STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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August 1, 2012

Mr. Jeffrey D. Wiese Associate Administrator for Pipeline Safety 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:

This letter is in response to your June 13, 2012 correspondence regarding the integrity of the nation's pipeline infrastructure. I appreciate the opportunity to discuss the New York State Public Service Commission's multi-faceted approach to pipeline safety. Due to the evolution of the use of gas as an energy source for more than a century, New York State has extensive experience in the oversight of the distribution of synthetic and natural gas, and its formal pipeline safety regulations date back over 60 years. Pipeline safety continues to be a top priority of the Commission. The Commission follows operator performance through measures that include damage prevention, emergency response to leak and odor calls, and leak management. In addition, through rate proceedings, the Commission has ordered the utilization of risk-based approaches for operators to identify, prioritize, and replace their highest risk segments of leak-prone pipe; the reduction of active potentially hazardous leaks; and the continuous improvement in the prevention of excavation damages.

Cast iron, unprotected steel, and certain early vintage plastic pipe are prone to leakage, posing potential safety risks to the public. We believe the best approach to improving the safety level for the public is to ultimately reduce the likelihood of leaks occurring, and therefore the risk. Since history has demonstrated there are many factors that cause buried pipe to leak, the Commission has determined that to identify and prioritize this pipe for replacement, various aspects should be considered, such as particular vintages of steel that are more susceptible to deterioration, diameter and wall thickness of the pipe, actual leakage history, soil conditions, operating pressure, and the potential for excavation damage that could cause immediate or delayed failure.

Since 2003, natural gas operators in New York State have removed from service nearly 16% of the highest risk leak-prone distribution mains and, more importantly, over 21% of leak-prone gas services. While all known cast iron services have been removed from operation, wrought iron and bare steel services can present risk due to proximity to enclosed structures where leaking gas can collect, migrate, and possibly lead to an incident. The Commission continues to monitor the status of leak-prone pipe replacement programs across the state and is actively increasing mandatory replacement levels in rate cases utilizing risk-based criteria to remove the greatest risk to the public.

Thank you for opportunity to provide comments and participate in this nationwide collection of best practices in the area of pipeline safety. I look forward to working with you to promote the safe and reliable natural gas distribution in New York, and nationwide.

Sincerely,

Garry A. Brown Chairman