

VIA ELECTRONIC MAIL

August 17, 2012

Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. S.W. P.O. Box 47250 Olympia, Washington, 98504-7250

To: Mr. David W. Danner, Executive Director and Secretary, Washington Utilities Transportation Commission

Dear Mr. Danner:

Re: Washington Utilities and Transportation Commission Rulemaking to Consider Damage Reporting Requirements for Hazardous Liquids Pipeline Companies in WAC 480-75, Docket PL-120350

Trans Mountain (Puget Sound) LLC ("Puget") as operated by Kinder Morgan Canada Inc. "KMC", is in receipt of the Washington Utilities Transportation Commission's ("Commission") Letter entitled Notice of Opportunity to File Written Comments regarding the Commission's rulemaking to consider damage reporting requirements for hazardous liquids pipeline companies.

KMC is supportive of the Commission's efforts to reduce the number of violations of the dig law in order to increase pipeline safety, and is pleased to provide the Commission responses to the following questions:

Kinder Morgan Canada Inc.Suite 2700, 300 – 5th Avenue SW, Calgary, AB T2P 5J2Phone: (800) 535-7219Fax: (403) 514-6622www.kindermorgan.com

1. What concerns do you have about using the DIRT report system, which was designed to use report damage information anonymously?

Response:

KMC supports the Commission's efforts to create a system of reporting where the Commission receives timely, detailed and complete information in circumstances of damage to facilities due to excavation activities.

In addition to Puget, KMC operates several pipeline systems located in both the United States and Canada. KMC has developed a standardized method of reporting unauthorized activities, or events involving unreported ground disturbance within a defined distance of the pipeline, whether or not such events result in damage to the pipeline.¹ The Unauthorized Activity Reporting form contains much of the same information contained in the DIRT form, but also allows for qualitative observations, drawings, actions taken by KMC personnel, and corrective action plans. In KMC's experience, the collection of this level of detailed information is important to understand trends in activities and putting plans in place to prevent such activities going forward.

KMC would appreciate the option of using the KMC form, which has been proven to be a very useful reporting tool in other regulatory jurisdictions. The KMC Unauthorized Activity Form is attached to this letter as Appendix A.

2. How would you prefer to report this information?

<u>Response:</u>

Please see KMC's response to question 1. In addition to submitting the report to the Commission, KMC will also send a letter to the offending party describing the unauthorized activity, the date and location of the activity, notification that such activity has been provided to state and/or federal authorities, and information on safe excavation practices in and around pipelines. A pro forma letter that would be sent to an offending party is attached to this letter as Appendix B.

3. Staff's proposal for the information a company must report and retain when a facility is damaged without the excavator first obtaining a locate information appears in the draft at WAC 480-93-200(7)(b). Please comment on this proposal. Also what new costs would this impose on your company?

¹ In Canada, KMC is required to report such activities within 30 meters, or 100 feet of the pipeline. As such, KMC defers to the 100 feet standard for all pipelines it operates.

Response:

It is KMC's understanding that WAC 480-93-200(7)(b) is applicable to gas pipelines and not all hazardous pipelines. However, should WAC 480-93-200(7)(b) be applicable to all hazardous pipelines, KMC would have no issue providing annual reports containing damage prevention statistics, as such information is currently tracked and compiled. KMC would not expect to incur additional costs to comply with WAC 480-93-200(7)(b).

4. Please see the proposed language in WAC 480-75-630(6). What additional clarification would operators like to see included in the draft rule?

Response:

KMC generally supports the draft rule as stated, but would like the opportunity to use its own Unauthorized Activity Reporting form as it adheres to the reporting requirements of multiple regulatory jurisdictions, and allows for additional information such as qualitative observations, drawings, actions taken by KMC personnel, and corrective action plans.

KMC is appreciative of the opportunity to provide comment on this matter. Should you have any questions or wish to discuss further, please contact the undersigned.

Yours truly,

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Enclosures

Appendix A: Unauthorized Activity Reporting Form Appendix B: Unauthorized Activity Letter