

Woodard, Marina (UTC)

From: Imad, Antoinette M -Toni <antoinette.imad@pse.com>
Sent: Wednesday, February 08, 2012 9:39 AM
To: Lykken, David (UTC)
Cc: Woodard, Marina (UTC); McGrath, Cheryl; Subsits, Joe (UTC); Gas Compliance -- mail --
Subject: RE: PG-110046 | 2011 Standard Inspection of Gig Harbor LNG Satellite Plant
Attachments: PG110046 PSE Response - Gig Harbor LNG plant inspection.pdf

Dear Mr. Lykken,

Pursuant to your request, PSE is hereby submitting a response to address the finding noted in the Gig Harbor LNG Satellite Plant inspection report dated January 6 , 2012.

Best Regards,

Toni Imad

Antoinette Imad, P.E.
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FEB 08 2012

State of Washington
UTC
Pipeline Safety Program



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February 6, 2012

David Lykken
Pipeline Safety Director
Washington Utilities and Transportation Commission
Pipeline Safety Section
1300 S. Evergreen Park Drive S.W.
PO Box 47250
Olympia, WA 98504-7250

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Dear Mr. Lykken:

RE: 2011 Standard Inspection – Gig Harbor LNG Satellite Plant. Docket PG-110046

PSE has received and reviewed your letter dated January 6, 2012 regarding the “2011 Standard Inspection – Gig Harbor LNG Satellite Plant” and pursuant to your request is submitting the following written response.

Area of Concern

49 CFR §193.2605 Maintenance Procedure

- (b) *Each operator shall follow one or more manuals of written procedures for the maintenance of each component... 49 CFR §193.2917 requires warning signs.*

49 CFR §193.2917 Warning Signs

- (a) *Warning signs must be conspicuously placed along each protective enclosure at intervals so that at least one sign is recognizable at night from distance of 30m (100 ft.) from any way that could reasonably be used to approach the enclosure.*
- (b) *Signs must be marked with at least the following on a background of sharply contrasting color:
The words “NO TRESPASSING,” or words of comparable meaning.*

Finding(s):

Warning sign procedures were not provided that covered the requirements of §193.2917(a) and (b) as required.

PSE Response:

PSE believes that 49 CFR §193.2605 Subpart G–Maintenance describes high-level requirements governing maintenance of the LNG system and interconnected components being operated. PSE interprets the reference to “of this subpart” in 49 CFR §193.2605 to require procedures for maintenance of elements discussed in Subpart G- Maintenance 193.2605 through 193.2639. Written procedures relative to Security are prescribed in section 193.2903 (a) through (g). As evident from the inspection PSE met all of the provisions under

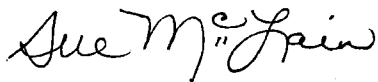
this section. PSE interprets that 193.2903 does not explicitly require procedures for the maintenance of warning signs, and 193.2917 only requires the existence of warning signs such that they meet the requirements of (a) and (b).

Evidence provided during the audit demonstrates that PSE meets the elements prescribed under section 193.2917 as warning signs are prominently and securely placed along the fence line at the facility.

In an effort of continuous process improvement and thus to further demonstrate PSE's agreement on the value of ensuring that signs be maintained, PSE will document in a work order its an annual inspection of the signs and the secure enclosure.

In the hope that the information provided helps eliminate the concern raised in this finding and demonstrates compliance with the referenced CFR requirements, PSE respectfully requests that this Area of Concern be removed. 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.

Sincerely,

A handwritten signature in cursive script that reads "Sue McLain".

Sue McLain,
Senior Vice-President Delivery Operations

Cc: Carol Wallace, Director Gas Operations
Cathy Koch, Director Compliance
Cheryl McGrath, Manager Compliance and Regulatory Audits- Gas
Shamish Patel, Manager Standards
Beth Rogers, Manager Contractor Management