



March 7, 2008

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

Attn: Dave Lykken, Pipeline Safety Interim Director

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

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FOUR MANAGEMENT
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STATE OF WASH
UTIL AND TRANSP
COMMISSION

Dear Mr. Lykken,

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 December 31, 2007.

As indicated in the attached table, PSE has made significant progress on initial riser inspections, maps and records review, and riser follow-up inspections. In February of 2008, an additional person was added to assist in riser follow-up inspections. With the addition of this person, PSE is on target to complete the riser follow-up inspections by March 1, 2009 consistent with the schedule included in Appendix I of the January 24, 2006 report.

In addition, the initial map review to identify candidate isolated mains has been completed. The follow-up work to confirm whether the candidate segments are part of an existing cathodically protected system or part of the bare steel replacement program began in January and is targeted to be completed in the third quarter of 2008. After this work is complete, a schedule will be developed for the remediation of any isolated main segments by July 1, 2009.

The initial map review to identify known and candidate casing installations based on locations where steel pipe crosses highways and railroads has been completed. Based on this review, PSE will review cathodic protection records for known casing installations and ensure these sites are monitored as required. For candidate casing installations, PSE will review as-installed records and other information to conclude whether a casing was installed and ensure any locations with a casing are monitored as required. Review of cathodic protection and as-installed records began in January of 2008.

Additionally, the stubs review began in the 4th quarter of 2007. Currently, PSE anticipates the records review to be completed in the first half of 2008 with remediation targeted for completion by July 1, 2009.

If Staff has any questions additional questions on this report, please call me at 425-462-3974.

Sincerely,

A handwritten signature in cursive script that reads "Duane A. Henderson".

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

Attachment

cc: Eric Markell
Karl Karzmar
Mike Hobbs
Bert Valdman

Isolated Facilities Semi-annual Status Report for Progress through December 31, 2007

	Progress from Inception to Date	Estimated Percent Complete*
Initial Riser Inspections (including EUF's and meterless risers)	608,757	80%
Maps and Records Review Completed	155,078	80%
Riser Follow-up Inspection	6,213	21%
Risers Remediated	2,946	18%

* Estimated percent complete is based on a projection of the total number of facilities for each category.