



Connecticut Department of

**ENERGY &
ENVIRONMENTAL
PROTECTION**

Public Utilities Regulatory Authority

August 2, 2012

Mr. Jeffrey D. Wiese

Associate Administrator

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
East Building, 2nd Floor
1200 New Jersey Ave., SE
Washington, DC 20590

Dear Mr. Wiese:

I am writing in response to your correspondence of June 13, 2012 and Ms. Quarterman's correspondence to Governor Malloy of July 23, 2012, regarding the integrity of the nation's pipelines. This letter provides an update to the response provided in April 2011 by then Chairman Kevin DelGobbo.

Please be assured that the Connecticut Public Utilities Regulatory Authority (PURA) continues to be seriously concerned about pipeline safety, both nationally and in particular within the state of Connecticut. The PURA has a long history of dedication to a strong pipeline safety program and continues to champion the cause, especially in light of the recent tragic events in the pipeline industry. Our performance has been recognized by the fact that we have been consistently rated by the Pipeline and Hazardous Materials Safety Administration (PHMSA) as one of the most effective pipeline safety programs in the country. In the last several years, we have achieved a perfect score in our annual evaluation, and we were one of only six states to achieve a perfect score in the most recent round of evaluations. We are actively involved in pipeline safety at both the national level and state levels. The PURA Gas Pipeline Safety Unit (GPSU) program manager, Karl Baker, is a member of the National Association of Pipeline Safety Representatives (NAPSR) Grant Allocation and Strategic Planning Committee, and Bruce Benson and Daniel Nivison are actively participating on other NAPSR committees. We value the partnership between PHMSA and the PURA staff, focusing on ensuring an effective

pipeline safety program, including our ability to perform inspections of interstate pipeline operators. We look forward to continuing this productive relationship.

With respect to replacement plans for the highest risk pipelines, the PURA has been encouraging the gas companies in the state to create replacement programs for several decades. All of the gas companies in Connecticut have replacement programs in place and have been accelerating, improving and enhancing them for the past 20 years. These replacement programs have been targeting our highest risk pipelines which are composed of bare steel and cast iron. The most recent gas company rate case included a dramatic increase in the rate of replacement of cast iron and bare steel piping. The approved replacement plan reduced the time frame for replacing the remaining inventory of cast iron and bare steel piping from over 67 years to a 15- to 20-year time frame. The approval of this program to accelerate the replacement program was a direct result of the new distribution integrity management (DIMP) safety regulations as well as the continuing collaborative work between the gas companies and the GPSU. The only municipal gas operator in Connecticut has recently accelerated its program and is currently projecting a similar 15- to 20-year replacement time frame. The other two major gas companies are expected to file rate cases in 2013. We expect that both companies will propose comparable replacement time frames.

PURA has and will continue to support replacement programs including significant acceleration of said programs when needed to ensure safe and reliable service Connecticut citizens. Notwithstanding these significant efforts, the GPSU is currently reviewing the replacement plans for all of the gas companies in the state during its ongoing DIMP audits to determine what additional changes might be needed to further our commitment to safety.

I hope this letter adequately addresses the issues you raised in your letter. If you have any questions or concerns, please contact Mr. Baker of the Gas Pipeline Safety Unit at 860-827-2661.

Sincerely,

A handwritten signature in blue ink that reads "Arthur H. House". The signature is written in a cursive, slightly slanted style.

Arthur H. House

Chairman

cc: Governor Malloy