



Oregon

John A. Kitzhaber, MD, Governor

4/13/2011

Ms. Cynthia L. Quarterman
Administrator
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Ms. Quarterman

Thank you for your March 31 letter about Pipeline Safety. We appreciate the efforts that you and the Pipeline Hazardous Materials Safety Administration (PHMSA) are making to ensure pipeline safety and we appreciate the opportunity to offer comments on the Oregon safety program. Michael Thompson, Chief of Pipeline Safety at the Oregon Public Utility Commission, will attend your April 18th Pipeline Safety Forum in Washington, DC.

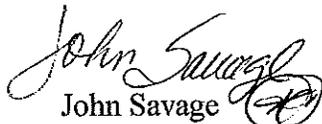
Over the past thirty years, the Oregon Public Utility Commission has overseen a number of utility initiatives to ensure the safe operation of our natural gas pipelines. In the mid-1980's, we initiated a program to replace all cast iron pipe. By 2000, our utilities had replaced all cast iron pipe. In 2000, we initiated a program to replace all bare steel pipe. We are on track to complete that work by 2018. Through this program and our cast iron pipe replacement program we have reduced the number of class B leaks by an estimated 36 percent.

Both programs receive active Commission and ratepayer support through the use of regulatory mechanisms that permit the operators to timely recover the capital investment and expense of these infrastructure replacement programs. This regulatory support is necessary to assure that the operators have the proper financial support for their efforts.

On November 4, 2010, we sponsored a public meeting to hear from all pipeline owners and operators on their Transmission Integrity Management Programs. The meeting showed that Oregon operators were not only in compliance with the federal regulations but being proactive in making the necessary investments for a safe system.

Again, thank you for the opportunity to comment, and we look forward to participating in the Safety Forum.

Sincerely,


John Savage
Commissioner


Susan Ackerman
Commissioner

Public Utility Commission

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