

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2107**  
November 21, 2012

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Ms. Cynthia L. Quarterman, Administrator  
Pipeline and Hazardous Materials Safety Administration  
East Building, 2<sup>nd</sup> Floor  
1200 New Jersey Ave., SE  
Washington, D.C. 20590

Dear Ms. Quarterman:

A recent report released yesterday by researchers at Boston University and Duke University finds that natural gas pipelines in Boston are leaking methane. By measuring atmospheric concentrations of methane along city roads, the research team discovered 3,356 leaks from these pipelines all across Boston.<sup>1</sup> According to a New York Times article yesterday that introduced the report findings, methane “has more than 20 times the global warming potential of carbon dioxide,” kills trees, is “causing \$133 million in property damage nationally each year,” and “contributes to ozone formation.”<sup>2</sup>

News reports have indicated that consumers, not pipeline owners, are the ones paying for the natural gas lost from these leaks. Nathan Phillips, an associate professor at Boston University who led the research team, told the New York Times, “The consumers are bearing the cost of the inefficiencies in the system, and that needs to be shifted to give the operators and owners of the pipelines real incentives to fix those leaks.”<sup>3</sup> According to the report by Phillips’ team, “Leaks contribute to \$3.1 [billion] of lost and unaccounted natural gas annually in the United States.”<sup>4</sup>

This study shows that we need a plan to ensure leaks from aging natural gas pipelines in Boston and other cities and communities are repaired, so that we can conserve this important natural resource, protect the consumers from paying for gas that they don’t even use, and prevent emissions of greenhouse gases into the environment. We shouldn’t wait until a worst-case scenario occurs before we act to protect consumers, citizens and the environment.

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<sup>1</sup> Journal of Environmental Pollution, “Mapping Urban Pipeline Leaks: Methane Leaks Across Boston,” Nathan G. Phillips, Robert Ackley, Eric R. Crosson, Adrian Down, Lucy R. Hutyra, Max Brondfield, Jonathan D. Karr, Kaiguang Zhao, Robert B. Jackson, available at <http://www.sciencedirect.com/science/journal/02697491>. The New York Times Green Blog, “Methane is Popping Up All Over Boston,” Nov. 20, 2012, available at <http://green.blogs.nytimes.com/2012/11/20/methane-is-popping-up-all-over-boston/>.

<sup>2</sup> The New York Times Green Blog, “Methane is Popping Up All Over Boston,” Nov. 20, 2012, available at <http://green.blogs.nytimes.com/2012/11/20/methane-is-popping-up-all-over-boston/>.

<sup>3</sup> Ibid 2.

<sup>4</sup> Ibid 1.

In order to better understand what is being done to address this matter at the federal level, I ask that you please respond to the following questions:

PHMSA directed utility companies that operate distribution pipelines to develop plans to identify, assess and rank risks on the system, and develop leak management plans. However, the utilities are not required to file these plans with either federal or state agencies, which could help PHMSA learn more about where the leaks are and what utility companies are doing about those leaks.<sup>5</sup> Why hasn't PHMSA asked utility companies to provide plans for inspection and maintenance? And what information does PHMSA collect to assess natural gas pipeline leaks?

PHMSA has issued an alert to the states and the owners of aging leak-prone pipelines, such as cast iron pipelines, to accelerate repair and replacement of these gas pipelines. However, PHMSA and the State Public Utility Commissions (PUCs) have not yet come up with best practices for such repair and replacement. Will PHMSA work with various stakeholders, such as the PUCs and the utility companies from various states, to develop best practices that could be widely applied to accelerate pipeline replacement and save money?

Both the federal and state regulations governing pipeline safety simply require that "hazardous" leaks be repaired "promptly."<sup>6</sup> However, PHMSA has not defined what a "hazardous leak" or "promptly" means. As a result, leaks that have a high risk of becoming hazardous could be left unrepaired for years. What is PHMSA doing to define these two terms and come up with guidance on the hazard level of the leaks?

Under current regulation, utilities have no incentive to fix leaks in the pipelines because these utilities are compensated by the state through a cost-of-gas adjustment clause. What has PHMSA done to help states create incentives for utility companies to fix leaks? Should such cost adjustment clauses be eliminated or curtailed in the future?

Does PHMSA have a system to collect and map leaks in gas distribution pipelines that could be made available to relevant parties and the public?

Thank you for your assistance in responding to this request. I ask that you please provide this information by close of business on December 5, 2012. Should you have any questions, please contact Dr. Michal Freedhoff or Reece Rushing on my staff at 202-225-2836.

Sincerely,



Edward J. Markey

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<sup>5</sup> 49 C.F.R. § 192.1001-192.1015.

<sup>6</sup> 49 C.F.R. § 192.703(c).