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Thomas E. Wright, Chairman
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Corporation Commission

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April 8, 2011

Hon. Secretary Ray LaHood
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

RE: Pipeline Safety Forum Addressing Aging Infrastructure

Dear Secretary LaHood:

The Kansas Corporation Commission and the state of Kansas have a history of supporting and promoting natural gas pipeline safety within our state. Through Docket 34,856, the KCC adopted American Standard Code for Gas Transmission and Distribution Piping¹ as a construction standard applicable to all natural gas public utilities. In addition to adopting the B31.8 construction standard, Kansas implemented requirements for odorization, patrolling, leak surveying, and reporting of accidents. This regulation was promulgated by the Commission in 1961- approximately eight years before federal pipeline safety codes were initiated. Kansas replaced this code by adopting the federal pipeline safety code in the early 1970's, and the KCC has been the Kansas agency certified under 49 U.S.C. Section 60105 since that time.

After a series of unfortunate natural gas incidents in the late 1980's, Kansas once again initiated state regulations that are more stringent than the federal counterpart. The additional state regulations were designed to address the types of natural gas pipeline which were considered to present the highest risk to public safety. Among other things, the regulations required more frequent monitoring of cathodic protection and more frequent leak surveys. These two items, coupled with required replacement plans for unprotected bare steel pipelines and Kansas statutes allowing for alternative recovery of pipe replacement investments, have resulted in a significant decrease in the inventory of intrastate pipelines installed prior to the enactment of federal

¹ ASA B31.8 later became known as B31.8 sponsored and published by the American Society of Mechanical Engineers. This section of piping code also served as the basis for the federal pipeline safety regulations which were promulgated 8 years after the Kansas regulations.

pipeline safety regulations. The following table compares Kansas' progress over the last 17 years. As shown in this table, the inventory of pipelines presenting the greatest safety risk has reduced by approximately 67% since 1993 while at the same time the gas distribution system has grown by 30%. This same trend is paralleled by a decrease in the leak inventory in Kansas. While a statewide leak inventory is not readily available, the inventory of Kansas' largest gas distribution operator has decreased from 28,800 system-wide leaks in 1990 to approximately 800 system-wide leaks today.

Kansas Infrastructure Replacement Statistics

	Bare Steel Piping protected and unprotected- (miles)	Unprotected Bare Steel (miles)	Cast Iron (miles)	KS Distribution Piping (miles)
1993 Inventory	6,490	2,867	423	20,972
2011 Inventory	4,911	934	139	28,693
% Change	-24%	-67%	-67%	+37%

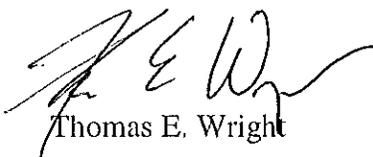
We believe the above data clearly demonstrates that a sound regulatory policy which coordinates cost recovery mechanisms with safety considerations can make significant contributions to pipeline safety. This process continues with the recently negotiated agreement with a Kansas distribution operator to replace the remaining 95,000 unprotected steel service lines in its system². Realistically, however, it must be pointed out that Kansas still has 5,000 miles of aging intrastate gas pipelines in service which predate pipeline safety construction regulations. We believe this category of pipeline requires careful and frequent monitoring for leakage. With this data, the operator and the regulatory agencies with oversight should develop a replacement plan that provides for the construction and funding of the replacement project while minimizing the risk to public safety.

² Docket 11-KGSG-177-TAR in which Kansas Gas Service agreed to replace the remaining 95,000 natural gas service lines over a 10 year period while maintaining annual leak surveys of pipelines.

Unfortunately, Kansas' progressive approach to pipeline safety is limited to intrastate natural gas pipelines. While the Pipeline and Hazardous Materials Safety Administration provides oversight for the 11,800 miles of interstate gas transmission and 9,900 miles of hazardous liquid pipelines in Kansas, there remains 302 miles of natural gas pipelines in interstate service in Kansas that are not regulated by PHMSA and from which Kansas is proscribed from regulating. These bare steel pipelines were typically constructed in the 1940's are 8" in diameter, operate at up to 1800 psi, and have never had cathodic protection installed to mitigate the effects of corrosion. In several cases, the pipelines are located in urban areas. Although the pipelines have a demonstrated public safety risk in Kansas³ and other states, to date PHMSA has taken no action to address this threat to public safety. The pipelines in question are wellbores⁴ storing natural gas in interstate transportation. The Commission remains concerned about the safe operation of these facilities and urges your agency to provide the necessary oversight of this transportation sector in order to assure the safety of the public.

The Commission appreciates the opportunity to provide these comments and looks forward to working with you to achieve our common goal of safe and reliable natural gas service to the American public.

Sincerely,



Thomas E. Wright

Chairman

Cc: Ms. Cynthia Quarterman, PHMSA Administrator
Mr. Jeff Wiese, PHMSA Pipeline Safety Program Associate Administrator

³ A failure of Well No. S-1 of the Yaggy field resulted in two fatalities and over 1.8 million dollars of property damage in the town of Hutchinson Kansas in January 2001.

⁴ There are 725 active storage wells in Kansas that store gas in interstate transportation.