

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

March 30, 2017

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

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UTC
Pipeline Safety Program

Attn: Alan Rathburn, Pipeline Safety Director

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

Dear Mr. Rathburn,

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, 2016, WSSAP Service Mitigation Plan for 2017, and the Leak Status Report for 2016.

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

WSSAP Mitigation as of December 31, 2016:

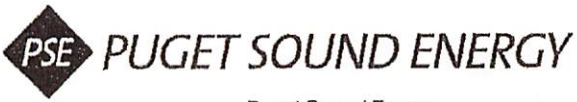
This table shows the number of services mitigated through the WSSAP Program during 2016 by mitigation category as well as the number of services mitigated through other activities such as main replacements, system upgrades, main relocates due to public improvement activities, service retirements, additional records review, and other maintenance activities. As indicated in this table, PSE mitigated all but one Priority Replacement service and four Scheduled Replacement services by December 31, 2016. The Priority Replacement service has been delayed since 2015 due to a limited construction timeframe as required by the customer's schedule and the customer having an unreported increase to their natural gas load. The replacement is anticipated to be re-designed and constructed by mid-July 2017. All remaining Scheduled Replacement services are planned to be mitigated by December 31, 2017.

WSSAP Mitigation Plan for 2017:

This table shows the number of Priority and Scheduled Replacement services from the 2016 model run remaining to be mitigated as of January 1, 2017. PSE is targeting to mitigate all Priority Replacement services and Scheduled Replacement services in 2017.

Leak Status Report for 2016:

The leak status report for 2016 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 since the program began in 2007. In 2016, there was one active leak discovered in the Priority Replacement category. There were no leaks discovered 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 in the previous 5 years.



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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 Staff has any additional questions on any of this information or future plans, please feel free to contact me at 425-462-3923.

Sincerely,

A handwritten signature in black ink that reads 'Stephanie Silva'. The signature is written in a cursive, flowing style.

Stephanie Silva
Compliance Program Manager



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WSSAP Mitigation as of December 31, 2016

Mitigation Category	2015 Model Results	Remaining as of January 1, 2016	Mitigated Through WSSAP	Other Mitigation	Total Mitigation	Remaining In Category	Pending Mitigation
Priority Replacement	12	7	6	0	6	1	1
Scheduled Replacement	175	82	56	22	78	4	4
Increased Leak Survey	21,414	N/A	0	1,101	1101	20,313	N/A
Standard Mitigation	64,802	N/A	0	429	429	64,373	N/A
Subtotal	86,403	N/A	62	1,552	1,614	84,691	5

WSSAP Mitigation Plan for 2017

Mitigation Category	2016 Model Results	Remaining as of January 1, 2017	2017 Target
Priority Replacement	24	19	19
Scheduled Replacement	124	53	53
Increased Leak Survey	21,108	N/A	N/A
Standard Mitigation	63,767	N/A	N/A
Subtotal	85,023	72	72



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Leak Status Report for 2016

Mitigation Category	# Active Leaks in 2016	# Repaired Leaks in 2016 by Cause	# Leaks Discovered in 2016	% of Services with Leaks Discovered									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Priority Replacement	0	1 - Excavation	1	8.3%	0	0	1.41%	0	0	0	2.83%	8.3%	0.97%
Scheduled Replacement	0	0	0	0	0.25%	0	0.47%	0	0	0	0.47%	0.26%	0.53%
Increased Leak Survey	2	6 - Excavation 6 - Corrosion 3 - Material or Welds 5 - Equipment 1 - Outside Force Damage 1 - Natural Force 1 - Operations 1 - Other 7 - Non-Exposed Pipe 31 - Total	16	0.07%	0.08%	0.12%	0.12%	0.07%	0.12%	0.09%	0.20%	0.13%	0.41%
Standard Mitigation	9	1 - Outside Force Damage 2 - Operations 17 - Corrosion 20 - Excavation 9 - Equipment 6 - Material or Welds 2 - Other 4 - Non-Exposed Pipe 61 - Total	48	0.08%	0.05%	0.06%	0.05%	0.04%	0.05%	0.07%	0.10%	0.07%	0.19%