



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

CERTIFIED MAIL

November 13, 2014

Booga K. Gilbertson
VP Operations
Puget Sound Energy
PO Box 90868 M/S: PSE-12N
Bellevue, WA 98009-0868

Dear Ms. Gilbertson:

**RE: 2014 Natural Gas Standard Inspection – Puget Sound Energy—King Co. East
(Insp. No 5852)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection on September 30 - October 3, October 6 - 9, and October 14 - 15, 2014, of Puget Sound Energy's King Co. East unit. An exit interview was held in Bellevue, WA on October 15, 2014. The inspection included a records review and a field inspection of pipeline facilities and operating personnel.

Our inspection indicates three probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by December 19, 2014. 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 81.88.040, or;

Puget Sound Energy
2014 Natural Gas Standard Inspection, King Co. East
November 13, 2014
Page 2

- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances, or;
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a complaint or penalty in this matter. Should an administrative law judge decide to pursue a complaint or penalty, your company will have an opportunity to present its position directly to the commissioners.

If you have any questions or if we may be of any assistance, please contact Dennis Ritter at (360) 664-1159. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc: Catherine Koch, Director, Compliance
Harry Shapiro, Director, Gas Operations
Duane A. Henderson, Manager, Gas System Integrity
Cheryl McGrath, Manager, Compliance Programs

UTILITIES AND TRANSPORTATION COMMISSION
2014 Natural Gas Standard Inspection
Puget Sound Energy
King County East Unit

The following probable violations of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2014 inspection of the Puget Sound Energy's King Co. East unit. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities and personnel.

PROBABLE VIOLATIONS

1. **49 CFR §192.721 Distribution systems: Patrolling.**
 - (b) *Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled -*
 - (2) *Outside business districts, at intervals not exceeding 7 ½ months, but at least twice each calendar year.*

Finding(s):

In March 2014, UTC discovered a pipeline crossing on the Jenkins Creek Bridge on Covington Way in Covington. PSE confirmed this crossing was not on their bridge patrol list. The bridge had not been patrolled per the code or PSE Gas Operating Standards 2575.3100.4.2 as required. This is a re-occurring issue.

2. **49 CFR §192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**
 - (a) *Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:*
 - (1) *It must have an external protective coating meeting the requirements of §192.461.*
 - (2) *It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.*

Finding(s):

As part of evaluating leak records, all corrosion records were reviewed. One record for a leak at 4625 S. 289th Pl in Auburn, was shown on PSE's mapping system as a polyethylene (PE) service and on the D4 card as a PE service. In reality, the service was PE up to the riser, where it transitioned to steel. This buried, steel, gas carrying portion of the service did not have cathodic protection per the code. As a result, a corrosion leak occurred on November 21, 2013.

PSE did not know this service was constructed in this manner as it was incorrectly noted on PSE mapping and the D4 card. The concern is that other services in this immediate area may be constructed similarly as most of the homes appear to be built in 1977 era by Hillis Homes, Inc.

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

- (3) *Each gas pipeline company must conduct gas leak surveys according to the following minimum frequencies:*
- (c) *Gas pipelines operating at or above two hundred fifty psig - at least once annually, but not to exceed fifteen months between surveys;*

Finding(s):

- 1) During leak survey records review, it was noted that in 2010, and 2012, PSE failed to leak survey the following plats for the HP 250 Kent Black Diamond Supply Main: 223079C, 223079D, 223079E, 224078, 225075, 225078, 226075, 226076, 226077, 226078, 227077, 227078. PSE indicated that the pressure on the line had increased in 2009 (DOCKET PG-090811) above 250 psi, however, the group responsible for managing and scheduling leak surveying was apparently unaware of the change and did not increase the leak survey frequency per the code.
- 2) During leak survey records review, it was noted that in 2013, PSE failed to leak survey the HP 16" and HP 8" for Plat 183097 per the code.