BEFORE THE

UNITED STATES DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

WASHINGTON, D.C.

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Pipeline Safety: Pipeline Damage Prevention Programs	)	Docket No. PHMSA–2009–0192
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Comments of the American Public Gas Association

The American Public Gas Association ("APGA") is the national, non-profit association of publicly-owned natural gas distribution systems. APGA was formed in 1961 as a non-profit, non-partisan organization, and currently has approximately 700 members in 36 states. Overall, there are nearly 1,000 municipally-owned systems in the U.S. serving more than five million customers. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. Therefore APGA members will be affected by the outcome of this rulemaking.

APGA appreciates the opportunity to submit comments on the Pipeline and Hazardous Materials Safety Administration (PHMSA) Notice of Proposed Rulemaking on Pipeline Damage Prevention Programs published in the Federal Register on April 2, 2012. APGA supports the efforts of PHMSA to encourage states to adopt and enforce effective excavation damage prevention programs. Year after year excavation damage is the leading cause of reportable incidents on natural gas distribution piping. Excavation damage is, to a large extent, beyond the control of the distribution operator, however states such as Virginia have proven that effective state damage prevention programs can significantly reduce excavation damage.

APGA believes that the rule as proposed by PHMSA describes reasonable criteria for determining if a state has an effective damage prevention program. The rule also offers a reasonable system for states to challenge such a determination.

One area of concern involves the proposal to restrict pipeline safety grants to states that PHMSA determines do not have effective damage prevention programs. In the interest of improving pipeline safety, PHMSA must take care in applying appropriate penalties to state programs that have been determined to be inadequate. APGA believes that any funding cuts from a finding that a state damage prevention program is inadequate should be limited to damage prevention grants money. The general pipeline safety funding for the state should not be reduced. In many states, the pipeline safety agency is not the agency responsible for enforcing damage prevention laws. In most states, the legislature must act to enact effective damage prevention and the pipeline safety agency is subservient to the legislature, not vice versa.. Neither the damage prevention grants nor the general pipeline safety grants is sufficiently large to overcome legislative resistance, but cutting pipeline safety grants would negatively affect the resources available for pipeline safety in the state.

APGA appreciates the opportunity to provide input to PHMSA on this issue. APGA welcomes any questions regarding these comments.

Bert Kalisch, President & CEO