



SENT VIA E-MAIL ON 5/5/04 TO: records@wutc.wa.gov

**May 5, 2004**

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

**Subject: Docket UG-011073 SBEIS Questionnaire**

Dear Secretary Washburn:

Puget Sound Energy (PSE) respectfully submits the following analysis on the cost impact of certain proposed draft rules for chapter 480-93 WAC. The information requested by the WUTC in a letter dated April 6, 2004 is provided in the attached table.

Thank you for the opportunity to participate in the rule making process.

Sincerely,

Kaaren Daugherty, PE  
Consulting Engineer, Standards and Compliance

Cc: Kimberly Harris  
Sue McLain  
Booga Gilbertson  
Greg Zeller  
Jim Hogan

Enclosure

<b>Rule Number</b>	<b>Rule Change</b>	<b>Basis for Cost Impact</b>	<b>Cost analysis/estimate</b>	<b>Total Cost</b>
480-93-005 (3) "Business District"	New Definition	Definition increases number of business districts by estimated 1,200. This increases: a) required valve inspections by an estimated 10,000 valves; and b) Increases leak survey frequency of the mains and services in these additional 'business districts'.	<ol style="list-style-type: none"> <li>1. 10,000 valves x \$42/valve inspection = \$420,000/yr</li> <li>2. 10,000 valves x 15% remediation x \$290/valve = \$435,000/yr</li> <li>3. 400 mi. main x 5280ft/mi x \$0.02042/ft = \$43,000/yr</li> <li>4. 400 mi. main x 5 svcs/mi x 87 ft/svc x \$0.02042/ft = \$3,500/yr</li> <li>5. 5 hrs/wk field assessments and documentation x 50 wks x 36.52/hr = \$9,000/yr</li> </ol>	<b>\$910,500/year</b>
480-93-005 (17) "Building or Place of Public Assembly"	New Definition	A field assessment will be required to identify places of public assembly under this new definition. Leak survey frequency increases from 5 year to annual.	Leak Survey + assessment + training = estimated \$10,000/yr	<b>\$10,000/year</b>
480-93-012 Computation of Time	New Rule	The five-year 'definition' impacts leakage survey frequency as no grace period is provided for facilities surveyed on a 5-year schedule in 480-93-186(3)(b).	Leak Survey frequency increase = estimated \$5,000/yr	<b>\$5,000/year</b>
480-93-080 Welder and plastic joiner identification and qualification	Revised rule includes a new requirement to requalify Oxyacetylene welders twice annually.	19 PSE Fitters would be impacted.	19 fitters x 4.5 hrs/test x \$50/hr = \$4,275/year (Costs do not include record keeping, testing personnel, material, use of facility)	<b>\$4,275/year</b>
480-93-100 Valves	Revised rule requires maintenance of additional service line valves by incorporating new definitions for business district and length of service restrictions.	Rule increases valve maintenance by an estimated 32,000 additional service valves (this does not include additional valves identified under item 480-93-005(3) above) and increases installation and maintenance of valves on services that currently do not require valves.	<ol style="list-style-type: none"> <li>1. 32,000 valves x \$42/valve inspection = \$1,344,000/yr</li> <li>2. 32,000 valves x 15% remediation x \$290/valve = \$1,392,000/yr</li> </ol>	<b>\$2,736,000</b>
480-93-110 Corrosion control	Major rule revision	Section 7 implies operators must monitor sections of bare steel pipe under "hot spot"	150 leaks/yr x \$40/test site + 150 leaks x (\$200 TL installation/site + \$100/sit admin) + 10% x 150 leaks/yr x \$2,000/remediation x 1 yr = 81,000/yr	<b>\$81,000/year</b>

		protection.		
480-93-124 Pipeline Markers	Rule revision requires additional valve markers.	Additional markers on pipelines operating above 250 psig and at all railroad crossings.	<ol style="list-style-type: none"> <li>1. Estimated additional markers maintenance = \$36,800/year</li> <li>2. Estimated one-time mapping expense of \$2,500</li> </ol>	<b>\$36,800/year</b> <b>\$2,500 one-time cost</b>
480-93-140 Service Regulators	Rule completely revised	Requirement to inspect and test service regulators and associated safety devices during the initial turn-on.	<ol style="list-style-type: none"> <li>1. Labor: 19,000 svcs x 10 min/svc x \$50/hr = \$158,300/year</li> <li>2. Tools: \$50 x 100 technicians = \$5,000 one time cost</li> <li>3. Fittings, new: 19,000 new svcs x \$15/svc = \$285,000/year</li> <li>4. Fittings, retrofit: 10,000 meter changeouts x \$15/svc = \$150,000/year</li> <li>5. Labor, retrofit: 10,000 x 15 min/svc x \$50/hr = \$125,000/year</li> </ol>	<b>\$718,300/year</b> <b>\$5,000 one-time cost</b>
480-93-178 Protection of Plastic Pipe	New Rule	Plastic pipe monitoring programs required under section 6(a) and (b).	<ol style="list-style-type: none"> <li>1. Process and procedures development: \$5,000</li> <li>2. Monitoring: \$2,500/year</li> </ol>	<b>\$5,000 one-time cost</b> <b>\$2,500/year</b>
480-93-186 Leakage classification and action criteria	Rule revised	Follow-up inspections required for all leaks with residual gas [section (3)] increases the number of leaks requiring follow-up inspections. Restrictions on downgrading of leaks and time limitations for repairs of downgraded leaks increases leak repair requirements [Section 4(d)].	<ol style="list-style-type: none"> <li>1. Follow-up inspections: 75/year x \$100/unit = \$7,500/year</li> <li>2. Repair of downgraded leaks: 78 leaks/year x \$2000/leak = \$156,000/year</li> </ol>	<b>\$163,500</b>
480-93-187 Gas leak records	Rule revised	Language changed from “. . .maintain permanent gas leak repair records.” to “maintain permanent gas leak records”. To maintain all the information on leak evaluation and leak perimeter sketches after the leak has been repaired is significant and burdensome.”	Retrofit systems and processes: \$50,000 Annual data entry and storage: \$10,000	<b>\$50,000 initial</b> <b>\$10,000/year</b>