

Philadelphia Gas Works

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VIA ELECTRONIC FILING

Rosemary Chiavetta - Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: **Natural Gas Pipeline Replacement and Performance Plans – Docket No. M-2011-2271982; Comments of PGW in Response to the November 21, 2011 Secretarial Letter**

Dear Secretary Chiavetta:

Enclosed for filing is an original of Philadelphia Gas Works' Comments in Response to the November 21, 2011 Secretarial Letter.

If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gregory J. Stunder", is written over the typed name.

Gregory J. Stunder

Enclosure

cc: Robert Young (via email)
Paul Metro (via email)

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

**Natural Gas Pipeline Replacement and
Performance Plans**

Docket No. M-2011-2271982

**COMMENTS OF PHILADELPHIA GAS WORKS IN RESPONSE
TO THE NOVEMBER 21, 2011 SECRETARIAL LETTER**

I. INTRODUCTION

The Pennsylvania Public Utility Commission (“Commission” or “PUC”) adopted an order in the above referenced matter on November 10, 2011, which was revised and clarified by a Secretarial Letter issued on November 21, 2011 (“Secretarial Letter”).¹ The Secretarial Letter specifically requests comments with respect to: 1) the electronic submission of DIMP and IMP Plans to the Chief of the Gas Safety Division; and 2) Frost Patrols. The Secretarial Letter also extended the comment period for the proposed Pipeline Replacement and Performance Plans from December 2, 2011 to January 13, 2012 and required Natural Gas Distribution Companies (“NGDCs”) to schedule an individual comment review meeting with the Chief of the Gas Safety Division.

Safety is PGW’s number one priority - around the clock, year-round.² PGW is continually focused on providing its over 500,000 customers in the City of Philadelphia with safe, reliable natural gas service and is especially focused on the safety and reliability of its more than 6,000 miles of service lines and distribution mains. It also continually works to improve these efforts, and welcomes the suggestions of the PUC on how it can enhance the safety and

¹ The Secretarial Letter was subsequently ratified by a PUC Order adopted on December 1, 2011.

² <https://www.pgworks.com/index.aspx?NID=136>.

reliability of its system, as reflected in the Secretarial Letter, interpreting and revising the Commission's November 10, 2011 Order.

II. ELECTRONIC SUBMISSION OF DIMP and IMP PLANS

Distribution Integrity Management Program ("DIMP") Plans and Integrity Management Program ("IMP") Plans address two different parts of an NGDC's system. A DIMP is an Integrity Management Program for a gas distribution pipeline³ and an IMP is an Integrity Management Program for a gas transmission pipeline.⁴ PGW's DIMP Plan covers the Company's entire distribution system whereas PGW's IMP Plan only covers the 2 miles of transmission pipeline operated by PGW.

PGW's DIMP Plan contains confidential security information⁵ regarding its supply and distribution facilities which, if publicly disclosed, could, among other things, compromise the security of its facilities and/or the safety of the population in and around its facilities. In light of the pending appeal of an Office of Open Office Records determination requiring the PUC's Gas Safety Division to publicly disclose similar information,⁶ and concern that these documents could become available to the general public, PGW proposes an alternative to submitting its DIMP Plan to the Gas Safety Division. PGW is agreeable to submitting a version of PGW's DIMP Plan in which confidential security information is redacted. PGW also proposes to

³ See 49 C.F.R. Subpart P.

⁴ See 49 C.F.R. Subpart O.

⁵ The Public Utility Confidential Security Information Disclosure Protection Act ("the Act") prohibits an agency from releasing, publishing or otherwise disclosing a public utility record or portion thereof which contains confidential security information. 35 P.S. § 2141.5. The Act defines confidential security information as: "Information contained within a record maintained by an agency in any form, the disclosure of which would compromise security against sabotage or criminal or terrorist acts and the nondisclosure of which is necessary for the protection of life, safety, public property or public utility facilities, ...". 35 P.S. § 2141.2.

⁶ *Pennsylvania Public Utility Commission vs. Daniel Gilbert and The Wall Street Journal* (Pa. Cmwlth., No. 1381 CD 2011).

maintain a non-redacted version of the DIMP Plan available for review at PGW's offices by PUC Gas Safety Division personnel.

PGW's IMP Plan is a dynamic document and updated versions have been submitted to the Gas Safety Division in 2004, 2007 and 2010. PGW anticipates, as inferred in the Secretarial Letter, that if there is a Right To Know request for the Company's IMP Plans that the Commission will assert that the Plans are exempt from public disclosure pursuant to 65 P.S. §67.708(b)(3).

III. FROST PATROLS

The November 21, 2011 Secretarial Letter revised the directives contained in the November 10, 2011 Order and replaced them with a series of filing and meeting requirements. Specifically, the Secretarial Letter requires the submission of comments specifically addressing the following issues:

2. Each natural gas distribution public utility and city natural gas distribution operation with cast iron pipeline or unprotected steel pipeline in its systems shall file comments on Frost Patrols. The comments shall include:
 - a. A full description of the utility's prior Frost Patrol protocols over the five (5) winter seasons preceding its DIMP/IM[P] Plans;
 - b. A full description of the utility's current Frost Patrol protocols under its DIMP/IM[P] Plans (if different from above);
 - c. A full description of enhanced Frost Patrol Protocols the utility proposes to perform this winter; and
 - d. A discussion about whether Commission issued standards for Frost Patrols should be considered going forward, and whether such standards should be determined on a utility by utility basis or on an industry wide basis.

PGW provides the following responsive comments:

2.a. A full description of the utility's prior Frost Patrol protocols over the five (5) winter seasons preceding its DIMP/IM[P] Plans

PGW's leak survey protocols exceed federal requirements, which mandate a full system survey once every three years.⁷ The following are the enhanced leak survey protocols performed by PGW:

- Annual mobile survey of all structures in all roadways in PGW's service territory.
- Every three years, walking survey of all structures in all footways in PGW's service territory.
- Semi-annual walking survey of Center City Philadelphia.
- Annual walking/mobile surveys of all business areas in PGW's service territory.
- Quarterly walking/mobile surveys of all transmission lines in PGW's service territory.
- Semi-annual walking survey of the Franklin Mills' roof main and services.
- Annual walking survey of the underground structures located in PGW's Richmond and Passyunk natural gas plants and all of PGW's gate stations.
- Prior to the event, mobile surveys of major parade routes and "Proccycling Tour" bike race routes.
- Annual walking survey of all buried bridge mains in PGW's service territory.
- As requested, walking/mobile surveys of blasting and implosion sites.

It is important to note that all of these enhanced surveys are scheduled to continue during Frost and Winter periods, conditions permitting. Additionally, PGW has performed the following Frost and Winter Patrols since 2000:

- FROST PERIOD PATROL: PGW performs a Prudent Winter Frost Patrol by surveying the 300 blocks with top MRP model ranking⁸ every 2 weeks using mobile optical

⁷ 49 C.F.R. § 192.723.

methane detector technology as soon as there is a measurable amount of frost reported for a period of five days.⁹ This survey continues until seven days after the last report of frost.

- **WINTER PERIOD PATROL:** PGW performs a General Winter Patrol by surveying the areas in which there is a high concentration of cast iron main using mobile optical methane detector technology. This survey covers approximately 700 miles and begins December 1st and continues until March 31st.

2.b. A full description of the utility’s current Frost Patrol protocols under its DIMP/IM[P] Plans (if different from above)

PGW’s Frost Patrol protocols over the five (5) winter seasons preceding its DIMP Plan are the same protocols included in its DIMP Plan (see 2.a. above).

2.c. A full description of enhanced Frost Patrol Protocols the utility proposes to perform this winter

As set forth above in response to 2.a., PGW has already established enhanced leak survey protocols and has committed substantial resources to performing more leak surveys than required by federal regulations. PGW can make some additional resources available for enhanced frost protocols and is willing to take reasonable steps to expand its existing efforts.¹⁰ These enhancements should be determined in collaboration with the PUC and as a result of the joint discussions between PGW and the PUC Gas Safety Division directed by the Secretarial Letter.

⁸ PGW employs a main replacement and prioritization risk model (“MRP model”) that establishes a main replacement priority ranking.

⁹ Frost is measured and reported daily by PGW’s distribution crews.

¹⁰ However, without a massive expenditure of time and resources, PGW could not implement the leak testing schedule and scope suggested in the now superseded November 10, 2011 Order. Where PGW now surveys approximately 10,000 blocks of its cast iron main infrastructure during the Winter and Frost Patrol periods, the November 10, 2011 Order would have required PGW to survey its entire system every week.

This approach will ensure that any “agreed to” enhancements will be based on a thorough understanding of PGW’s existing leak detection efforts and are consistent with the safety goals and objectives of the Commission. PGW will attempt to schedule such a discussion as soon as possible and looks forward to a positive conclusion to this collaborative effort.

2.d. A discussion about whether Commission issued standards for Frost Patrols should be considered going forward, and whether such standards should be determined on a utility by utility basis or on an industry wide basis

Pennsylvania NGDC service territories each have differing amounts of cast iron and bare/unprotected steel pipe, differing weather conditions and differing population densities. PGW’s service territory has the greatest amount of cast iron and bare steel pipe among Pennsylvania NGDC’s, more mild temperatures than most of Pennsylvania and the largest concentration of class 3 and class 4 locations of any Pennsylvania NGDC. More specifically, PGW has approximately 1,550 miles of cast iron pipe and 500 miles of coated, unprotected steel pipe. Additionally, PGW’s five year Heating Degree Day (“HDD”) average is 3,887, whereas a recent Department of Energy Rulemaking set forth that Pennsylvania’s annual HDD average is above 5,000.¹¹ Philadelphia has the highest population density in Pennsylvania¹² thereby resulting in a service territory that consists mostly of class 3 and class 4 locations.¹³

The foregoing characteristics are a small subset of the considerations that make each NGDC’s distribution system and service territory unique. Such unique characteristics make it difficult (and most likely impossible) to develop uniform frost patrol protocols that will be effective for each service territory. PGW looks forward to meeting with the Gas Safety Division

¹¹ 76 Fed. Reg. 37427-37428 (July 27, 2011).

¹² Philadelphia’s population density is 10,000 people per square mile.
<http://quickfacts.census.gov/qfd/states/42000.html>

¹³ Class 3 and class 4 locations are defined in the Federal Transportation Code at 49 C.F.R. 192.5.

in order to discuss the Company's comments and it respectfully requests to use this meeting as an opportunity to work collaboratively with the Gas Safety Division to develop Frost Patrol measures that are appropriate for PGW's service territory.

IV. CONCLUSION

PGW appreciates the opportunity to provide comments and the Company looks forward to continue working with the Commission and other stakeholders on these critical issues.

Respectfully Submitted,



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