



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

February 12, 2007

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

Attn: Alan Rathbun, Pipeline Safety Director

**RE: Bare Steel Replacement Program Semi-Annual Progress Report (Dockets PG-030128 and PG-030080)**

Dear Mr. Rathbun:

Pursuant to Dockets PG-030128 and PG-030080, Puget Sound Energy (PSE) is required to submit semi-annual progress reports pertaining to the Bare Steel Replacement Program. This letter provides progress on the program through December 31, 2006.

In 2006, PSE completed program related retirements totaling 89,021 feet of bare steel. This is approximately 10 percent below the program target footage for the year. However, 2006 replacement projects that were not completed were either designed, permitted or in construction and, as of the end of January 2007, an additional 7,834 feet of the 2006 project footage was retired. The retirement of 1,251 feet of non-program footage was also completed in 2006. The attached table shows program targets and actual retired footage.

PSE is planning to retire 108,326 feet of bare steel in 2007. This includes completion of all 2006 projects. This footage will put us in-line with the cumulative target for the program by the end of 2007.

If you have any questions, please call me at 425-462-3957.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Hogan', is written over a horizontal line.

(Jim Hogan  
Manager, Standards and Compliance

Attachment

cc: Kimberly Harris  
Karl Karzmar  
Sue McLain  
Duane Henderson

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Bare Steel Replacement Program  
 Semi-Annual Status Report  
 12 Months Ending 12/31/2006

Year	Plan Year	Program Total for Plan Year		Program Total Inception to Date		Non-Program Retirements
		Planned Retirement	Actual Retirement	Planned Retirement	Actual Retirement	
2005	Year 1	46,995	48,058	46,995	48,058	Unprotected 0
2006	Year 2	99,205	89,021	146,200	137,079	1251
2007	Year 3	99,205		245,405		
2008	Year 4	99,205		344,610		
2009	Year 5	99,205		443,815		
2010	Year 6	99,205		543,020		
2011	Year 7	137,485		680,505		
2012	Year 8	137,485		817,990		
2013	Year 9	137,485		955,475		
2014	Year 10	137,485		1,092,960		