



Puget Sound Energy, Inc.
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March 13, 2007

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

Attn: Alan Rathbun, Pipeline Safety Director

RE: Isolated Facilities Semi-Annual Status Report (Docket PG-030080 and PG-030128)

Dear Mr. Rathbun,

Pursuant to Dockets PG-030080 and PG-030128 (King/Pierce County Settlement Agreement), Puget Sound Energy (PSE) is providing the semi-annual status report on the Isolated Facilities program for progress through December 31, 2006.

In 2006, PSE continued to focus on riser inspections and has completed more than half of these inspections. The attached table provides details on the progress of the riser inspections from program inception to date.

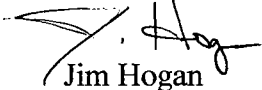
PSE also focused on developing and enhancing a database for tracking the riser inspections and the associated follow-up activities, including the maps and records review. The enhancements include the addition of an automated quality control process for the maps and records review and automating the creation of work orders for follow-up inspections. These enhancements are currently being implemented and are expected to be fully operational by the end March.

As of the end of February of 2007, PSE has increased the number of personnel working on the maps and records review to a total of 12 full-time employees (FTEs). Over the course of the next few months, an additional 5 FTE's will be added to this effort. These additional resources, combined with the automated creation of work orders, should significantly increase the number of isolated facilities that will have follow-up inspections performed and any required remediation completed during 2007.

PSE will continue to implement the EUF process by conducting field inspections of EUFs identified through the riser inspections and maps and records review. These EUF inspections, as well as the stubs and casing reviews, are planned to be implemented during the second quarter of 2007. Main reviews are planned to be implemented in the third quarter 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", with a stylized flourish extending to the left.

Jim Hogan
Manager, Standards & Compliance

Enclosure

cc: Sue McLain
Duane Henderson
Kimberly Harris
Karl Karzmar

Isolated Facilities Semi-annual Status Report for Progress through December 31, 2006

	Progress from Inception to Date	Estimated Percent Complete*
Initial Riser Inspections	403,273	55%
Maps and Records Review Completed	16,722	6%
Riser Follow-up Inspection	284	<1%
Risers Remediated	176	<1%

* Based on updated estimates included in Appendix I of the January 24, 2006 report to Staff.