

September 10, 2010

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

Attn: Mr. Lykken, Pipeline Safety Director

**RE: Wrapped Steel Service Assessment Program 2010 Risk Model Results  
(Dockets PG-041624)**

Dear Mr. Dave Lykken,

Attached are the results of the 2010 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 2,400 services of this vintage and type (pre-1972 wrapped and cathodically protected steel) since the model was run in 2009. This decrease has been achieved both by replacement, either directly 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 91 services have been identified for priority replacement and will be included in the 2011 replacement effort. These priority replacement services are mostly the result of either active leakage discovered in 2010 or new reports of disbonded coating. One of these services is the result of a leak that was repaired.

**Scheduled Replacement**

There are approximately 1,700 fewer services in this category than in the 2009 model run. Most of this reduction is the result of replacement of these services through the 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.

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**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 has completed more than 1,000 electrical surveys of WSSAP services from the Increased Leak Survey and Standard Mitigation categories. PSE has been analyzing the results of these surveys as well as the results of the subsequent direct examinations. PSE will contact Staff to schedule a meeting to review the results of this analysis and discuss how to incorporate these findings into the WSSAP program.

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,

Helge Ferchert

Manger, Gas Compliance and Regulatory Audits

cc: Eric Markell  
Tom DeBoer  
Duane Henderson  
Mike Hobbs  
Bert Valdman  
Sue McLain

### 2010 WSSAP Model Results

Mitigation Category	2006 Model Results	2007 Model Results	2008 Model Results	2009 Model Results	2010 Model Results
Priority	516	216	212	79	91
Scheduled Replacement	8,470	8,092	4,682	2,077	303
Increased Leak Survey	23,100	23,258	22,913	22,760	22,731
Standard Mitigation	69,281	69,742	68,660	68,280	67,658
Subtotal	101,367	101,308	96,467	93,196	90,783