



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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Ref. No. Docket PG-110046

CERTIFIED MAIL

January 6, 2012

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

Dear Ms. McLain:

Re: 2011 Standard Inspection of Gig Harbor LNG Satellite Plant

We conducted a natural gas inspection from October 24 to 27, 2011 of Puget Sound Energy (PSE), Gig Harbor LNG Satellite Plant. The inspection included a records review and inspection of the LNG facilities.

One area of concern was noted as a result of this inspection which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by February 8, 2012. The response should include how and when you plan to bring the area of concern into full compliance.

If you have any questions, or if we may be of any assistance, please contact Lex Vinsel, at (360) 664-1319. Please refer to Docket PG-110046 in any future correspondence regarding this inspection.

Sincerely,

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



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2011 Standard Inspection Report
Puget Sound Energy- Gig Harbor LNG Satellite Plant
Docket No. PG-110046

The following area of concern of Title 49 CFR Part 193 was noted as a result of the inspection of the Puget Sound Energy – Gig Harbor LNG. The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

Area of Concern

1. **49 CFR §193.2605 Maintenance Procedure**

(b) *Each operator shall follow one or more manuals of written procedures for the maintenance of each component... 49 CFR §193.2917 requires warning signs.*

49 CFR §193.2917 Warning Signs

(a) *Warning signs must be conspicuously placed along each protective enclosure at intervals so that at least one sign is recognizable at night from distance of 30m (100 ft.) from any way that could reasonably be used to approach the enclosure.*

(b) *Signs must be marked with at least the following on a background of sharply contrasting color:*

The words "NO TRESPASSING," or words of comparable meaning.

Finding(s):

Warning sign procedures were not provided that covered the requirements of §193.2917(a) and (b) as required.