



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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Ref. No. Docket PG-100022

CERTIFIED MAIL

September 20, 2010

Bert A. Valdman
Executive VP and Chief Operating Officer
Puget Sound Energy
PO Box 90868 M/S EST-07W
Bellevue, WA 98009-0868

Dear Mr. Valdman:

RE: 2010 Natural Gas Standard Inspection – Snohomish County

We conducted a natural gas inspection from August 16 to August 25, 2010, of Puget Sound Energy (PSE), Snohomish facilities. The inspection included a records review and inspection of the pipeline facilities.

No apparent violations were noted as a result of the inspection. Staff did note two areas of concern (AOC), which unless corrected, could lead to future violations of state or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing to our areas of concern by October 22, 2010.

Staff would like to thank PSE's personnel for their professionalism and cooperation during this inspection. If you have any questions, please contact Joe Subsits, at (360) 664-1322. Please refer to docket number PG-100022 in any future correspondence regarding this inspection.

Sincerely,

David D. Lykken
Pipeline Safety Director

- cc. Sue McLain, Senior Vice President, PSE
Michael G. Hobbs, Director, Compliance & Safety, PSE
Duane Henderson, Manager, Gas System Integrity, PSE
Helge Ferchert, Manager, Gas Compliance & Regulatory Audit, PSE



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2010 Natural Gas Pipeline Safety Inspection
Puget Sound Energy – Snohomish County
Docket PG-100022

The following areas of concern of WAC 480-93 and Title 49 CFR Part 192 were noted as a result of the inspection of Puget Sound Energy – Snohomish County. The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

AREAS OF CONCERN

1. WAC 480-93-018 Records.

- 4) *Each gas pipeline company must record and maintain records of the actual value of any required reads, tests, surveys or inspections performed. The records must include the name of the person who performed the work and the date the work was performed. The records must also contain information sufficient to determine the location and facilities involved. Examples of the values to be recorded include, but are not limited to, pipe to soil potential reads, rectifier reads, pressure test levels, and combustible gas indicator reads. A gas pipeline company may not record a range of values unless the measuring device being used provides only a range of values.*

Finding(s):

Pressure control equipment set points should be clearly identified, to all pressure control personnel, indicating what each pressure regulating component should be set at. Using previous values as an indicator of what the equipment should be set at is not acceptable. The use of previous values could, over a period of time, could cause the regulator set points to drift and create a potential unsafe condition.

2. 49 CFR §192.463 External Corrosion Control: Cathodic protection.

- a) *Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.*

Finding(s):

The cathodic protection levels tested at the below locations on August 25, 2010 appeared below the -850 mV criteria contained in Title 49, CFR Part 192 Appendix D. Compliance with the corrosion control requirements is in question and the operator should provide documentation showing how these sections will comply with the Appendix D requirements or what steps will be taken to remediate the pipeline systems or services that are below the minimum cathodic protection thresholds.

Location	Cathodic Protection System	Pipe-to-Soil Reading
330 Madison St, Monroe, WA	Isolated Service	-622 mV
12125 Robin Hood Ln, (Near Monroe, WA)	Impressed Current	-600 mV
16 55st SE (South of Alderwood Manor Rectifier)	Impressed Current	-836 mV