



February 5, 2014

Via E-Mail
david.ferguson@rrc.state.tx.us

Mr. David Ferguson
Railroad Commission of Texas
1701 N. Congress Ave
Austin, TX 78711-2967

Re: 16 TAC Chapter 18 – Underground Pipeline Damage Prevention

Dear Mr. Ferguson:

West Texas Gas, Inc. (WTG) would like to take this opportunity to submit the following comments to the Railroad Commission of Texas (Commission) on the proposed draft language to 16 TAC Chapter 18 – Underground Pipeline Damage Prevention.

WTG is headquartered in Midland, TX and is a regulated Texas natural gas utility with gathering, transmission and distribution operations. WTG was created in 1976 as a distribution utility serving less than 1,000 rural agricultural customers. Since our creation in 1976, WTG has grown its Texas natural gas distribution business to include more than 20,000 residential, commercial, and agricultural customers situated in 28 municipalities and 69 counties. Much of WTG's growth has been through acquisition of small privately owned and operated distribution systems with pipeline construction dates as far back as the 1920's in some cases. In fact there are numerous WTG systems in the Texas Panhandle that were previously operated as "private" farmer-owned systems serving the farmer's (or group of farmers) irrigation and agricultural gas requirements.

Today, WTG's records reflect more than 4,700 miles of distribution pipeline, with almost 4,200 miles of this distribution pipeline situated in rural Class 1 areas serving approximately 9,967 rural irrigation, agricultural, and domestic customers. Of the 4,200 miles of distribution pipeline in Class 1 areas, approximately 1,887.3 miles of pipeline is "unlocated" (i.e. plastic, pvc, or poly pipe with no tracer wire or other means to accurately locate the pipeline right of way).

Because many of WTG's rural pipeline systems were acquired from private individuals or small predecessor operators with limited or no pipeline records at all, WTG has had to rely on old pipeline maps, line locates, and maintenance records to develop its own knowledge of the various distribution systems.

With our comments today we want to focus on the Commission's proposed language contained in 18.1(j)(3) and (4).

1. 18.1(j)(3) states that "each operator shall prepare and follow written procedures that implement a program for making all underground pipeline facilities locatable." WTG's immediate question iswhat type of program makes underground facilities locatable? Is this

a program that depends primarily on “marker ball” technology and GPS mapping techniques, or does the Commission have other ideas for this program? Is the Commission expecting WTG and other operators to expose thousands of miles of pipeline to install tracer wire or other locator technology? Depending on the cost to implement and maintain this program, due to ratio of WTG’s pipeline mileage to customer meter count, WTG will have numerous distribution systems that could become uneconomic to operate.

WTG suggests that the Commission differentiate on the requirements of this program based on the class location of the operator’s distribution system and identify the types of acceptable programs that would comply with the requirements of this rule. Without some definitive outline of acceptable program location methods, the determination of compliance would be subject to Commission staff interpretation and inconsistently applied across the State.

2. 18.1(j)(4) goes beyond the language program procedures discussed above to state that all plastic pipe must have electrically conducting wire installed throughout the pipeline system.

As previously mentioned, WTG operates approximately 1,887.3 miles of unlocated pipe in private right of way in Class 1 areas. A large portion of these Class 1 areas are cultivated land with some growing crops in the field twelve (12) months out of the year.

WTG is roughly estimating that the cost to install tracer wire on these unlocated systems could be as high as \$3 per foot (inclusive of material, labor, and ROW damages). Based on WTG’s average pipe mileage per customer meter, the total cost to install tracer throughout the system could approach \$30,000,000 (or an average of \$37,500 per customer served by these unlocated pipeline systems).

Surely the Commission can understand the potential economic impact of this rule to WTG, its customers, and similar operators in Class 1 areas. WTG has had Damage Prevention procedures in place for excavator activities in areas surrounding WTG’s unlocated pipeline (WTG Procedure No. 192.614) since March 2009. These procedures allow excavators to safely work around WTG’s pipelines, while insuring public safety and unnecessary interruptions to service for downstream customers.

Again, WTG urges the Commission to consider the significant differences between an unlocated pipe segment traversing a remote rural Class 1 area (with no public or domestic buildings or structures within miles) versus the streets and alleys of a residential neighborhood or business district in an incorporated area. The safety issues relating to these “class” areas are materially different and should not be covered by the same general language currently contained in the draft rule.

The drafting of this rule is a very important step in improving Damage Prevention regulations, but could also have a dramatic effect on the economics of continued natural gas service to the very public (consumer) the rule wants to protect. Hopefully these comments will be well received and provide the Commission with some information relating to unlocated pipeline systems in rural Class 1 areas.

WTG appreciates the opportunity to present these comments before the Commission.

Very truly yours,



Richard D. Hatchett
Executive Vice President