

Woodard, Marina (UTC)

From: Hong, Darryl F <darryl.hong@pse.com>
Sent: Friday, March 30, 2012 3:53 PM
To: Woodard, Marina (UTC); Lykken, David (UTC)
Cc: McGrath, Cheryl; Gas Compliance -- mail --; Henderson, Duane A; Koch, Cathy; Secrist, Steve; Gilbertson, Booga K.; McLain, Sue; DeBoer, Tom
Subject: Wrapped Steel Services Assessment Program Second Settlement Agreement
Attachments: WUTC.pdf

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, 2011, WSSAP Service Mitigation Plan for 2012, and the Leak Status Report for 2011

If you have any questions please give me a call.

Thanks,

Darryl Hong
Compliance Program Coordinator
Gas Compliance & Regulatory Audits
425.462.3911 tel
425.462.3770 fax
425.766.3388 cell
355 110th Avenue NE EST-07W
Bellevue, Wa 98004

RECEIVED

MAR 30 2012

State of Washington
UTC
Pipeline Safety Program



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

RECEIVED

MAR 30 2012

State of Washington
UTC
Pipeline Safety Program

March 30, 2012

David Lykken, Pipeline Safety Director
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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, 2011, WSSAP Service Mitigation Plan for 2012, and the Leak Status Report for 2011.

The following is a brief summary of the tables included with this letter.

WSSAP Mitigation as of December 31, 2011:

This table shows the number of services mitigated through the WSSAP Program through 2011 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, PSE mitigated all but three of the 77 of the priority services and all but one of the 83 scheduled replacement services from the 2010 model run by December 31, 2011. Currently, only one priority service and one scheduled replacement service are pending mitigation. The priority service is due to customer issues and will be replaced as soon as these issues are resolved. The scheduled replacement service that is pending mitigation is scheduled to be replaced in conjunction with a bare steel main replacement that is scheduled for the summer of 2012.

WSSAP Mitigation Plan for 2012:

This table shows the number of services PSE is targeting to mitigate through WSSAP in 2012 relative to the 2011 model results.

As indicated in this table, all the priority services and scheduled replacement services remaining as of January 1, 2012 are planned to be mitigated in 2012 through a combination of WSSAP and other activities.



PUGET SOUND ENERGY

Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

Leak Status Report for 2011:

The leak status report for 2011 shows the active leaks as well as the repaired leaks by cause for each mitigation category. It also shows that the number of leaks discovered on services in each of the mitigation categories has declined since the program began in 2007.

PSE met with Staff in December of 2010 to review the future of the WSSAP program. Staff indicated support for PSE's plan to continue running the model annually and replacing services that migrate into the priority and scheduled replacement categories. PSE and Staff also discussed the concept of migrating WSSAP into Distribution Integrity Management Program (DIMP) and agreed to pursue this approach as DIMP is implemented.

Subsequently, PSE has implemented DIMP for its gas distribution system. As part of this program, PSE will continue to run the WSSAP model annually and replace services that migrate into the priority and schedule replacement categories.

PSE appreciates the opportunity to continue working with Staff on the wrapped steel services assessment and mitigation program. Should you have any questions or require further information, please do not hesitate to contact me at (425) 462-3207.

Sincerely,

Cheryl McGrath
Manager, Gas Compliance and Regulatory Audits

Cc: Sue McLain
Booga Gilbertson
Steve Secrist
Cathy Koch
Tom Deboer
Duane Henderson

WSSAP Mitigation as of December 31, 2011

Mitigation Category	2010 Model Results	Remaining as of January 1, 2011	Mitigated Through WSSAP	Other Mitigation	Total Mitigation	2011 Target Mitigation Not Completed
Priority	91	77	60	14	74	3
Scheduled Replacement	303	83	14	68	82	1
Increased Leak Survey	22,731	NA	20	155	175	NA
Standard Mitigation	67,658	NA	57	133	190	NA
Subtotal	90,783	160	151	370	521	4

WSSAP Mitigation Plan for 2012

Mitigation Category	2011 Model Results	Remaining as of January 1, 2012	2012 Target
Priority	120	64	64
Scheduled Replacement	266	21	21
Increased Leak Survey	22,240	NA	NA
Standard Mitigation	66,719	NA	NA
Subtotal	89,345	85	85

Leak Status Report for 2011 –

Mitigation Category	# Active Leaks	# Repaired Leaks by Cause	# Leaks Discovered in 2011	% of services with leak discovered in 2011	% of services with leak discovered in 2010	% of services with leak discovered in 2009	% of services with leak discovered in 2008	% of services with leak discovered in 2007
Priority	0	0	0	0	0	2.83%	8.3%	0.97%
Scheduled replacement	0	0	0	0	0	0.47%	0.26%	0.53%
Increased Leak Survey	11	2 – Corrosion 1 – Excavation 1 – Equipment 5 – Material or Welds 7 – Other 16 – Total	27	0.12%	0.09%	0.2%	0.13%	0.41%
Standard Mitigation	15	2 – Corrosion 2 – Excavation 3 – Equipment 5 – Material or Welds 2 – Natural Force 1 – Operation 3 – Other 18 – Total	33	0.05%	0.07%	0.10%	0.07%	0.19%