



PUGET SOUND ENERGY

The Energy To Do Great Things

May 1, 2008

City Attorney's Office
City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012

Attn: Cheryl A Zakrzewski, Assistant City Attorney

**RE: Wrapped Steel Services Assessment Program Annual Status Report for Bellevue
(Docket PG-041624)**

Dear Ms. Zakrzewski,

Pursuant to Docket PG-041624 (Wrapped Steel Services Assessment Program Second Settlement Agreement (WSSAP)), Puget Sound Energy (PSE) is providing an Annual Status Report for the WSSAP Program for services within the City of Bellevue. This status report includes information on WSSAP Service Mitigation as of December 31, 2007 and the Leak Status Report for 2007.

The following is a brief summary of each of the attachments.

WSSAP Service Mitigation as of December 31, 2007:

This table shows the number of services mitigated through the WSSAP Program in 2007 in the city of Bellevue by mitigation category as well as the number of services mitigated through other activities such as main replacement, system upgrades, service retirement, additional records review, and other maintenance activities.

As indicated in this table, the target for 2007 was to mitigate 24 priority services. PSE was successful in mitigating all 24 of the priority services in 2007. This table also shows that the total number of WSSAP services in the city of Bellevue has decreased from 7,507 to 7,413.

Leak Status Report for 2007:

The leak status report for 2007 reflects that the services with the lowest priority for mitigation have the lowest percent of services with leaks discovered when leaks that were due to third party damage are excluded. It also shows that the number of leaks discovered on services in the standard mitigation category is 0.28% and 0.20% when leaks that were due to third party damage are excluded. Both of these are significantly below the historic rate of 0.46%.

If you have any additional questions on any of this information or future plans, please feel free to contact me at (425) 462-3974.

Sincerely,

Duane A. Henderson, P.E.
Director, Operations Services

cc: Mike Hobbs
Erik Markell
Bert Valdman
Karl Karzmar
Dave Lykken, WUTC

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WSSAP Mitigation as of December 31, 2007

Mitigation Category	2006 Model Results	2007 Target	Mitigated Through WSSAP	Other Mitigation	Total Mitigation	Pending Mitigation/ Remaining in Category
Priority	24	24	18	6	24	0
Scheduled Replacement	151	NA	3	17	20	131
Increased Leak Survey	898	NA	1	15	16	882
Standard Mitigation	6,434	NA	0	34	34	6,400
Subtotal	7,507	24	22	72	94	7,413

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Leak Status Report for 2007 –

Mitigation Category	# Active Leaks	# Repaired Leaks by Cause	# Leaks Discovered in 2007	% of services with leak discovered
Priority	0	0	0	0%
Scheduled replacement	1	1 – Material defect	2	1.32%
Increased Leak Survey	1	1 – Corrosion	2	0.22%
Standard Mitigation	5	2 – Corrosion 5 – Excavation 6 – Other 13 – Total	18	0.28%*

* The percent of leaks discovered in the standard mitigation category without leaks that were due to excavation damage is 0.20%.