



Rec. ctr.

COPY

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PG-060215

August 16, 2006

David A. Nelson, President  
Pilchuck Contractors, Inc.  
6725 116 Ave NE, Suite 200  
Kirkland, WA 98033

Sue McLain, Senior Vice President  
Puget Sound Energy, Inc.  
P.O. Box 90868  
Bellevue, WA 98009-0868

Dear Mr. Nelson and Ms. McLain:

**Subject: Need to Review and Improve Record Keeping Process**

As you are probably aware, the Pipeline Safety Section the Washington Utilities and Transportation Commission (UTC) has been examining the record keeping practices of Pilchuck Contractors (Pilchuck). In particular, we have been reviewing gas leak investigation procedures and evaluation records performed by Pilchuck for Puget Sound Energy (PSE).

**Records have been altered**

While our examination is ongoing, we already have found many pipeline leak work order records prepared by Pilchuck which were altered from the original version of the document. Two examples of these record alterations are:

1. Work order 2 for Project ID. N0015879. The original of this document bore an "Arrived" date of August 27, 2004, but the recorded copy of this document has a date of August 25, 2004. The "Complete on or before date" listed on these documents was August 25. We believe the August 27, 2004 date was the correct date, and the document was altered to change the date to the August 25.
2. Work order 2 for Project ID. N0010784. The original of this document bore an "Arrived" date of June 23, 2003, but the recorded copy of this document has a date of June 20, 2003. The "Complete on or before date" was June 20. We believe the June 23 date was the correct date, and the document was altered to change the date to the June 20.

RMS  
18

David A. Nelson and Sue McLain  
Docket PG-060215  
August 16, 2006  
Page 2

We have discovered many more examples of similar document alterations and our review is not complete.

Our purpose here is to remind you that it is imperative that pipeline safety records be maintained accurately. *See 49 C.F.R. §192.603(b) and WAC 480-93-187.* At a minimum, we are concerned that Pilchuck has not been maintaining accurate records. We are also concerned that PSE may not be taking adequate steps to assure that Pilchuck is in fact maintaining accurate records.

**Review and response needed**

Consequently, we ask Pilchuck to promptly review its record keeping conduct as it relates to documents that are altered from their original version, and to advise us of the specific steps Pilchuck is taking or intends to take to:

- Assure that no pipeline safety record is altered in any way that makes the document inaccurate.
- Assure that if any alteration is made, the person making the change initials all changes and writes a note explaining why each alteration was made.
- Assure that Pilchuck pipeline safety records contain accurate information.

We ask PSE to promptly review the steps it is taking or intends to take to assure that Pilchuck has maintained accurate pipeline safety records for PSE pipelines. Please provide your responses by September 18, 2006.

**What happens after you respond to this letter?**

We have not made any recommendation at this time to the commission regarding this investigation and we will not make a recommendation until our investigation is complete. However, at this time, we need adequate assurances from you that accurate pipeline records are (or soon will be) contained in Pilchuck files for PSE pipelines.

Sincerely,



Alan E. Rathbun  
Pipeline Safety Director

cc: Duane Henderson, PSE