



PUGET SOUND ENERGY

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AUG 14 2012

State of Washington
UTC
Pipeline Safety Program

August 14, 2012

David Lykken
Pipeline Safety Director
Washington Utilities and Transportation Commission
Pipeline Safety Section
1300 S. Evergreen Park Drive S.W.
PO Box 47250
Olympia, WA 98504-7250

Dear Mr. Lykken,

RE: 2012 Natural Gas Standard Inspection PSE-LP Gas Distribution

PSE has received and reviewed your letter dated July 11, 2012 regarding the "2012 Natural Gas Standard Inspection PSE-LP Gas Distribution" and pursuant to your request is submitting the following response, including actions taken to address the noted findings.

PROBABLE VIOLATION

1. **49 CFR 192.723 Distribution systems: Leakage surveys.**
 - (a) *Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.*
 - (b) *The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:*
 - (2) *A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months.*

Finding:

PSE failed to prove that on May 28, 2009 PSE contractor (Heath) performed a leak survey using a Combustible Gas Indicator (CGI) calibrated for Propane per 2675.1200 Section 5.1 Subsurface Gas Detection Survey Method (Bar Hole Survey). Flame Ionization (FI) was listed as the Survey Type on the Leak Survey Documentation for 5/28/09, PSE Form 1158 (rev) 03/08. Combustible Gas Indicator (CGI) was not listed as the Survey Type on the Leakage Survey Documentation.

PSE Response:

As part of its commitment to regulatory compliance and safety, PSE routinely conducts leakage surveys on the gas distribution system throughout its service areas. Leakage surveys of distribution systems outside of business districts are conducted every three years not to exceed 39 months surpassing CFR 192.723 requirement of five years not to exceed 63 months.

As indicated in this finding, PSE performed its leak survey of the LP system using FI units on May 28, 2009. Although PSE's Gas Operating Standard (GOS) 2675.1200 allows for FI units be employed when performing leakage surveys adjacent to aboveground facilities of the propane system, PSE acknowledges that documentation evidencing the use of CGI units during the survey was not available.

Following this discovery and to address the concern raised in this finding, PSE conducted a Subsurface Gas Detection Leakage Survey of the system on June 6, 2012 in accordance with 2675.1200 Section 5.1. This survey was partially observed by WUTC staff. No leaks were detected during this survey. In addition on July 31, 2012, PSE reviewed Staff's finding and the requirements of GOS 2675.1200 with Heath Consultants Inc., PSE's leakage survey contractor. Subsequently Heath reiterated the procedure to its survey personnel. This training was conducted on August 1, 2 & 3, 2012.

AREA OF CONCERN

1. WAC 480-93-188 Gas leak surveys

- (5) *Each gas pipeline company must keep leak survey records for a minimum of five years. At a minimum, survey records must contain the following information:*
- (a) *Description of the system and area surveyed (including maps and leak survey logs);*
 - (b) *Survey results;*
 - (c) *Survey method;*
 - (d) *Name of the person who performed the survey;*
 - (e) *Survey dates; and*
 - (f) *Instrument tracking or identification number.*

Concern: Instrument tracking and identification numbers do not appear on Leakage Survey Documentation, PSE Form 1158 (rev) 03/08

PSE Response:

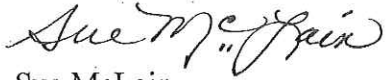
PSE retains records of leak surveys as required by WAC 480-93-188. Information pertaining to each leak survey is stored on multiple records including leak survey maps, forms and logs. The instrument identification number is captured on form 1991. A copy of the form is enclosed.

In accordance with its gas operating procedure in 2010, PSE conducted a self-audit of the leakage survey program. This included the review of form 4158 (03/08). A process improvement to capture the instrument serial number on the form was then identified. The form was revised in May 2011. A copy of the form reflecting the change to adding the instrument identification number is enclosed.

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 and dependable gas pipeline system.

Sincerely,



Sue McLain

Senior Vice-President Delivery Operations

CC: Carol Wallace, Director Gas Operations

Harry Shapiro, Director Contractor Management

Cathy Koch, Director Compliance

Cheryl McGrath, Manager Compliance and Regulatory Audits - Gas



LEAKAGE SURVEY DOCUMENTATION

OP MAP

SURVEY ISSUE MONTH/YEAR

PLAT MAP

INSTRUMENT #	DATE	COLOR	SURVEY TYPE	FACILITY TYPE							OTHER	LEAKS		
				PR	PRB	UN	HOS	NA	C	N		NEW	RE-EVAL	
INSTRUMENT #														
CONSULTANT NAME														
INSTRUMENT #														
CONSULTANT NAME														
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SURVEY TYPES: PORTABLE FI UNIT FI
 MOBILE FI UNIT FM
 OPTICAL METHANE DETECTOR OMD
 OTHER O