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January 31, 2008

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

Attn: Dave Lykken, Pipeline Safety Interim Director

RECEIVED
REGIONS MANAGEMENT
2008 FEB -1 AM 8:45
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Request for Extension – Critical Bond Program (Dockets UG-941394, PG-030080 and ~~PG-030128~~)

Dear Mr. Lykken:

Attached to this letter is a revised Critical Bond Program document that removes the requirement to include valves in the scope of work of the critical bond program. As discussed with Scott Rukke, the intent of the critical bond program was to insure that metallic pipe was electrically continuous and cathodically protected and to identify areas that were required to be monitored to ensure they remained protected; i.e. where the disconnection of a bonding cable would result in the pipe being unprotected. Test sites were then installed as needed to allow PSE to readily detect changes in the cathodic protection through normal monitoring activities. As previously reported, this work has been completed. The inclusion of valves was a best practice identified by PSE in the later stages of the program and exceeded the original scope of this effort. PSE is still committed to reviewing valves on systems that were tested and remediated in the earlier years of the critical bond program. To that end, PSE is moving forward to develop a plan to perform this work and will provide an update to Staff in the Fall regarding the proposed approach and timeframe for completion.

PSE appreciates Staff's attention to this matter. Should you have any additional questions, please call me at (425) 462-3974.

Sincerely,

Duane A. Henderson, P.E.
Director, Operations Services

cc: Eric Markell
Karl Karzmar
Mike Hobbs
Bert Valdman

Attachments

Critical Bond Program

1. Scope

This document defines the guiding principles for the work required to identify non-continuous sections of metallic pipe within cathodic protection systems and to establish test sites for monitoring them. This includes all coated steel main and bare steel main that is presently under cathodic protection. It does not include bare steel main not presently under cathodic protection.

2. Responsibilities

- 2.1 The *Consulting Engineer, Corrosion Control* is responsible for managing the program.
- 2.2 The *Manager System Control and Protection* is responsible for ensuring the cathodic protection systems are analyzed, records are updated, and remedial work is completed.
- 2.3 The *Manager Contract Management* is responsible for ensuring that work orders assigned to the service provider are completed in accordance with this program plan.
- 2.4 The *Manager Standards and Compliance* is responsible for the reporting requirements set forth in Section 5.

3. General Requirements

- 3.1 All existing cathodic protection systems, except separately protected services and short sections of main, will be analyzed and remediated. Table 1 in Section 3.6 outlines the program schedule.
- 3.2 All services connected to cathodically protected main shall be analyzed, including polyethylene (PE), bare steel, coated steel services, and platted extended utility facilities (EUFs).
- 3.3 Casings shall have monitoring facilities and shall be tested to prove they aren't shorted to the main.
- 3.4 Regulating stations including farm taps, limiting stations, town border stations, and gate stations shall be included in the Critical Bond Program.

Critical Bond Program

3.5 Critical Bond Schedule

Year	Plan Year	Original Target (# CP systems)	Updated Target (# CP systems)	Actual (# systems)
1996	Year 1	178	---	166
1997	Year 2	178	---	578
1998	Year 3	392	---	451
1999	Year 4	392	---	327
2000	Year 5	392	---	240
2001	Year 6	392	---	296
2002	Year 7	392	---	356
2003	Year 8	385	---	177
2004	Year 9	---	40	103*
2005	Year 10	---	273	
2006	Year 11	---	273	
2007	Year 12	---	273	
Total Systems		2,701	3,511	2,694*

*YTD as of 9/30/04

4. Remediation

- 4.1 Corrosion control discrepancies found during the critical bond program shall be remediated in accordance with Gas Operating Standard 2600.1900, "Remedial Measures for Corrosion Control Discrepancies" except the following specific remedial measures are required:
- 4.1.1 All bare steel services connected to cathodically protected main shall be replaced.
 - 4.1.2 All steel services in casing and connected to cathodically protected main shall be replaced, with the exception of high pressure and larger intermediate pressure services, which will be evaluated on an individual basis.
 - 4.1.3 Gas lights shall be cut and capped if the customer doesn't plan on using them.
- 4.2 Test sites shall be established for monitoring all pipe which would not receive cathodic protection if a bond failed.

5. Reports

- 5.1 Annual progress reports must be submitted to the Commission for the duration of the Critical Bond Program.
- 5.2 Reports shall include number of completed systems.

6. Records

- 6.1 Records shall be maintained which identify footage of pipe protected, test sites, isolated services and risers, and bonds.
- 6.2 Maps shall be maintained showing the location, size, and material of protected steel facilities and isolation points.