



N A R U C
National Association of Regulatory Utility Commissioners

July 7, 2016

Alan Mayberry
Acting Associate Administrator
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: *Docket No. PHMSA-2011-0023, Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines*

Dear Mr. Mayberry:

The National Association of Regulatory Utility Commissioners (NARUC) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) share the common goal of gas safety. NARUC has established within our Gas Committee a Pipeline Safety Subcommittee dedicated to ensuring this issue receives appropriate attention. We look forward to continuing to work cooperatively with your agency on a range of gas safety issues.

NARUC is a quasi-governmental, non-profit organization founded in 1889. Our membership includes the public utility commissions serving all States and territories. NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. Our members regulate the retail rates and services of electric, gas, water, and telephone utilities. We are obligated under the laws of our respective States to assure the establishment and maintenance of such utility services as may be required by the public convenience and necessity and to ensure that such services are provided under rates and subject to terms and conditions of service that are just, reasonable, and non-discriminatory.

Since the first Pipeline Safety Act was signed into law in 1968, States have been active in assisting the U.S. Department of Transportation to carry out the nation's pipeline safety program. In fact, State pipeline safety personnel represent the bulk of the State/federal inspection workforce and State inspectors are the "first line of defense" at the community level to promote pipeline safety, underground utility damage prevention, and public education and awareness regarding pipelines.

For the nation's State economic utility regulators, ensuring safe, reliable, and affordable utility service is our highest priority. This has been our responsibility for the last 126 years. With the changes confronting the gas and electric sectors, this mission can only grow in importance. State regulators and State pipeline safety inspectors are the mainstay for pipeline safety. We do the bulk of the work and, for obvious reasons, have the most intimate knowledge of pipelines located in our respective jurisdictions. Currently, State Utility Commissions and State inspectors have direct safety authority over 2.1 million of the approximately 2.5 million miles of pipelines in the United States.

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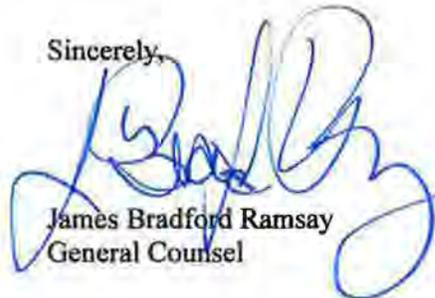
NARUC recognizes that the Notice of Proposed Rulemaking, PHMSA-2011-0023, *Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines*, published in the Federal Register on April 8, 2016, targets increased gas safety as a goal. We appreciate PHMSA's extension of the comment period and your agreement to attend the July NARUC Summer Committees Meeting in Nashville to discuss the rulemaking. But as this is a massive proposed rulemaking that appears to significantly expand PHMSA's jurisdictional role and adds substantive changes, among other things, to the integrity management, verification and reporting requirements, it requires careful evaluation and analysis. We must take the time to work together to get it right without any unintended consequences or miscommunication.

NARUC has not taken a formal position on this rulemaking, however many NARUC members continue to have serious concerns with this rulemaking's timing, scope, cost implications, and implementation challenges. The scope of the rule leaves many concerned about the need for more understanding on the impact of the rule, the necessary implementation efforts that must be undertaken, and the potential economic burden on the public. Any final rule should provide an appropriate degree of flexibility for State implementation efforts and have a clear understanding of the costs. Moreover, PHMSA could only benefit from a more robust, collaborative stakeholder engagement to ensure a better record that would result from providing stakeholders additional time to evaluate and critique the numerous and significant changes proposed.

In conclusion, robust pipeline safety laws and appropriate complementary regulations are essential to protect the citizens of this country and maintain the integrity of the United States' natural gas transmission and distribution networks. We are hopeful that we can now have proactive, detailed, and collaborative engagement between the States, PHMSA and the operators prior to adoption of a final rule. NARUC and our members stand ready to work with you on this endeavor. We believe together we can responsibly accomplish our shared responsibilities as pipeline safety stewards.

Please contact me or NARUC's Assistant General Counsel, Jennifer M. Murphy, if you have any questions.

Sincerely,



James Bradford Ramsay
General Counsel