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August 23, 2017

Sean Mayo  
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

RECEIVED  
State of Washington  
AUG 25 2017  
UTC  
Pipeline Safety Program

Dear Mr. Mayo:

**RE: 2017 Natural Gas Standard Inspection- Puget Sound Energy – Pierce County  
Inspection Number 7229**

PSE has received and reviewed your letter dated July 26 regarding the 2017 Pierce County Audit, and pursuant to your request is submitting the following written response to the two probable violations and one area of concern.

**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.

## **PSE Response**

In response to this discovery, a multi-departmental team was immediately organized to develop a process to collect accurate data and submit it to the WUTC within 45 days. A new process was developed, documented, and rolled out to over 100 PSE personnel. Improvements included replacing paper-based reporting systems with electronic systems, setting internal reporting timelines and metrics for stakeholders, and implementing the ability to monitor progress of open reports. PSE successfully implemented the new process by May 5. Since that time, PSE is pleased to report that our average time for submitting DIRT reports to the WUTC has been less than 35 days, and 281 of 282 damages have been reported to the WUTC within 45 days.

PSE investigated the single late report and determined the root cause, and is incorporating lessons learned from this experience and continuously improving the process.

## 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.

### **PSE Response**

PSE reviewed the locations that were noted during the audit, and has completed the leak surveys for these locations.

These 29 locations are examples of where PSE's and our Service Provider Hydromax (HUSA) have difficulty completing leak surveys. In some cases, we are unable to physically access the facility such as a locked gate (also known as a Can't-Get-In or "CGI"). In other cases, we cannot locate a service line to perform the survey because of either a mapping issue, an inability to physically locate the facility, or because it's hard to physically reach the facility without specialized equipment (also known as a "Skip").

Since early 2016, PSE has been improving processes and tools to address CGIs and Skips including gaining better visibility of these locations. In 2017, PSE recognized additional actions were needed to address both newly discovered CGI and Skip locations, as well as historic locations that had not yet been resolved.

PSE and HUSA have developed plans to address CGI and Skip locations, and are in the process of implementing these plans. The plans include methods of reducing the number of newly created CGI and Skip locations as well as addressing the historic CGI and Skip locations that have not been fully resolved.

In addition to fully addressing any new CGI and Skip locations, all historic locations will be addressed by December 31, 2018.

### 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.

**PSE Response:**

PSE has historically initiated special leak surveys in areas of paving or construction. PSE recognizes the need to clarify when Special Leak Surveys are initiated and implement a consistent process. PSE is developing a written process that governs the criteria that will be used to trigger a new survey as well as the process for executing the survey and maintaining records of the survey. PSE will complete this new Special Leak Survey Process by October 1, 2017.

We hope the information provided is responsive to the findings of the UTC inspection. PSE is committed to constructing, operating, and maintaining a safe gas pipeline system.

Sincerely,

A handwritten signature in black ink, appearing to read "Booga K. Gilbertson". The signature is fluid and cursive, with the first name "Booga" being the most prominent.

Booga K. Gilbertson

Sr. Vice President, Operations

Cc: Cara Peterman, Director Compliance  
Cheryl McGrath, Manager Compliance Programs  
Harry Shapiro, Director Gas Operations  
Doug Loreen, Director Safety and Preparedness  
Cathy Koch, Director Planning  
Wayne Gould, Director Corporate Shared Services  
Jennifer Tada, Director Customer and System Projects