

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

DOCKET PG-041624

ORDER 10

GRANTING JOINT PETITION;
APPROVING AMENDED SUBSTITUTE
SECOND SETTLEMENT AGREEMENT

BACKGROUND

- 1 The facts leading up to the Complaint filed in this proceeding are set forth in the “Background” section of the Substitute Second Settlement Agreement and are incorporated by reference into this document. Below are additional developments leading up to the filing of the Amended Substitute Second Settlement Agreement.
- 2 As part of the Substitute Second Settlement Agreement, the Parties agreed that Puget Sound Energy (PSE) would conduct risk modeling and submit various reports to the Commission and the City of Bellevue regarding PSE’s Wrapped Steel Service Assessment Program.
- 3 In December 2009, the Pipeline and Hazardous Materials Safety Administration (PHMSA) adopted regulations for Distribution Integrity Management Programs, which require risk modeling to be performed on all system assets, including wrapped steel services. These regulations also require operators of natural gas distribution systems to submit annual reports related to their integrity management activities, including leak management, to PHMSA and the Commission in accordance with 49 CFR §192.1007 and 49 CFR §191.11
- 4 PSE and the City of Bellevue entered a Memorandum of Understanding on March 31, 2021, in which PSE agreed to provide the City of Bellevue with ongoing and more detailed information regarding natural gas leaks within the city of Bellevue.
- 5 PSE and the City of Bellevue filed with the Commission on August 16, 2021, a joint petition to approve Amended Substitute Second Settlement Agreement and Attachment A to the Petition (Joint Petition).

6 Commission staff (Staff) has reviewed PSE's request and accompanying justification,
and Staff supports modifying the modeling and reporting requirements in the Substitute
Second Settlement Agreement as requested by PSE and the City of Bellevue.

DISCUSSION

7 The Commission agrees with Staff's recommendation, grants the Joint Petition, and
approves the Amended Substitute Second Settlement Agreement and the reporting
measures contained in the Memorandum of Understanding between PSE and the City of
Bellevue.

8 We agree with Staff that the modeling and reporting requirements imposed on PSE as
part of the original settlement are maintained as part of annual reporting requirements
pursuant to 49 CFR § 192.1007 and 49 CFR § 191.11.

FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the state of Washington vested by statute with
the authority to regulate the rates, rules, regulations, and practices of public
service companies, including natural gas companies.
- 10 (2) Puget Sound Energy is a natural gas company and a public service company
subject to Commission jurisdiction.
- 11 (3) Puget Sound Energy and the City of Bellevue filed a joint petition requesting
approval of the Amended Substitute Second Settlement Agreement on August 16,
2021.
- 12 (4) Pursuant to WAC 480-07-750(2), the Commission will approve a settlement if it
is lawful, supported by an appropriate record, and consistent with the public
interest in light of all the information available to the Commission.
- 13 (5) This matter came before the Commission at its regularly scheduled meeting on
September 30, 2021.
- 14 (6) After considering the Joint Petition, the Amended Substitute Second Settlement
Agreement, and giving due consideration, the Commission grants the Joint
Petition and approves the Amended Substitute Second Settlement Agreement.

ORDER

THE COMMISSION ORDERS:

- 15 (1) Puget Sound Energy and the City of Bellevue's Joint Petition is approved.
- 16 (2) The Amended Substitute Second Settlement Agreement and Memorandum of Understanding between Puget Sound Energy and the City of Bellevue are approved.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective September 30, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary