



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY (360) 586-8203

CERTIFIED MAIL

December 10, 2015

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

Dear Ms. Gilbertson:

**RE: 2015 Natural Gas Standard Inspection – Puget Sound Energy, Snohomish County
(Insp. No. 6176)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard distribution system inspection on November 3-6, 12-13, and December 3, 2015 of Puget Sound Energy (PSE), Snohomish County. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates one area of concern in the enclosed report, 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 January 13, 2016. The response should include how and when you plan to bring the area of concern into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on the area of concern and does not constitute a finding of probable violation by the staff at this time if the issue is resolved within 90 days of discovery.

If this issue is not resolved within 90 days, this matter may result in the issuance of a notice of probable violation.

Puget Sound Energy
2015 Natural Gas Standard Inspection, Snohomish County
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If you have any questions or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Alan E. Rathbun
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
2015 Natural Gas Pipeline Safety Inspection
Puget Sound Energy – Snohomish County

The following area of concern of WAC 480-93 were noted as a result of the 2015 inspection of the Puget Sound Energy – Snohomish County. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

AREA OF CONCERN

1. **WAC 480-93-110 Corrosion control**

- (2) *Each gas pipeline company must complete remedial action within ninety days to correct any cathodic protection deficiencies known and indicated by any test, survey, or inspection. An additional thirty days may be allowed for remedial action if due to circumstances beyond the gas pipeline company's control the company cannot complete remedial action within ninety days. Each gas pipeline company must be able to provide documentation to the commission indicating that remedial action was started in a timely manner and that all efforts were made to complete remedial action within ninety days. (Examples of circumstances allowing each gas pipeline company to exceed the ninety-day time frame include right of way permitting issues, availability of repair materials, or unusually long investigation or repair requirements).*

Finding(s):

During the field portion of the inspection on November 13, 2015, we obtained a low pipe-to-soil potential reading of -356 mV (on) at 3716 Federal and -285 mV (on) at Edwards Ave and Federal Ave in Everett, WA. If uncorrected within 90 days, this condition could lead to a probable violation. PSE has indicated that they replaced a battery on a solar power source and that the readings are now more favorable, but there is still the question about whether there is interference from the City of Everett's cathodic protection system. It need to be determined if this interference is affecting the readings obtained on PSE's assets in a positive or negative way.

Additionally, reviewing pipe-to-soil potential test records since 2013 has shown that both test stations have had a history of low readings, that were remediated, and the next year when the annual check occurred they were low again. This pattern has continued to the present.