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Pipeline Safety Program

March 31st, 2016

Washington Utilities & Transportation Commission
Pipeline Safety Section
1300 S. Evergreen Park Drive S.W.
PO Box 47250
Olympia, WA 98504-7250

Attn: Alan Rathbun, Pipeline Safety Director

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

Dear Mr. Rathbun

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, 2015, WSSAP Service Mitigation Plan for 2016, and the Leak Status Report for 2015.

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

WSSAP Mitigation as of December 31, 2015:

This table shows the number of services mitigated through the WSSAP Program through 2015 by mitigation category as well as the number of services mitigated through other activities such as main replacement, system upgrades, main relocates due to public improvement activities, service retirements, additional records review, and other maintenance activities. As indicated in this table, PSE mitigated all but one Priority Replacement service and 28 Scheduled Replacement services by December 31, 2015. Due to customer coordination issues the one remaining Priority Replacement service is planned to be replaced in Summer 2016 and all the remaining Scheduled Replacement services are planned to be mitigated by December 31, 2016. Additional services were also mitigated in the Increased Leak Survey and Standard Mitigation categories through quality control activities utilizing GIS tools.

WSSAP Mitigation Plan for 2016:

This table shows the number of Priority and Scheduled Replacement services from the 2015 model run remaining to be mitigated as of January 1, 2016. PSE is targeting to mitigate all Priority Replacement services and Scheduled Replacement services in 2016.

Leak Status Report for 2015:

The leak status report for 2015 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



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mitigation categories since the program began in 2007. In 2015, there were no services with an active leak or a leak repaired in the Priority Replacement category. There was one service with a repaired leak in the Scheduled Replacement category. The percent of leaks discovered in the Increased Leak Survey and Standard Mitigation categories have remained at about the same percentage as the previous 5 years and significantly less than the first 3 years of the program.

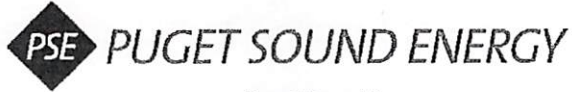
The WSSAP program is included in PSE's Distribution Integrity Management Program (DIMP) as well as PSE's Pipeline Replacement Program Plan (PRP Plan). In accordance with the WSSAP program, PSE will replace Priority and Scheduled Replacement services identified by the annual model run. As indicated in the PRP Plan, PSE will also replace WSSAP vintage services with an elevated risk based on continual improvement of risk knowledge.

If you have any questions regarding this report, please contact me at 425-462-3207.

Sincerely,

A handwritten signature in black ink that reads "Cheryl A. McGrath". The signature is written in a cursive style.

Cheryl McGrath
Manager of Compliance Programs



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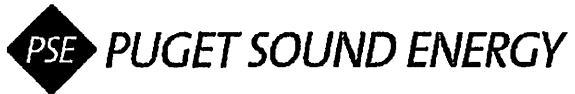
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WSSAP Mitigation as of December 31, 2015

Mitigation Category	2014 Model Results	Remaining as of January 1, 2015	Mitigated Through WSSAP	Other Mitigation	Total Mitigation	Remaining in Category	Pending Mitigation
Priority Replacement	24	11	5	5	10	1	1*
Scheduled Replacement	390	98	69	1	70	28	28
Increased Leak Survey	21959	NA	0	2309	2309	19650	NA
Standard Mitigation	66334	NA	0	352	352	65982	NA
Subtotal	88707	NA	74	2667	2741	85661	29

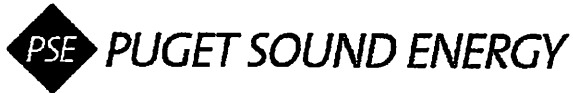
* Due to customer coordination issues, the one remaining Priority Replacement service will be mitigated in Summer 2016.



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WSSAP Mitigation Plan for 2016

Mitigation Category	2015 Model Results	Remaining as of January 1, 2016	2016 Target
Priority Replacement	12	7	7
Scheduled Replacement	175	82	82
Increased Leak Survey	21414	NA	NA
Standard Mitigation	64802	NA	NA
Subtotal	86403	N/A	89



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Leak Status Report for 2015

Mitigation Category	# Active Leaks in 2015	# Repaired Leaks in 2015 by Cause	# Leaks Discovered in 2015	% of Services with Leaks Discovered								
				2015	2014	2013	2012	2011	2010	2009	2008	2007
Priority Replacement	0	0	0	0	0	1.41%	0	0	0	2.83%	8.3%	0.97%
Scheduled Replacement	0	1 – Excavation	1	0.25%	0	0.47%	0	0	0	0.47%	0.26%	0.53%
Increased Leak Survey	5	7 – Excavation 6 – Corrosion 3 – Material or Welds 4 – Equipment 1 – Outside Force Damage 4 – Non Exposed Pipe 25 – Total	18	0.08%	0.12%	0.12%	0.07%	0.12%	0.09%	0.2%	0.13%	0.41%
Standard Mitigation	11	2 – Outside Force Damage 9 – Corrosion 23 – Excavation 7 – Equipment 5 – Material or Welds 1 – Natural Force 2 – Other 6 – Non Exposed Pipe 55 – Total	44	0.05%	0.06%	0.05%	0.04%	0.05%	0.07%	0.10%	0.07%	0.19%