



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-110042

CERTIFIED MAIL

December 30, 2011

Sue McLain
Senior Vice President Operations
Puget Sound Energy
PO Box 90868 M/S PSE-12N
Bellevue, WA 98009-0868

Dear Ms. McLain:

RE: 2011 Standard Natural Gas Inspection – Thurston/Lewis County

We conducted a standard inspection from November 8 – December 2, 2011 of Puget Sound Energy's (PSE) Thurston and Lewis County distribution systems. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates two probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by February 3, 2012. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

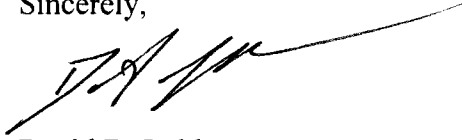
- Issue an administrative penalty under RCW 81.88.040, or
- Institute a complaint, seeking monetary penalties, changes in the company's, practices, or other relief authorized by law, and justified by the circumstances, or
- Consider the matter resolved without further commission action.



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If you have any questions, or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141. Please refer to Docket PG-110042 in any future correspondence regarding this inspection.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lykken', with a long horizontal flourish extending to the right.

David D. Lykken
Pipeline Safety Director

cc. Carol Wallace, Director, Gas Operations
Cathy Koch, Director, Compliance
Duane A. Henderson, Manager, Gas System Integrity
Cheryl McGrath, Manager, Gas Compliance and Regulatory Audits

Enclosure

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2011 Intrastate Standard Natural Gas Inspection Report
Puget Sound Energy – Thurston/Lewis Distribution System
Docket No. PG-110042

Probable Violations

The following probable violations of WAC 480-93 were noted as a result of the inspection of PSE’s natural gas distribution system in Thurston and Lewis Counties. The inspection included a random selection of records, operation and maintenance (O&M), emergency response and field inspection of the pipeline facilities.

1. **WAC 480-93-110 Corrosion control.**

(5) *Each gas pipeline company must conduct inspections or tests for electrical isolation between metallic pipeline casings and metallic pipelines at least once annually, but not to exceed fifteen months between inspections or tests. The test or inspection must also determine whether the pipeline has adequate levels of cathodic protection at the casing to pipeline interface. These requirements do not apply to unprotected copper inserted in ferrous pipe.*

(b) *Whenever electrical isolation tests or inspections indicate that a possible shorted condition exists between a casing and a pipeline, the gas pipeline company must conduct a follow-up test within ninety days to determine whether an actual short exists. The gas pipeline company's procedures manual must have a level or threshold that would indicate a potential shorted condition and must also detail the method of determining whether the casing is actually shorted to the pipeline.*

Finding(s):

No follow-up testing performed within 90 days of identifying a possible shorted casing. This facility has been below the 100mV isolation criteria identified in 2600.1500 Section 5.3 of PSE’s Gas Operating Standard for several years. This site does not meet the minimum isolation criteria specified in the manual. The operator was asked if prior to 2008 if there was a similar condition at this location. Upon further review, the casing in question had similar low readings in 2007 and 2006. 2006 is as far back as the records are maintained.

CAPITOL WAY & LEGION WAY	Olympia		G1	9/25/2008	04/23/2008	ISO PSP ON	1,033.00
CAPITOL WAY & LEGION WAY	Olympia		G1	9/25/2008	04/23/2008	Iso mV delta on	6.00
CAPITOL WAY & LEGION WAY	Olympia		G1	9/25/2008	04/23/2008	PSP ON	1,039.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/23/2009	04/06/2009	ISO PSP ON	1,077.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/23/2009	04/06/2009	Iso mV delta on	5.00

CAPITOL WAY & LEGION WAY	Olympia		G1	7/23/2009	04/06/2009	PSP ON	1,072.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/6/2010	04/13/2010	ISO PSP ON	1,067.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/6/2010	04/13/2010	Iso mV delta on	6.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/6/2010	04/13/2010	PSP ON	1,061.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/13/2011	04/18/2011	ISO MV DELTA ON (NEG)	-2.00
CAPITOL WAY & LEGION WAY	Olympia		G1	7/13/2011	04/18/2011	ISO PSP ON (NEG)	-1,186.00

2. **WAC 480-93-110 Corrosion control.**

(5) *Each gas pipeline company must conduct inspections or tests for electrical isolation between metallic pipeline casings and metallic pipelines at least once annually, but not to exceed fifteen months between inspections or tests. The test or inspection must also determine whether the pipeline has adequate levels of cathodic protection at the casing to pipeline interface. These requirements do not apply to unprotected copper inserted in ferrous pipe.*

(d) *Whenever a short exists between a line pipe and casing, the gas pipeline company must perform a leak survey within ninety days of discovery and at least twice annually thereafter, but not to exceed seven and one-half months between leak surveys until the shorted condition is eliminated.*

Finding(s):

No leak survey was performed within 90 days of the shorted casing identified in the preceding table being discovered. Additionally, the leak survey was not performed twice annually thereafter, not to exceed seven and one-half months between leak surveys, until the shorted condition is eliminated. There is no record that it was leak surveyed other than what is required under the standard leak survey program for business districts.