

October 29, 2012

Ms. Cynthia Quarterman, PHMSA Administrator
U. S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Kansas Use of Cast Iron Piping in Natural Gas Distribution Service

Dear Ms. Quarterman:

The State of Kansas currently doesn't have a formal remediation plan for eliminating cast iron piping from natural gas service. The Kansas Corporation Commission (KCC) has taken steps to reduce the inventory of cast iron by enhancing the Kansas adopted federal pipeline safety regulations and providing for a favorable recovery of costs associated with pipeline safety compliance.

Since the early 1990s, the KCC has promulgated pipeline safety regulations designed to reduce the State's cast iron inventory¹ and closely monitor the remaining cast iron for leakage.² The regulations require all operators with cast iron in their inventory to sample cast iron for evidence of graphitic corrosion and to implement a pipe replacement plan based on the results of the sampling program. Also, all cast iron piping three inches or less in diameter is required to be removed from natural gas service by January, 2013. In addition, the KCC requires operators of cast iron piping to perform leak surveys more frequently than the 5-year interval prescribed by 49 CFR Part 192.723(b)(2). In a recent order³, the Commission recognized the risks of corrosion in cast iron piping and noted that replacement of cast iron should be a priority. In order to monitor the rate of replacement, the Commission ordered the operator to file an annual report with the KCC providing the number of miles of cast iron by pipe diameter. The operator is also required to report the number of leaks discovered for each pipe diameter on an annual basis. This information will be used to evaluate the safety of the cast iron remaining in service and progress made toward eliminating it from the piping system.

These actions have resulted in a 74% decrease in the miles of cast iron pipe in Kansas since 1993. Kansas operators continue to replace cast iron at a rate of approximately 10 miles per year. Presently, there are 110 miles of cast iron remaining in natural gas

¹ K.A.R. 82-11-4(ee)

² K.A.R. 82-11-4(dd)(b)(2)(ii)

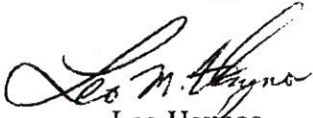
³ KCC Docket 12-KGSG-721-TAR

service in Kansas and only three of the 85 distribution pipeline operators in Kansas have cast iron in their piping systems. There are 104 miles of the cast iron residing in the inventory of our largest gas distribution utility.⁴

In 2006, the Kansas Legislature passed the Gas Safety and Reliability Policy Act⁵ (a/k/a the GSRS). The Act allows costs associated with replacement projects required for compliance with pipeline safety regulations to be recovered through a monthly customer surcharge. The KCC expects the combination of this favorable rate treatment, the implementation of the federal Distribution Integrity Management regulation, and the regulations requiring cast iron replacement plans to incentivize Kansas utilities to maintain or possibly increase the current rate of cast iron removal.

The KCC continues to be committed to a regulatory policy that balances cost recovery mechanisms with safety considerations. Our pipeline safety regulations continue to require each operator to implement replacement plans for aging infrastructure and perform careful and frequent monitoring for leakage. This progressive approach to pipeline safety has demonstrated a marked improvement in the Kansas natural gas infrastructure over the last 20 years. The KCC looks forward to continuing our successful partnership with PHMSA to achieve our common goal of safe and reliable natural gas service to the American public.

Sincerely,



Leo Haynos
Chief Pipeline Safety Section

cc: Patti Petersen-Klein, Executive Director

⁴ Kansas Gas Service, A Division of ONEOK, Inc.

⁵ K.S.A. 66-2201 et seq.