BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket Nos. UG-110723
Puget Sound Energy, Inc.'s
Tariff filing for Pipeline Integrity Program

PUBLIC COUNSEL DATA REQUEST NO. 003

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Regarding the DIMP requirements discussed on page 2, lines 20-21 of Mr. Henderson's testimony, please state if these activities were performed prior to the adoption of the DIMP rules. If any of these activities were not performed prior to the adoption of the DIMP rules, then please identify which activities were not performed previously.

Response:

The concept of integrity management has been in place at Puget Sound Energy, Inc. ("PSE") for many years. Some of the early risk management methodologies comparable to the Distribution Integrity Management Program ("DIMP") are demonstrated in the Cast Iron Replacement and Bare Steel Replacement Programs. These programs began formally in 1992 and 2005, respectively, and are described in more detail in PSE's Response to Public Counsel Data Request No. 004. While the final DIMP rule was issued by the Pipeline and Hazardous Material Safety Administration ("PHMSA") on December 4, 2009, the rule was in development for many years.

Early discussions began in 2004 when the Department of Transportation's ("DOT") Inspector General ("IG") testified before Congress on distribution pipeline safety. This testimony recommended that the Office of Pipeline Safety ("OPS") develop an integrity management regulation. Following further discussion with industry and interested stakeholders, PHMSA drafted a proposed DIMP rule in 2006, issued a notice of proposed rulemaking in June of 2008, and a final rule in December of 2009.

While many integrity management practices have been in place at PSE for years, PSE's approach has continued to evolve as it has prepared for and implemented a more formal distribution integrity management program as required by the DIMP final rule. This evolution will continue to occur as PSE obtains additional system knowledge, develops new analytical tools and data models, and gains insight through ongoing industry and regulatory discussion regarding the implementation of the rule.