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

February 27, 2008

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

Attn: Alan Rathbun, Pipeline Safety Director

Subject: Bare Steel Replacement Program Semi-Annual Progress Report (Docket No. PG-030128)

Dear Mr. Rathbun:

Pursuant to Docket No. PG-030128 and PG-030080, Puget Sound Energy (PSE) is required to submit progress reports pertaining to the Bare Steel Replacement Program. This letter provides progress through December 31, 2007.

PSE completed the retirement of 165,504 feet of bare steel main during 2007. This exceeds the program target footage for the year. The retirement of 9,882 feet of non-program footage was also completed in 2007. The attached table shows program targets and actual retired footage.

If you have any questions, please call me at 425-462-3974.

Sincerely,

Duane Henderson

Director Operations Services

Cc:

Sue McLain

Mike Hobbs

Eric Markell

Karl Karzmar

Non-Program Retirements	Actual Retirement	0	1251	9,882							
Program Total Inception to Date	Actual Betirement	48,058	137,079	302,583							
Program To	Planned Retirement	46,995	146,200	245,405	344,610	443,815	543,020	680,505	817,990	955,475	1,092,960
Program Total for Plan Year	Actual Betirement	48,058	89,021	165,504							
Program	Planned	46,995	99,205	99,205	99,205	99,205	99,205	137,485	137,485	137,485	137,485
	Plan Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014