

May 17, 2010

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Attn: David Lykken, Pipeline Safety Director

**RE: 2010 Natural Gas Standard Inspection – Swarr Propane-Air Plan.
Docket PG-100020**

Dear Mr. Lykken,

PSE has received and reviewed your letter dated April 16, 2010, regarding the "2010 Natural Gas Standard Inspection – Swarr Propane-Air Plant" and pursuant to your request is submitting the following written response, including actions taken to address the noted finding and concern.

PROBABLE VIOLATION

1. WAC 480-93-180 Plans and Procedures

- (1) *Each gas pipeline company must have and follow a gas pipeline plan and procedure manual for operation, maintenance, inspection and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§191.192 and chapter 480-92 WAC, and any plans or procedures used by a gas pipeline companies associated contractors.*

Finding(s):

The O&M manual did not appear to include a reference to 49 CFR §192.11 requiring that Petroleum gas systems comply with NFPA 58 and 59. PSE's manual should include a reference stating that the petroleum gas system will meet the requirements of NFPA 59

PSE response:

In accordance with WAC 480-93-180 PSE has and follows standards and procedures manuals for operation, maintenance, inspection and emergency response for its gas pipeline system. These include the plant-specific Swarr

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Propane-Air Plant Operations and Maintenance (O&M) Manual. As indicated in the Foreword of its 2009 edition, compliance with the manual is mandatory to PSE employees, service providers and contractors and to protect the safety of our communities.

As is evident from the results of this inspection and in reference to WAC 480-93-180, PSE standards and procedures manuals include plans and procedures for meeting all applicable requirements of 49 CFR§§191, 192 and chapter 480-93 WAC. The audit checklist used by the UTC Inspector (WUTC inspection guide and report), in particular section PART 192 and NFPA 59 further documents this evidence.

PSE is confident that the essence of WAC 480-93-180, which consists of meeting all applicable requirements including ones from NFPA 59, is fully reflected in the text of PSE's manuals.

Based on the aforementioned, PSE believes that it is in compliance with WAC 480-93-180 as all parts of the code are met and the code is silent on the explicit reference to 49 CFR§192.11 and thus we respectfully request that you consider removing this Probable Violation.

For ease of referencing and per your suggestion, PSE will add to the 2011 edition of the Swarr O&M manual a cross-reference to 49 CFR§192.11.

AREA OF CONCERN OR FIELD OBSERVATIONS


- 1. A review of annual corrosion survey results for the SWARR Station revealed that data was presented in the wrong columns on the corrosion survey report. Pipe-to-soil on readings and off readings were presented in the wrong columns. This error can be confusing when evaluating the monitoring results if no one is present to explain them. Annual corrosion survey results should be presented accurately so independent reviews can occur.*

PSE response:

Following the application of the 100 mV criteria, PSE adapted its recording of test results to capture the pipe-to-soil static and the pipe-to-soil polarized potential under two available SAP data fields "PSP off" and "PSP on". PSE is currently working on enhancing this representation and reconfiguring SAP field names. The scheduled completion date for this enhancement is December 31, 2010.

PSE trusts that the information provided fully responds to and satisfies your request. PSE respects the commission's responsibilities in auditing and enforcing pipeline safety regulations and we continue our efforts to construct, operate and maintain a safe gas pipeline system that meets high standards of excellence. If I can offer any further clarification, please feel free to contact me at 425-462-3967.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Ferchert', with a stylized flourish at the end.

Helge Ferchert
Manager, Gas Compliance and Regulatory Audits

Attachment

cc: Michael Hobbs
Duane Henderson
Erik Markell
Bert Valdman
Sue McLain