



Puget Sound Energy, Inc.  
P.O. Box 90868  
Bellevue, WA 98009-0868

copy Don T  
Kim W  
Kuang C.  
Alan  
Al Jones  
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October 15, 2004

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

Attn: Mr. Alan Rathbun, Pipeline Safety Director

Re: Status of Recent Bellevue House Fire

RECEIVED  
RECORDS MANAGEMENT  
04 OCT 18 PM 1:44  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Dear Mr. Rathbun:

I am writing to respond to your email from yesterday and confirm the update PSE provided you regarding the status of our efforts to investigate causes and other relevant information related to the recent tragic Bellevue house fire that resulted in the loss of Mrs. Frances Schmitz' life. We very much appreciate your willingness to speak with us on the phone about the investigation. While not completely wrapped up, PSE has believed the findings to be important enough that we wanted to advise you of the status to date as we continue with the final phases of our investigation.

With regard to your email from yesterday, your summary of the facts is essentially correct. As of now, PSE believes that less than 500 homes were connected to the cross-wired rectifier. While the rectifier provides corrosion control for approximately 2600 customers, PSE was performing maintenance and troubleshooting on the system during the summer months and this necessitated disbonding approximately 2100 customers from the rectifier. We also have a good read from June 30, 2004 within the area ultimately connected to the rectifier while it was cross-wired. From this information, we conclude that the rectifier was cross-wired after June 30, 2004. Additionally, we have not seen any link between the cross-wired rectifier and either a) the regular maintenance and troubleshooting in the area during the summer of 2004, or b) the integrity test in May, 2004 related to the sound wall that was erected over the HP main in Issaquah.

Through Jim Hutchinson, PSE will also advise the Cities of Renton, Newcastle, and Issaquah that PSE has found no information indicating that the rectifier was connected to any portion of our distribution system within their city limits during the potential time it was cross-wired.

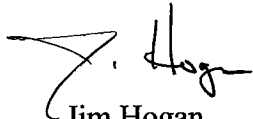
Also, I wanted to let you know that we are proceeding with our efforts to undertake metallurgical testing through CC Technologies, Inc. Although we have been ready to proceed with the tests and have received comments from corrosion experts representing the City of Bellevue and the Schmitz family, we also understand that you are proceeding

with your efforts to have an expert on behalf of the WUTC participate in this important step. While we certainly understand and respect the process, if there is anything we can do to help your efforts, please advise.

Finally, we want to let you know that we will keep you apprised as we plan our next steps regarding our distribution system in the Spiritridge area (where the portion of the steel main and distribution system was connected to the cross-wired rectifier for a short period of time). We continue to maintain our focus on the safety of our distribution system. With your support, we also want to take reasonable steps to preserve and/or enhance the peace of mind of our customers in the Vasa Park area and eliminate any lingering ongoing questions regarding the impact of the cross-wired rectifier.

Thank you for your assistance to date. This is obviously a tragic situation and PSE is working as hard as we can to investigate, report, and take the type of appropriate action that we have outlined in this letter. While we continue to do all that we can, your support and assistance is an essential and much appreciated element. To that end, we continue to remain ready to meet with you, share information, answer data requests, and otherwise assist your investigation. We recognize the constraints you face, but want to make sure we are doing all we can to cooperate.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hogan". The signature is stylized with a large initial "J" and a long horizontal stroke.

Jim Hogan  
Manager, Standards & Compliance

cc: Sue McLain  
Jennifer O'Connor  
Steve Secrist