREEN STRIPE</u>	
<u>* Installed new relief on 1st stage 1" Fisher</u>	
<u>H203-175 set @ 165#</u>	
PRESSURES: Overpressure Yes ___ No <u>X</u>	
1st STAGE:	
Inlet: Found <u>699#</u>	Left <u>699#</u>
Lockup #1: Found <u>152#</u>	Left <u>152#</u>
Lockup #2: Found _____	Left _____
Monitor #1: Found _____	Left _____
Monitor #2: Found _____	Left _____
Outlet: Found <u>144#</u>	Left <u>144#</u>
2nd STAGE:	
Inlet: Found <u>144#</u>	Left <u>144#</u>
Lockup #1: Found <u>22.60#</u>	Left <u>22.60#</u>
Lockup #2: Found _____	Left _____
Monitor #1: Found _____	Left _____
Monitor #2: Found _____	Left _____
Outlet: Found <u>22.1#</u>	Left <u>22#</u>
RELIEF: Found <u>27#</u>	Left <u>27#</u>
Completed by: <u>Wilcox/Kasper</u>	WK Center # <u>4110</u>
Date Completed: <u>11/9/04</u>	
Form 06/09/2003jdg	

Relief 1st stage
165#

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