

hard copy



October 21, 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 – Snohomish County. Docket PG-100022

2010 OCT 25 AM 8:15

Dear Mr. Lykken,

PSE has received and reviewed your letter dated September 20, 2010, regarding the "2010 Natural Gas Standard Inspection – Snohomish County" and pursuant to your request is submitting the following written response, including actions taken to address the noted findings.

AREAS OF CONCERN

1. **WAC 480-93-018 Records**

- 4) *Each gas pipeline company must record and maintain records of the actual value of any required reads, tests, surveys or inspections performed. The records must include the name of the person who performed the work and the date the work was performed. The records must also contain information sufficient to determine the location and facilities involved. Examples of the values to be recorded include, but are not limited to, pipe to soil potential reads, rectifier reads, pressure test levels, and combustible gas indicator reads. A gas pipeline company may not record a range of values unless the measuring device being used provides only a range of values.*

Finding(s)

Pressure control equipment set points should be clearly identified, to all pressure control personnel, indicating what each pressure regulating component should be set at. Using previous values as an indicator of what the equipment should be set at is not acceptable. The use of previous values could, over a period of time, causes the regulator set points to drift and create a potential unsafe condition.

PSE response:

Safety continues to be the highest priority to PSE. The Company is committed to recording and maintaining records in accordance with the referenced WAC rule.

We believe that making prior year data available in SAP and to the on-site crew is beneficial to streamlining the inspection and maintenance process.

We agree that using only the previous values as an indicator may not always be acceptable. However, PSE defines and records its pressure data in multiple software applications and on various forms of system documentation to ensure that pressure is set in the field as required. In addition to prior year

data, this information is made available to Pressure Control crews in the field for example, in the form of ops maps, project documents, charts, etc...

Furthermore, supervisory oversight and other controls in place help ensure that pressure requirements are met. These controls include:

- Validation studies by engineering
- Planning review when evaluating system needs
- Real time monitoring and SCADA alarm settings
- Experienced operators

In an effort of continuous process improvement and thus to further demonstrate PSE's agreement on the value of ensuring that the field has the appropriate information in operating and maintaining our system, PSE recently launched a pilot program to evaluate the best method for displaying regulator information in the field, including pressure data. Enclosed are photographs of field tags currently being considered and of a tag recently installed at the North Puyallup Gate Station. Displayed information will serve as another check point to validate pressure data. Once the pilot program is completed, PSE will begin a system wide implementation.

2. **49 CFR §192.463 External Corrosion Control: Cathodic protection.**

a) *Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.*

Finding(s)

The cathodic protection levels tested at the below locations on August 25, 2010 appeared below the -850 mV criteria contained in Title 49 CFR Part 192 Appendix D. Compliance with the corrosion control requirements is in question and the operator should provide documentation showing how these sections will comply with the Appendix D requirements or what steps will be taken to remediate the pipeline systems or services that are below the minimum cathodic protection thresholds.

Location	Cathodic Protection System	Pipe-to-Soil Reading
330 Madison St., Monroe, WA	Isolated Service	-622 mV
12125 Robin Hood Ln (Near Monroe, WA)	Impressed Current	-600 mV
16 55St SE (South of Alderwood Manor Rectifier)	Impressed Current	-836 mV

PSE response:

Promptly following the UTC inspection, PSE created notification tasks in SAP to investigate and remediate the three issues found. The enclosed SAP printout for notification 10967516 provides information on the completion of the task related to 16 55St SE with a final acceptable read of -885 mV.

Following the two remaining notifications, test sites in and near Monroe were further investigated by PSE and found to be associated with the Monroe rectifier. Records of the last PSE scheduled

maintenance prior to the WUTC field inspection were reviewed and reads were within the acceptable range at both sites and at the rectifier. Furthermore, PSE identified that the test site at Madison St. was redundant and is no longer needed as there is currently enough test sites on the Monroe impressed current system.

In early September, PSE began trouble shooting this system to remedy the low potentials discovered during the audit. PSE applied and consequently received the right-of-way permit from the City of Monroe to assess and proceed with the repairs on 10/14/10. PSE's target completion date for the repairs is 11/23/2010.

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,



Helge Ferchert
Manager, Gas Compliance and Regulatory Audits

Enc.

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

D.R.#

SYSTEM MAOP

INLET PRESS.

OUTLET PRESS.

RELIEF/MONITOR PRESS.

NORTHWEST PIPELINE CORP

LOCATION COVINGTON

REGULATOR RELIEF VALVE

MAKE A/G

SER NO. 2310843

MO. L. 323

SIZE 4 x 5

LV. OR ORIFICE

PILOT MODULE

SPRING RANGE

SET PRESSURE PSIG 115

DATE INITIAL DATE INITIAL

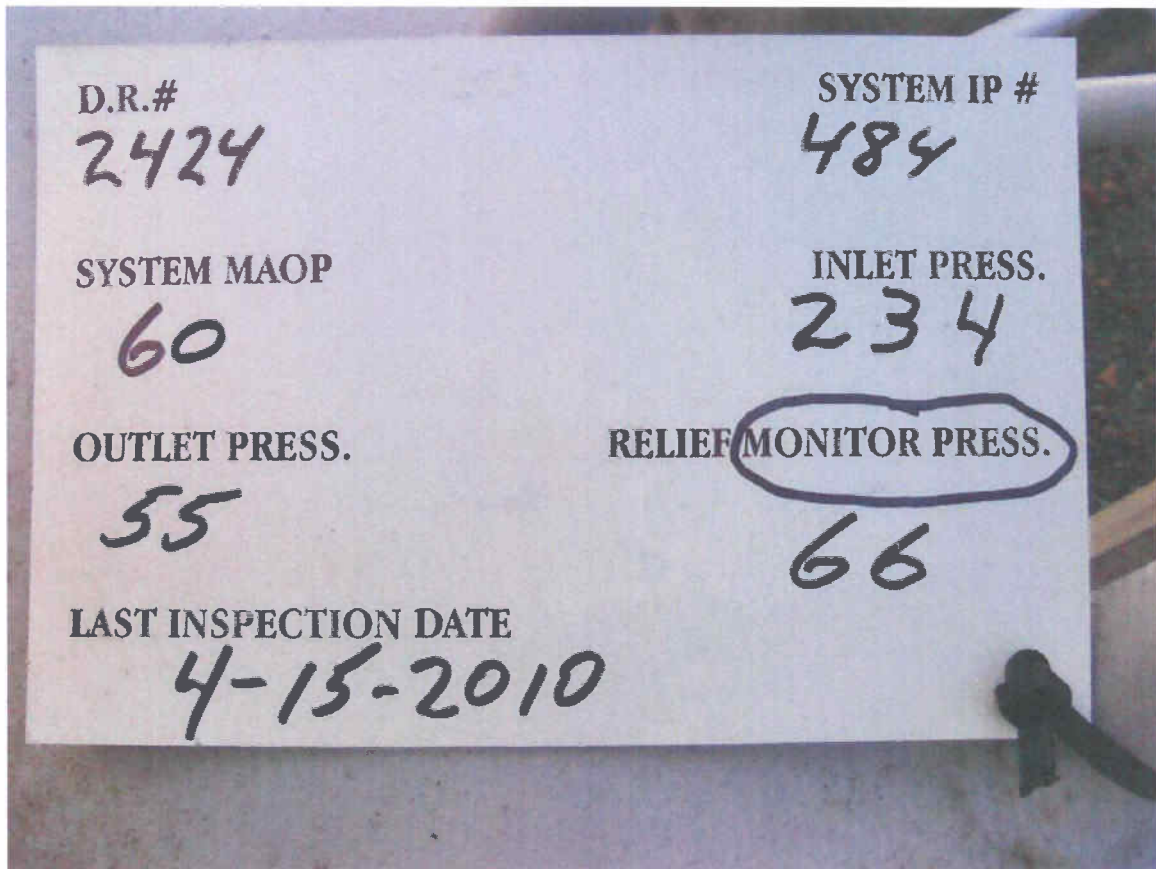
8/2 AK 9/96 AK

5/07 AK 1/07 AK

5/07 AK 5/07 AK

5/08 AK 5/08 AK

Field tags currently being considered



A tag recently installed at the North Puyallup Gate Station

156.079 16 155 St SE, Lynnwood

Pipe 3/4"

size 3/4"

Type STW

PSP Read -833mV at Riser on 8/25/10.

Read taken by: Kevin Anson

Func. Location IC-015062

09/01/10 - Completed by K.Anson on 8/31/10. Found a read of -885mv on at above address 16 155 St SE. Ground saturated by rain, dry condition on first read on 8/25/10. bfrank

Woodard, Marina (UTC)

From: Ferchert, Helge [Helge.Ferchert@pse.com]
Sent: Saturday, October 23, 2010 2:10 PM
To: Woodard, Marina (UTC)
Cc: Ferchert, Helge
Subject: Fw: Please print and file
Attachments: Snohomish Audit -response.doc; Enclosures.pdf

RECEIVED *via email*
OCT 25 2010
WUTC
Pipeline Safety Division

Hello Marina,

As discussed here is the electronic version. Please replace this version with the hard copy when received

Thanks
Helge

Helge Ferchert
Manager, Gas Compliance and Regulatory Audits
355 110th Ave. NE
Bellevue, WA 98009
Ext. Phone - (425) 462-3967
Cell - (425) 223-0346
Fax - (425) 462-3770
Email - helge.ferchert@pse.com

From: Ferchert, Helge
To: Ferchert, Helge
Sent: Fri Oct 22 16:45:32 2010
Subject: Fw: Please print and file

Helge Ferchert
Manager, Gas Compliance and Regulatory Audits
355 110th Ave. NE
Bellevue, WA 98009
Ext. Phone - (425) 462-3967
Cell - (425) 223-0346
Fax - (425) 462-3770
Email - helge.ferchert@pse.com

From: Imad, Antoinette M -Toni
To: Hanson, Catherine
Cc: Ferchert, Helge; Koch, Cathy
Sent: Thu Oct 21 12:16:38 2010
Subject: Please print and file

Hi Cathy,

Please review the attached for format and typos, print and file. Please leave a copy on Helge's chair with the enclosures for his signature.

If possible I'd like to mail the letter out today.

Thanks,
Toni

October 21, 2010

RECEIVED

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WUTC
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Attachment

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D.R.# *

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MODEL 323

SIZE 9 x 2

LV OR ORIFICE

PILOT MODULATED

SPRING RANGE

SET PRESSURE PSIG 165

DATE INITIAL DATE INITIAL

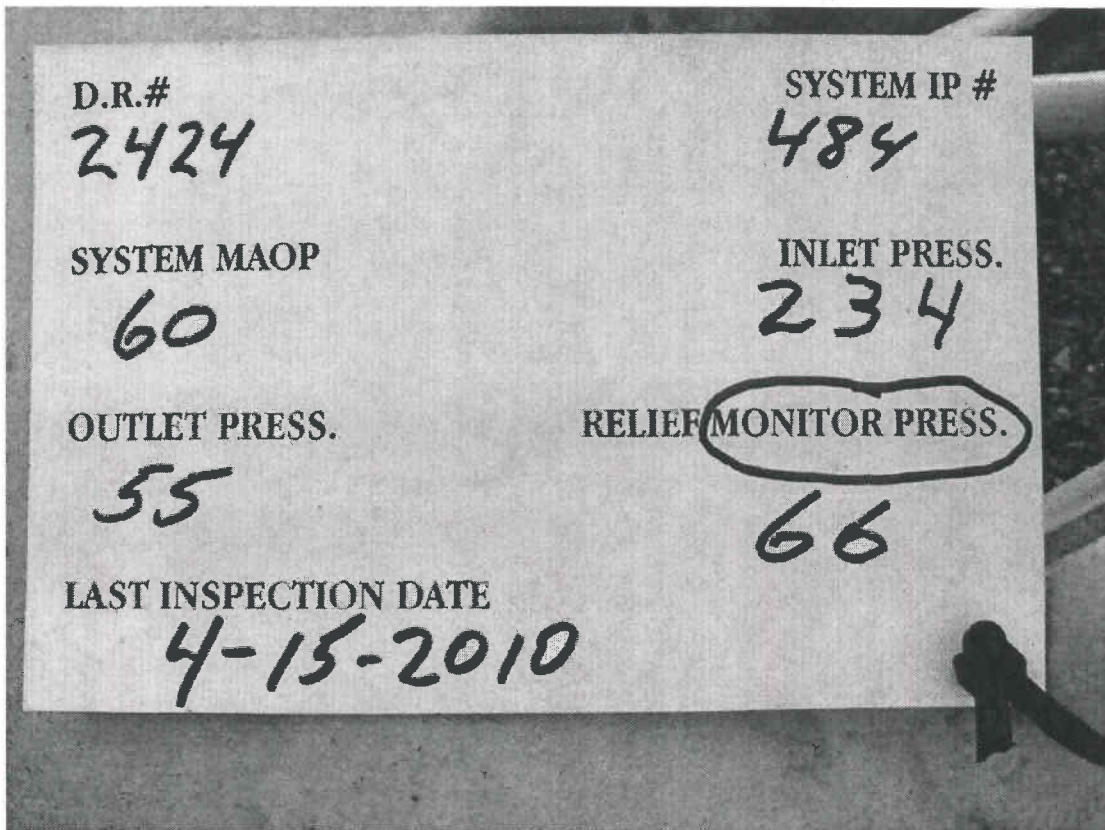
8/2 AK 8/26 AK

8/2 AK 1/09 AK

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