



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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*Via Email and Certified Mail*

July 26, 2017

Booga K. Gilbertson  
Sr. VP Operations  
Puget Sound Energy  
PO Box 97034 M/S: PSE-12N  
Bellevue, WA 98009-9734

Dear Ms. Gilbertson:

**RE: 2017 Natural Gas Standard Inspection - Puget Sound Energy - Pierce County  
(Insp. No. 7229)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection from April 3-6, May 10, 22-24, June 22, and July 17, of Puget Sound Energy (PSE), Pierce County. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates two probable violations as noted in the enclosed report. We also noted one area of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

**Your response needed**

Please review the attached report and respond in writing by August 28. The response should include how and when you plan to bring the probable violations into full compliance.

**What happens after you respond to this letter?**

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.04.405; or

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- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions, or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141.

Sincerely,



Sean C. Mayo  
Pipeline Safety Director

cc: Cara Peterman, Director, Enterprise Risk Management & Compliance, PSE  
Harry Shapiro, Director, Gas Operations, PSE  
Cheryl McGrath, Manager, Compliance Programs, PSE

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2017 Natural Gas Pipeline Safety Inspection**  
**Puget Sound Energy – Pierce County**

The following probable violations and area of concern of WAC 480-93 were noted as a result of the 2017 inspection of the Puget Sound Energy – Pierce County service area. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

1. **WAC 480-93-200 Reporting requirements.**

*(7) In the event of damage to a gas pipeline, each gas pipeline company must provide to the commission the following information using either the commission's web-based damage reporting tool or its successor, or the damage reporting form located on the commission's web site:*

*(a) The reporting requirements set forth in RCW 19.122.053 (3)(a) through (n);*

**Finding(s):**

Records obtained from the Damage Information Reporting Tool (DIRT) indicate that for the time period of 1/1/2016 to 3/23/2017 there were 1108 exceedances of the 45 day submission requirement, as required by RCW 19.122.053(3), out of a total of 1174 records submitted by PSE during the above referenced timeframe.

2. **WAC 480-93-188 Gas leak surveys.**

*(3) Each gas pipeline company must conduct gas leak surveys according to the following minimum frequencies:*

*(a) Business districts - At least once annually, but not to exceed fifteen months between surveys. All mains in the right of way adjoining a business district must be included in the survey;*

**Finding(s):**

A number of plat maps were randomly selected from the Pierce County, Kittitas, and Thurston/Lewis service areas to review leak survey records for during this inspection. Of 69 maps selected, 29 instances of leak surveys exceeding the minimum required inspection frequencies for business districts were identified.

**AREA OF CONCERN**

1. **WAC 480-93-188 Gas leak surveys.**

*(4) Each gas pipeline company must conduct special leak surveys under the following circumstances:*

*(a) Prior to paving or resurfacing, following street alterations or repairs where gas pipelines are under the area to be paved, and where damage could have occurred to gas pipelines;*

*(b) In areas where substructure construction occurs adjacent to underground gas pipelines, and damage could have occurred to the gas pipeline, each gas pipeline company must perform a gas leak survey following the completion of construction, but prior to paving;*

**Finding(s):**

During the inspection it was indicated that those responsible for coordinating and scheduling leak surveys are not being notified from the Master Control Planners (MCP) and the Municipal Liaison Managers (MLM) when there have been major projects involving street alterations or expansion projects. There were no records available or provided that demonstrated that PSE had any records of special leak surveys being performed for this inspection time period, following street alterations or repairs prior to road resurfacing.