



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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April 5, 2006

Jim Hogan
Manager Standards and Compliance
Puget Sound Energy
PO Box 90868, EST-07W
Bellevue, Washington 98009

Dear Mr. Hogan:

Thank you for your work with pipeline safety staff (we) in bringing closure to findings from multiple 2004 audits. The purpose of this letter is to clearly outline the commitment Puget Sound Energy, Inc. (PSE) has made to resolve the findings from the dockets listed below.

The attached spreadsheets compile all of the commitments PSE has made to address the probable violations and areas of concerns found during the following 2004 standard inspections:

- a. Thurston-Lewis-Jackson Prairie Docket No. PG-040210
- b. Operator Qualifications Docket No. PG-040211
- c. Snohomish County Docket No. PG-040966

These spreadsheets also identify the probable violations that PSE states have been cleared, and the probable violations which PSE will bring into compliance in accordance with the commission order in Docket Nos. PG-030080 and PG-030128. I have also attached a copy of your May 6, 2005, letter of intent in order to provide a complete picture of each item's resolution.

Spreadsheet (1), entitled "Probable Violations Verification 2006," (note: the last page is entitled "Jackson Prairie – Docket 040210") lists the probable violations that have been or will soon be addressed by PSE, and which will be verified by commission staff during our 2006 inspections. If, during these inspections, we find items that are not resolved, we reserve the right to seek the issuance of a complaint by the commission, depending on the nature of the problem. We understand PSE reserves the right to contest a complaint, if one is issued.

Spreadsheet (2), entitled "Probable Violations Applicable to 2005 Order," include those probable violations that were identified in the commission's January 31, 2005, order in Docket No. PG-030080 and PG-030128. We will follow-up on these items in accordance with that order. We understand PSE reserves the right to contest those issues, if any such action is taken.

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Spreadsheet (3), entitled "Probable Violations Cleared," lists the probable violations that PSE has corrected and we have accepted.

Spreadsheet (4) is entitled "Areas of Concern, Docket 040210." This spreadsheet lists three miscellaneous items that we discovered in the course of inspecting PSE facilities. It also lists PSE's commitments to resolve these items. We will verify these actions during our 2006 inspections.

Please review the attachments carefully. If PSE agrees with the accuracy of the lists, including PSE's agreed course of action, please sign where indicated below, and forward it to me for my signature. I will send you a copy of the signed document. If PSE disagrees, please contact me to work out the issue.

Sincerely,



Alan E. Rathbun
Pipeline Safety Director

cc: Sue McLain
Duane Henderson

Attachments:

Probable Violations Verification 2006
Probable Violations Applicable to 2005 Order
Probable Violations Cleared
Areas of Concern, Docket 040210
PSE's May 6, 2005 letter of intent

Jim Hogan
Manager Standards and Compliance
Puget Sound Energy, Inc.

Alan E. Rathbun
Director, Pipeline Safety
Washington Utilities and
Transportation Commission