



STATE OF ARKANSAS
MIKE BEEBE
GOVERNOR

October 5, 2012

Cynthia Quarterman, Administrator
United States Department of Transportation
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Ms. Quarterman:

I am writing in response to your letter of July 23, 2012, advising me of your request to the Chairman of the Arkansas Public Service Commission (APSC) regarding the replacement of cast-iron natural gas pipelines within Arkansas. Chairman Colette D. Honorable has replied to Jeffrey D. Wiese, PHMSA's Associate Administrator for Pipeline Safety, with an update on the progress being made to replace cast-iron mains within Arkansas. A copy of her letter is enclosed for your reference.

Arkansas has always considered the health and safety of its citizens to be of utmost importance. The APSC and its Pipeline Safety Office (PSO) diligently strive to protect life and property from the effects of a possible natural gas incident. While no one person or organization is perfect, their record over the past 40 years is commendable.¹

The APSC and its PSO cannot carry out this work alone. Educating the public to exercise caution during excavation or while working around underground natural gas pipelines is a priority in Arkansas. For this reason, on March 8, 2012, I officially proclaimed April 2012 as National Safe Digging Month in Arkansas. I have issued similar proclamations in April 2010 and 2011, as well. The State of Arkansas and the APSC look forward to our continued partnership with the Pipeline and Hazardous Materials Safety Administration on this critical safety issue. If my staff or I may be of further assistance to you, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Beebe".

Mike Beebe

MB:jb
Enclosure

¹ Arkansas Gas Pipeline Code
first adopted on 1/2/73

Colette D. Honorable
Chairman
(501) 682-1455

Olan W. Reeves
Commissioner
(501) 682-1453

Elana C. Wills
Commissioner
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**ARKANSAS
PUBLIC SERVICE COMMISSION**
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September 28, 2012

Mr. Jeffery D. Wiese, Associate Administrator for Pipeline Safety
United States Department of Transportation
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, SE
Second Floor, East Building
Washington, DC 20590

Dear Mr. Wiese: *Jeff -*

I am responding to your June 13, 2012 request for updated information regarding the plans in Arkansas for the replacement of the highest risk natural gas pipeline facilities, specifically cast-iron piping. The following is a description of the current activities of the jurisdictional natural gas utilities in Arkansas.

Only one natural gas utility still has cast-iron mains remaining in service. CenterPoint Energy Resources Corp. dba CenterPoint Energy Arkansas Gas (CenterPoint) has a formal cast-iron and bare steel main replacement program. In Docket No. 00-353-U, the Commission approved a tariff that enables CenterPoint to recover the return and depreciation expense associated with the above replacements. This replacement program and tariff was implemented to improve public safety and accelerate the replacement of those facilities. This program includes a plan to replace all cast-iron mains, bare steel mains, and the associated service lines within their operating territory in the State. This plan calls for the replacement of all cast-iron piping to be completed in 2018. This is a significant timeframe reduction from the original plan completion date of 2027. As of January 1, 2012, CenterPoint had approximately 164 miles of cast-iron mains in service and has scheduled the replacement of approximately 30.5 miles in 2012.

Recently, in March 2012, another natural gas utility, SourceGas Arkansas Inc. completed the replacement of all cast-iron piping within its system. I participated in the press event announcing the retirement of SourceGas' last mile of cast iron, along with Tim Butters of PHMSA and Congressman Rick Crawford of Arkansas.

I hope this information proves beneficial to you in addressing the challenge assigned by the U.S. Congress. If my staff or I can be of further assistance to you, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colette D. Honorable".

Colette D. Honorable
Chairman