

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of)	
)	DOCKET NO. UG-971136
PUGET SOUND ENERGY, INC.,)	
)	
For a Certificate of Public Convenience and)	
Necessity to Operate a Gas Plant for Hire in)	THIRD SUPPLEMENTAL
the Designated Ares of Kittitas County.)	ORDER AMENDING ORDER
.....)	ACCEPTING STIPULATION

BACKGROUND

On July 11, 1997, Puget Sound Energy, Inc. (PSE or Company), filed with the Commission an application for authority to provide natural gas service to portions of Kittitas County, including unserved regions within the geographic area currently certificated to the City of Ellensburg (City). The Commission entered its *Order Accepting Stipulation; Requiring Tariff Refiling* (Order) on March 18, 1998. PSE filed its *Motion to Amend Order* on November 9, 1998.

On November 17, 1998, the Commission served on the parties a *Notice of Opportunity to File Responses to PSE Motion*. Commission Staff filed its response to the PSE motion on November 25, 1998.

MEMORANDUM

PSE asks the Commission to amend its Order in this proceeding in four areas: (1) a waiver of Commission rule on proximity considerations related to pipeline operating pressure -- WAC 480-93-020; (2) a waiver of Commission rule regarding proximity requirements related to structures for human occupation; (3) distance between high pressure valves; and (4) composition of backfill material. Commission Staff responded to each of the four requests to amend the Commission's Order.

I. Pipeline Operating Pressure

A. PSE Motion

PSE asks the Commission for authorization to operate "the inlet piping to the Kittitas Gate Station at pressures that exceed 500 psig (pounds per square-inch gauge)." The inlet piping provides a direct connection between PSE and the Williams Gas Pipeline - West (WGP-W) transmission pipeline system.

The WGP-W transmission pipeline is operated at 850 psig; PSE seeks to operate its inlet piping system at 850 psig, consistent with the transmission pipeline system to which it is connected. The Company seeks a waiver of WAC 480-93-020, *Proximity considerations*, to operate the inlet piping system at pressures in excess of 500 psig.

B. Staff Response

Commission Staff notes there are four buildings within 500 feet of the Station, the closest a residential structure approximately 160 feet from the station. PSE has committed that the station will be within a fenced enclosure, and that all piping will be operated at less than 30 percent of its specified minimum yield strength (SMYS).

Staff offers two conditions under which it would support PSE's waiver request: (1) PSE must implement the safety precautions it proposes -- construction of the fenced enclosure for the station and operation of the station piping at 30 percent SMYS; (2) PSE must not operate the inlet piping system at pressures in excess of 850 psig -- PSE must file a new waiver request to operate the system above 850 psig.

C. Commission Discussion and Decision

The Commission will condition its approval of the Company's proposal to operate the Kittitas Gate Station's inlet piping at a pressure of 850 psig upon the Company's implementation of the safety precautions recommended by Commission Staff. PSE must ensure that the fenced enclosure is adequate to secure both the gate station grounds and building. Further, the inlet piping system should not operate at pressures in excess of 30 percent SMYS, and ancillary equipment should be constructed pursuant to prudent safety standards allowing a significant safety margin above the proposed 850 psig operating pressure. Finally, the inlet piping must never exceed 850 psig operating pressure.

II. Proximity Requirements

A. PSE Motion

The Company states that the Stipulation approved by the Commission in this proceeding identified the routing of its distribution pipeline and authorized waiver of WAC 480-93-030, *Proscribed areas*, with regard to the Damman School, at the intersection of Manastash Road and Umptanum Road. Because it has been unable to obtain easements for routing its pipeline as described in the Stipulation, PSE now seeks to route the pipeline in the right-of-way along Manastash Road. The Company proposes to construct the pipeline on the south side of Manastash Road (the School is on the opposite side of the Road), at the furthest feasible distance from the school.

B. Commission Staff

Commission Staff notes that the waiver of WAC 480-93-030 approved by the Commission in its Order applies to pipeline operating pressures between 250 and 499 psig. If PSE plans to operate the pipeline at or above 500 psig, it would be required to first seek a waiver of WAC 480-93-020. Under the Company's proposal to re-route the pipeline in Manastash Road, and depending upon the pipeline's exact location within the right-of-way, the pipeline may or may not lay less than 100 feet from the school. In either event, no additional waiver is required, except as noted above regarding the pipeline's actual operating pressure.

Staff informs the Commission that PSE has committed to construction practices optimizing public safety, including 100 percent x-ray of all girth welds, operation of the pipeline at less than 20 percent SMYS, pressure testing of the system at 1500 psig, and installation of the pipe with a minimum of four feet of cover. Staff therefore has no additional concerns with operation of the pipeline below 500 psig under the currently authorized waiver of WAC 480-93-030.

C. Commission Discussion and Decision

The Commission is very concerned about the safe operation of PSE's distribution system in close proximity to the Damman School. We again condition our approval of the proposed amendment to our Order upon PSE's commitment to the safe construction practices described in Commission Staff's response to the Company's motion: (1) 100 percent x-ray inspection of all girth welds; (2) operation of the pipeline at less than 20 percent SMYS; (3) pressure testing of the system at 1500 psig; and (4) installation of the pipe with a minimum of four feet of cover. Additionally, the Company's pipeline distribution system should not be operated above 499 psig without a petition for and Commission approval of a waiver of WAC 480-93-020.

III. High Pressure Valves

A. PSE Motion

PSE requests the Commission modify its Order to permit the Company to extend the interval for installation of high pressure valves from two miles to five miles. It represents that this interval spacing is consistent with 49 CFR 192.179, *Transmission line valves*, for class 4 locations -- the most restrictive classification for operating transmission pipelines.

B. Commission Staff Response

Commission Staff does not contest this request to amend the Order per the the Company's motion.

C. Commission Discussion and Decision

The Commission should amend its Order regarding location of high pressure valves as requested by PSE.

IV. Trench/Backfill Material

A. PSE Motion

The Stipulation approved by the Commission requires that the pipeline trench be backfilled with at least six inches of sand or other select rock-free material, both above and below the pipe to protect the pipe coating. PSE seeks to amend this requirement to allow it to wrap the pipe in a product known as "rockshield," and to stipulate that "select rock-free material" includes backfill with "a large percentage of fine material (particles sized less than 1/16 inch in diameter) and particles no larger than 1/2 inch in diameter. The material will be rounded with little or no sharp edges."

B. Commission Staff Response

Commission Staff does not contest this request to amend the Order per the Company's motion.

C. Commission Discussion and Decision

The Commission should amend its Order regarding location of high pressure valves as requested by PSE.

ORDER

THE COMMISSION ORDERS:

- 1. PSE's proposal to operate the Kittitas Gate Station's inlet piping at a pressure of 850 psig is approved, conditioned as follows:
 - a. construction of a fenced enclosure adequate to secure the station and grounds;
 - b. operation of the inlet piping at pressures not in excess of 30 percent of its specified minimum yield strength (SMYS);
 - c. installation of ancillary equipment in the inlet piping system run is constructed to standards which allow a prudent and reasonable safety margin above the 850 psig operating pressure; and

d. operation of the inlet piping system at a pressures not in excess of 850 psig.

2. The re-routing of the pipeline in closer proximity to the Damman School is authorized, conditioned upon PSE's implementation of construction practices optimizing public safety, including the following:

- a. 100 percent x-ray inspection of all girth welds;
- b. operation of the pipeline at pressures not in excess of 20 percent SMYS;
- c. pressure testing of the pipeline at 1500 psig; and
- d. installation of the pipe with a minimum of four feet of cover.

3. PSE is authorized to extend the interval for installation of high pressure valves from two to five miles.

4. PSE is authorized to use the "rockshield" pipe wrap product, and "select rock-free material" as defined in its petition, in lieu of the sand or other select rock-free material required by the Stipulation previously approved by the Commission.

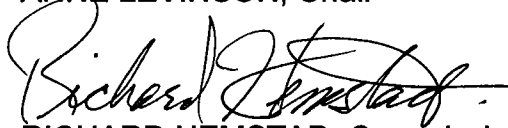
5. The Commission retains jurisdiction over the subject matter of and the parties to this proceeding to effectuate the terms of the final Order and the instant Order in the protection of the public safety.

DATED at Olympia, Washington, and effective this 8th day of December 1998.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANNE LEVINSON, Chair



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner