



## PUGET SOUND ENERGY

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July 19, 2012

David Lykken  
Pipeline Safety Director  
Washington Utilities and Transportation Commission  
Pipeline Safety Section  
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PO Box 47250  
Olympia, WA 98504-7250

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State of Washington  
UTC  
Pipeline Safety Program

Dear Mr. Lykken,

### **RE: 2012 Natural Gas Standard Inspection – Puget Sound Energy – Snohomish County**

PSE has received and reviewed your letter dated June 18, 2012 regarding the “2012 Natural Gas Standard Inspection – Puget Sound Energy – Snohomish County” and pursuant to your request is submitting the following response, including actions taken to address the noted findings.

#### **PROBABLE VIOLATIONS**

1. **WAC 480-93-018 Records.**

- (5) *Each gas pipeline company must update its records within six months of when it completes any construction activity and make such records available to appropriate company operations personnel.*

**Finding(s):**

There are several pre-2010 service installations handwritten on PSE maps Q158081 and Q160070 that were never recorded from the time of installation until they were identified during a routine Heath leak survey. The changes were not updated on the master copy.

**PSE Response:**

PSE strives to maintain and achieve accurate and complete maps. It also recognizes that existing maps may reflect a minimum amount of error that in general would not sacrifice the level of confidence commensurate with the information required for the maps' intended purpose. Matching field observations to recorded information is one method PSE utilizes to keep map error to a minimum. Leak survey maps Q158081 and Q160070 included a set of field notes describing inconsistencies encountered in the field by Heath Consultants Inc., PSE's leakage survey contractor. These handwritten notes and diagrams were not converted into maps as required by the Company. This appears to be mainly due

to an unintentional clerical oversight. As a result of this audit finding, and to prevent a similar reoccurrence, PSE began using a new stamp on each of the survey maps to ensure that field notes are adequately processed. The stamp contains a checklist of required information to be completed by Heath prior to the submittal of survey results to PSE. A copy of the stamp is enclosed. PSE's Quality Control will review by 9/30/2012 the quality of this new process improvement.

In addition, PSE began evaluating improvements to the multifaceted map revision process for added controls in communicating and tracking field notes requiring map revisions. PSE will communicate to Staff the results of this evaluation by 9/30/2012.

Updates to Q158081 were completed on 6/19/12.

Updates to Q160070 were completed on 4/13/12 during a redraft of this map as part of PSE's broader effort to convert its gas operation maps to GIS.

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. In 2009, one service was incompletely leak surveyed, 100ft of main on the leak survey was missed, and two services were missed during the leak survey on sheet Q164089.
- b. In 2010, the business leak survey was not performed for sheet Q156084.
- c. In 2010, the business leak survey was not performed for sheet Q156089. PSE has indicated that it will be scheduled for July 2012.

**PSE Response:**

As part of its commitment to regulatory compliance and safety, PSE routinely conduct natural gas leakage surveys on the gas distribution system throughout its service areas. Leakage surveys of distribution systems in business districts are conducted annually not to exceed fifteen months and outside of business districts every three years not to exceed 39 months surpassing CFR 192.623 requirement of five years not to exceed 63 months.

Subsequent to the inspection, PSE conducted a research of records relevant to this probable violation. Following is further information found as pertaining to each of the findings:

a. In 2010, and as part of its on-going review, PSE identified errors in the way Heath was processing survey maps. Boundaries of areas to be surveyed were not being adequately transferred to maps used in the field by Heath personnel. This appears to be the reason why the survey of Q164089 was not complete. PSE and Heath immediately addressed the issue by providing training to personnel involved re-emphasizing the importance of verifying that all plat maps are correctly marked, surveyed and documented.

The most recent survey of this business district was conducted in July 2011.

b. In October and November 2010, and as part of its data quality management, Heath discovered that several services and pipeline footage on OP maps 164074 and 132080 including Q156084 had missed their survey due date. Heath took immediate actions to remediate the issue and leak surveys were completed in January 2011. No leakage was detected. As a result of this discovery Heath reviewed and refined their internal tracking processes to have surveys completed by scheduled due dates.

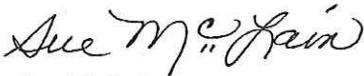
The most recent area survey was conducted in January 2012.

c. To address the finding regarding sheet Q156089, PSE researched geographical information for this area. No business districts were identified at this time as consistent with the most recent leak survey conducted by Heath in February 2012.

PSE has launched an effort to examine the leak survey process and identify improvements. A task force was recently created in support of this effort. This task force will develop by 9/30/2012 a plan describing its approach for addressing the key components of the process.

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 gas pipeline system that meets high standards of excellence.

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

<b>COMPLETED BY:</b>		
<b>DATE COMPLETED:</b>		
CGI'S	Y / N	#
NEW SERVICES	Y / N	#
MAP CORRECTIONS	Y / N	#
NO SURVEY REQUIRED <input type="checkbox"/>		