

September 11, 2009

Mr. Dave Danner, Executive Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Attn: Anne F. Soiza, Pipeline Safety Director

**RE: Wrapped Steel Service Assessment Program 2009 Risk Model Results  
(Dockets PG-041624)**

Dear Ms. Soiza,

Attached are the results of the 2009 risk model run for PSE's Wrapped Steel Service Assessment Program (WSSAP). This information is provided in accordance with the requirements of the settlement agreement contained in docket PG-041624. Provided below is a brief discussion of some of the major drivers to the changes in the number of services reported.

Overall we have seen a decrease of more than 3,000 services of this vintage and type (pre-1972 wrapped and cathodically protected steel) since the model was run in 2008. This decrease has been achieved both by replacement, either directly as a result of the WSSAP effort or other activities (such as our bare steel replacement effort), as well as through more detailed review of available records.

#### **Priority Replacement**

A total of 79 services have been identified for priority replacement and will be included in the 2010 replacement effort. Of these services, 15 remain from this year's priority category and are scheduled to be replaced by the end of this year. Due to the overlap in construction year and the running of the next year's risk model, we expect to see situations like this occur. The remaining priority replacement services are mostly the result of active leakage discovered in 2009. Two of these services are the result of leaks that were repaired and 4 are the result of quality control activities which identified services not previously part of the risk model.

#### **Scheduled Replacement**

There are approximately 2,600 fewer services in this category than in the 2008 model run. Most of this reduction is the result of replacement of these services through the

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WSSAP program. Some reduction is also the result of replacement through the Bare Steel Replacement Program, replacement through normal construction and maintenance activities, as well as services moving to different risk categories as the data in the model is updated. In addition, almost 100 new services were added to this category as a result of quality control activities which identified services not previously part of the risk model.

**Increased Leak Survey**

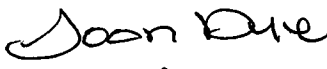
This category has seen a slight decrease in the number services, due to the method used to define this category (top 25% of the remaining services).

**Electrical Surveys**

PSE continues to make progress in completing the electrical surveys of 1,000 services by December 2010 and plans to complete the majority of the surveys in 2009. We are in the process of preparing a report for Staff on these surveys. We will continue to notify Staff when any confirming excavations are being performed. To date, we have seen a high degree of correlation between the electrical survey indications and the direct examination findings.

PSE appreciates the opportunity to continue to work with Staff on this program. Should you have any additional questions, please call me at (425) 462-3974.

Sincerely,



for

Helge Ferchert  
Manager, Gas Compliance and Regulatory Audits

- cc: Eric Markell
- Karl Karzmar
- Duane Henderson
- Mike Hobbs
- Bert Valdman

## 2009 WSSAP Model Results

<b>Mitigation Category</b>	<b>2006 Model Results</b>	<b>2007 Model Results</b>	<b>2008 Model Results</b>	<b>2009 Model Results</b>
Priority	516	216	212	79
Scheduled Replacement	8,470	8,092	4,682	2,077
Increased Leak Survey	23,100	23,258	22,913	22,760
Standard Mitigation	69,281	69,742	68,660	68,280
Subtotal	101,367	101,308	96,467	93,196