



The Energy To Do Great Things  
March 17, 2010

Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Attn: Dave Lykken, Pipeline Safety Director

RE: Wrapped Steel Services Assessment Program Annual Status Report (Docket PG-041624)

Dear Mr. Lykken,

Pursuant to Docket PG-041624 (Wrapped Steel Services Assessment Program Second Settlement Agreement (WSSAP)), Puget Sound Energy (PSE) is providing an Annual Status Report for the WSSAP Program. This status report includes information on WSSAP Service Mitigation as of December 31, 2009, WSSAP Service Mitigation Plan for 2010, Leak Status Report for 2009, and the Electrical Survey Schedule.

The following is a brief summary of each of the attachments.

**WSSAP Mitigation as of December 31, 2009:**

This table shows the number of services mitigated through the WSSAP Program through 2009 by mitigation category as well as the number of services mitigated through other activities such as bare steel main replacement, main relocates due to public improvement activities, service retirement, and additional records review.

As indicated in this table, the target for 2009 was to mitigate all 212 of the priority services from the 2008 model run and 2,200 of the scheduled replacement services. PSE was able to mitigate all but one of the priority services and 2,976 of the scheduled replacement services. The one remaining priority service was not able to be mitigated in 2009 due to customer issues which were resolved and the service mitigated on February 15, 2010.

**WSSAP Mitigation Plan for 2010:**

This table shows the number of services PSE is targeting to mitigate through WSSAP in 2010 relative to the 2009 model results. As indicated in this table, all the remaining priority services and scheduled replacement services are planned to be mitigated through a combination of WSSAP and other activities.

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**Leak Status Report for 2009:**

The leak status report for 2009 reflects that the services with the lowest priority for mitigation have the lowest percent of services with leaks discovered. It also shows that the number of leaks discovered on services in the standard mitigation category is 0.10% which is significantly below the historic rate of 0.46%.

**Electrical Survey Schedule:**

The table below shows PSE's plan for performing 1,000 electrical surveys of services in the increased leak survey and standard mitigation categories by the end of 2010. PSE has been communicating with Staff our schedule for performing electrical surveys and subsequent direct examinations. As seen in the table below, PSE has completed the majority of the electrical surveys. PSE will continue to keep Staff informed of the schedule for performing the remaining electrical surveys as well as any direct examinations performed as a result of these surveys.

**Electrical Survey Schedule**

Year	Target # of Electrical Surveys	Actual
2007	200	200
2008	250	227
2009	275	525
2010	50*	

\* The target for 2010 has been revised as a result of the additional electrical survey performed in 2009.

In accordance with the settlement agreement, PSE will be contacting Staff to discuss future plans for this program. If Staff has any additional questions on any of this information or future plans, please feel free to contact me at 425-462-3967

Sincerely,

Helge Ferchert  
Manager, Gas Compliance and Regulatory Audits

- Cc: Mike Hobbs
- Erik Markell
- Bert Valdman
- Karl Karzmar
- Duane Henderson
- Dave Lykken, WUTC



**WSSAP Mitigation as of December 31, 2009**

<b>Mitigation Category</b>	<b>2008 Model Results</b>	<b>2009 Target Mitigation</b>	<b>Mitigated Through WSSAP</b>	<b>Other Mitigation</b>	<b>Total Mitigation</b>	<b>2009 Target Mitigation Not Completed</b>
Priority	212	212	135	76	211	1*
Scheduled Replacement	4,682	2,200	1,521	1,455	2,976	-
Increased Leak Survey	22,913	NA	59	344	403	-
Standard Mitigation	68,660	NA	69	362	431	-
<b>Subtotal</b>	<b>96,467</b>	<b>2,412</b>	<b>1,784</b>	<b>2,237</b>	<b>4,021</b>	<b>-</b>

\* By the end of 2009, all but 1 of the priority services had been mitigated. That service was mitigated on February 15, 2010.

## WSSAP Mitigation Plan for 2010

<b>Mitigation Category</b>	<b>2009 Model Results</b>	<b>Remaining as of January 1, 2010</b>	<b>2010 Target</b>
Priority	79	31	31
Scheduled Replacement	2,077	920	920
Increased Leak Survey	22,760	NA	NA
Standard Mitigation	68,280	NA	NA
Subtotal	93,196	951	951



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## Leak Status Report for 2009 –

Mitigation Category	# Active Leaks	# Repaired Leaks by Cause	# Leaks Discovered in 2009	% of services with leak discovered
Priority	3	3 – Other 3– Total	6	2.83%
Scheduled replacement	5	1 – Corrosion 2 - Construction/material defect 2 – Excavation 12 – Other 17– Total	22	0.47%
Increased Leak Survey	7	5 – Corrosion 1 - Construction/material defect 4 – Excavation 28 – Other 38 – Total	45	0.20%
Standard Mitigation	7	14 – Corrosion 6 - Construction/material defect 14 – Excavation 25 – Other 59 – Total	66	0.10%