



# STATE OF CONNECTICUT

## PUBLIC UTILITIES REGULATORY AUTHORITY

Katie S. Dykes, Chair  
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Public Hearing – March 14, 2018  
Environment Committee

Testimony submitted by Katie S. Dykes, Chair, Public Utilities Regulatory Authority

#### **RAISED BILL NO. 346 AN ACT ESTABLISHING PARITY FOR OIL AND GAS LEAK REPAIRS.**

Thank you for the opportunity to present testimony regarding **Raised House Bill Number 346.**

This proposed legislation would require gas companies to respond to and remediate all gas leaks not later than forty-eight hours after receiving notice of such leak. PURA **opposes** this proposal as it would significantly impact the on-going bare steel and cast iron replacement programs that are in place at all of the natural gas companies. In addition, PURA cannot determine what the rate payer impact would be; however, it could be significant. The proposal would also take away from PURA's Gas Pipeline Safety Unit and the natural gas companies the flexibility they currently have to prioritize and respond to Class 1, 2 and 3 natural gas leaks based on the level of severity.

It is important to note that gas companies are already required, by law, to respond immediately to any report of a gas leak. During this immediate response, each gas company grades the severity of any leak that is found. Gas leaks are graded as Class 1, Class 2 or Class 3. Class 1 leaks represent an existing or probable hazard to persons or property, and require immediate repair or continuous action, until the conditions are no longer hazardous. Class 2 leaks are recognized as being non-hazardous at the time of detection, but justify scheduled repair based on a probable future hazard. Class 3 leaks are considered non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous in between leak surveys.

Since a Class 1 leak requires immediate repair or continuous actions until the conditions are no longer hazardous, there is no backlog of Class 1 leaks. Class 2 leak backlogs have been capped through various PURA decisions and represent a very small number of leaks at the end of each calendar year. Class 3 leaks do not need to be repaired immediately and the backlog has been increasing over the years; however, PURA has recently instituted a cap on these leaks as well. This new cap applies to leaks on newer infrastructure, while replacement is the key for older infrastructure.

The gas companies and PURA strive to eliminate the possibility of leaks from occurring in the first place. This is accomplished through a variety of methods, including, but not limited to, constructing facilities with state-of-the-art materials, replacing older leak prone infrastructure, distribution integrity management programs, and aggressive damage prevention programs and enforcement.

The United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) recently implemented integrity management regulations for natural gas distribution systems (DIMP) that are intended to help ensure pipeline integrity and improve pipeline safety. The purpose of the DIMP regulations is to require that pipeline operators analyze their particular pipeline systems, circumstances and programs to identify potential threats that could result in high consequence accidents and to subsequently address those threats before accidents occur.

One of the greatest threats to gas company system integrity is old distribution infrastructure, namely cast iron and bare steel piping. Cast iron and bare steel piping are considered threats to safety because of leaks that are caused by several factors, including cracking of cast iron and corrosion of bare steel. The cracking of cast iron is of particular concern because there is no clear trend in the number of cracks per year. The only significant way to reduce the threat of cast iron and bare steel pipe leaks is through replacement. Another key element of DIMP is the need to demonstrate improvement in the safety of the gas companies' systems. For the gas companies to demonstrate the required safety improvement, it is necessary to remove, at a significant pace, the cast iron and bare steel piping from their systems. These replacement programs are the most effective way to deal with Class 3 leaks on older infrastructure.

If significant resources are moved away from the replacement of older infrastructure and instead to the repair of non-hazardous leaks, the gas companies will not be able to reduce this threat. PURA believes that the current leak response, grading, capping and replacement programs combine to form the most reasonable approach to dealing with leaks in light of safety, environmental and rate factors.

Thank you once again for the opportunity to present testimony on these proposals. If you should require any additional information, please contact Nick Neeley at 860-827-2625 or [Nicholas.Neeley@ct.gov](mailto:Nicholas.Neeley@ct.gov).