

July 25, 1996

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ENERGY FACILITY SITING COUNCIL TASK FORCE
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PUBLIC
UTILITY
COMMISSION

Thank you for giving the PUC an opportunity to comment on the possible streamlining of the EFSC permitting and hearing processes. The following suggestions specifically relate to the construction and siting of natural gas pipelines.

1. There should be standard boiler-plate text that informs any direct sales customer building a natural gas pipeline, that it is subject to the Federal Gas Pipeline Safety Regulations found in CFR 49 Part 192, for the design, construction, operation, maintenance and emergency plan requirements, as enforced by the PUC. The current process is that the PUC must reiterate that requirement on every application, and it just seems simpler to automatically issue the "standard text" with each new application. Then make it the responsibility of the EFSC, or the applicant, to notify the PUC of the impending pipeline construction.
2. The current requirement is that a local distribution company (LDC) must file for a siting license if a pipeline is to be constructed that is more than five miles in length, and is greater than 16 inches in diameter. I feel that this requirement should be reviewed and changed to make the process less cumbersome.

As it is now, there are no provisions to waive this requirement even if the LDC has negotiated all necessary rights-of-way, easements and governmental permits. If all of this has been accomplished, and there is no controversy, it would seem reasonable that the EFSC should waive the additional regulatory steps. Of course, there would have to be reporting requirements and confirmation that all DEQ, Fish & Wildlife, etc., etc., etc., would be complied with.

It can take up to two years to push a project through the EFSC siting process, which consumes a large amount of time and effort, and drives up the resulting costs. Pipeline construction that is being contemplated for system reinforcement, looping or replacement may not be finished in time for the purposes initially intended. There would be a very real benefit in allowing a much more flexible and less time consuming process.

I also have another concern with the time, cost and effort involved in a two year process to build a pipeline. Corrosion leaks are the leading cause of leakage on natural gas pipelines. There is ample evidence that the older the pipeline is, the larger the number of leaks due to external corrosion. By making the process costly and time consuming, a negative effect of "doing nothing" may be created causing increasing risks to public safety. The LDC may decide that it is easier and cheaper to simply limp along with the older pipelines for as long as possible. We should join forces and make the process as simple and efficient as we can. Hopefully, we might even encourage replacement of older pipelines before serious deterioration occurs.

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3. My final comment concerns the issue of whether or not EFSC certificates should be binding on state and/or local governments. I feel that at least one very important aspect of siting should be binding on all levels of government, and that is the enforcement of the right-of-way against encroachment by construction.

The problem normally appears when the land is sold or divided into lots for construction. One reason is because sellers of the land are probably not anxious to inform potential buyers that their new home is built over, or near a high pressure gas line. There have been instances where pipeline markers and warning signs have been removed from the proximity of pipelines when the land was put up for sale.

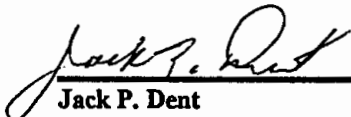
There are numerous examples of buildings that have been built right up to the pipeline. More common is the problem of blocked right-of-ways due to fences, garages and other structures. I feel that these situations occur because many local land use permitting agencies do not have, or do not enforce, minimum set-backs from the recorded gas pipeline right-of-way.

The danger involved is apparent, but there is also the problem that if something does go wrong with the pipeline, emergency equipment and personnel cannot gain access to control the situation. The danger is therefore increased for the emergency response personnel as well as for the homeowner.

This is a national problem and is not unique just to Oregon. If there is the slightest possibility that we can fix this problem, we should do it. Once an EFSC certificate is approved, there should be absolutely no toleration for encroachment of the right-of-way, and the local government permitting agency should be held accountable for strict enforcement. This includes informing potential land buyers of the existence of a pipeline on or adjacent to the property.

If you have the desire, I can arrange for a very short site visit to show you the problem first-hand.

Thank you, Mike, for the chance to comment. I hope that things are going well for you and I look forward to seeing you again. Any assistance that I can provide to you or your staff is available for the asking.



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