Puget Sound Energy, Inc. P.O. Box 90868 Bellevue. WA 98009-0868

September 15, 2006

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

Attn: Alan Rathbun, Pipeline Safety Director

Subject: Docket PG-030080 and PG-030128 Puget Sound Energy Settlement Agreement

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 June 30, 2006.

On January 24, 2006 PSE provided a report to the WUTC on the Isolated Facilities Program that included an implementation schedule and estimated magnitude of the program (Appendix I). In accordance with this schedule, PSE is implementing a phased approach to this program, with the initial phase focusing on service riser inspections. This report includes data on the progress made on these inspections and the related follow-up activities.

PSE is on track to implement the other phases of this program in accordance with the schedule previously provided, and will include status reports on these phases as they are implemented.

If Staff has any questions additional questions on this report, please call me at 425-462-3957.

Sincerely,

Jim Hogan

Manager, Standards & Compliance

Attachment:

Cc:

Sue McLain

Booga Gilbertson Duane Henderson Kimberly Harris Karl Karzmar Flyne Dave L.
Scott R
Patti J
Recetur



## Isolated Facilities Semi-annual Status Report for Progress through June 30, 2006

|                                   | Progress from<br>Inception to Date | Estimated Percent Complete* |     |
|-----------------------------------|------------------------------------|-----------------------------|-----|
| Initial Riser Inspections         | 211,453                            |                             | 29% |
| Maps and Records Review Completed | 13,923                             |                             | 5%  |
| Riser Follow-up Inspection        | 183                                |                             | <1% |
| Risers Remediated                 | 26                                 |                             | <1% |

<sup>\*</sup> Based on estimates included in Appendix I of the Jan. 24, 2006 report to Staff.