



Control Number: 38230



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Addendum StartPage: 0

**SOAH DOCKET NO. 473-10-4398  
PUC DOCKET NO. 38230**

APPLICATION OF LONE STAR	§	BEFORE THE
TRANSMISSION, LLC FOR A	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY FOR THE CENTRAL	§	PUBLIC UTILITY COMMISSION
A TO CENTRAL C TO SAM SWITCH/	§	
NAVARRO PROPOSED CREZ	§	
TRANSMISSION LINE	§	OF TEXAS

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**DUFFAU DAN INVESTMENTS, L.P.'S  
STATEMENT OF POSITION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE LILO POMERLEAU:

NOW COMES DUFFAU DAN INVESTMENTS, L.P. by and through its General Partner Duffau Management, Inc. and, pursuant to P.U.C. PROC. R. 22.124(a), files this Statement of Position in the above-referenced proceeding and in support thereof would respectfully show as follows:

**STATEMENT OF INTERVENOR'S POSITION**

One or more of the proposed routes for Link MM of the Central C to Sam Switch Proposed Transmission Line (the "Route") follows an old pipeline easement which crosses two tracts owned by Intervenor (Tracts 8-669 and 8-669.001) (the "Property").

Intervenor asserts that locating the Route on this old pipeline easement is unnecessarily dangerous and poses a hazard to Lone Star, neighboring landowners and Intervenor. The Route follows an old right-of-way containing four (4) old steel pipelines. The first of these four pipelines was installed subsequent to the granting of the easement more than 90 years ago in 1919. Additional pipelines were installed following the grant of a Cathodic Protection Easement in 1956. These pipelines were unused for many years causing the old pipelinea to deteriorate and become dilapidated. Three of these pipelines have been put back into service and now transport natural gas, crude oil and liquefied petroleum. The age and circumstances surrounding these particular pipelines

make it more dangerous than a typical gas pipeline. In fact, it was on this same series of pipelines that an explosion occurred in Johnson County near Cleburne, Texas on June 7, 2010 killing one person and injuring eight other people. C&H Power Line caused the explosion while installing a power line. See Exhibit A.

Just two days after the Cleburne explosion, a bulldozer struck a gas pipeline near Darrouzett, Texas causing an explosion that killed two people and injured three others. See Exhibit B.

The dangers of explosion are increased when the pipeline is a steel pipeline. Steel pipelines can shift and corrode causing increased risk of explosion. In fact, on July 6, 2010 Texas Railroad Commissioner Michael Williams, in an effort to decrease pipeline explosions, proposed that utility regulators require utility companies to replace all steel pipelines with newer flexible polyethylene lines. See Exhibit C. The project proposed by the Commissioner is expected to cost more than \$1 billion. Clearly, the Texas Railroad Commission would not consider such a proposal if old steel pipelines were not a major cause of the increase in gas pipeline explosions.

These articles show not only that steel pipelines are dangerous, but that these particular pipelines are extremely dangerous and have already exploded once in recent months. Further, transmission line construction is a known cause of pipeline explosions and resulting deaths. It is extremely hazardous to allow Lone Star to undertake the type of construction proposed directly on top of these old steel pipelines.

Intervenor further asserts that the flooding of Duffau Creek risks the stability of the transmission lines. The Route crosses Duffau Creek at the edge of the Property. Duffau Creek experiences severe flooding annually. When Duffau Creek floods the water traverses the Property at a high rate of speed and significant force. These powerful waters will affect the stability of the transmission line poles, regardless of whether steel or concrete towers are used in the construction of

this link. Other links and routes available to Lone Star avoid the creek and would be better suited with regard to stability of the towers.

Intervenor also asserts that the Route will cause damage to wildlife habitats, losses of wildlife populations, and damages to Duffau Creek. Portions of the Property are used as a wildlife refuge and the Property is managed to maintain wildlife populations. A large transmission line, such as the one proposed by Lone Star will have an unnecessary and irreparable impact on the wildlife population and habitat.

Finally, Intervenor asserts that the Route would severely and adversely affect the value of the Property. The Route crosses the Property in a diagonal direction effectively creating two separate unusable tracts for which full compensation is likely.

### CONCLUSION

It is Intervenor's position that locating the transmission lines on one of the other routes and avoiding the natural gas pipeline and Duffau Creek is a safer, more ecologically-friendly and sensible solution.

Respectfully submitted,

THE ALLEN FIRM, P.C.  
A Texas Professional Corporation  
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By: 

SCOTT D. ALLEN  
Texas Bar No. 01058000

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of August, 2010, a true and correct copy of the foregoing document is being via electronic delivery to all parties of record.



SCOTT D. ALLEN

# Star-Telegram

## Massive pipeline explosion rocks Johnson County

Posted Monday, Jun. 07, 2010

By TERRY EVANS AND MITCH MITCHELL

Star-Telegram Staff Writers

JOHNSON COUNTY — A subcontractor trying to install a large electrical pole struck a 36-inch natural gas transmission line south of Pecan Plantation on Monday afternoon, sparking a huge explosion that burned for more than two hours.

Emergency workers were finally able to approach the site, known as the "Spunky Substation," after 5 p.m., more than two hours after the blast.

Two or three people, likely workers at the scene of the blast, were missing, officials said.

Chester Nolen, Cleburne city manager, told WFAA/Channel 8 that three people were dead, but other officials have not confirmed that.

Johnson County Sheriff Bob Alford said he knew only that two people were missing.

"The good news is that this was out on a big ranch in the middle of nothing," Alford said. "There were no houses or anything, just trees and grass."

The explosion occurred along County Road 1120, on Georges Creek Ranch, near the Somervell County line, according to Brian Fine, Hood County fire marshal.

"It was a very hot fire, and they just weren't able to approach it earlier," said Jack Snow, Johnson County emergency management coordinator.

The explosion took place in a transmission pipeline owned by Enterprise Products Partners of Johnson County. The line traverses the state of Texas and carries natural gas under high pressure, Enterprise spokesman Rick Rainey said.

"It looks like there is a possibility that a third party was involved; they may have hit our line," Rainey said.

Enterprise shut down that section using automatic valves.

"If the pressure goes down by a certain amount, these valves automatically shut down," Rainey said.

Snow said workers for Oklahoma-based C&H Power Line were digging a trench when they struck the transmission line.

No homes were evacuated. Snow said several people at the scene were injured and drove themselves to hospitals.

Fine said two people were taken by ambulance — one by helicopter and one by ground. He did not know the extent of their injuries.

Gary Marks, CEO of Glen Rose Medical Center, said five people arrived at his hospital in private vehicles shortly after 3 p.m. All were in stable condition, he said.

"At this point, we don't anticipate having anyone else coming in, but we are staffed and ready should there be more," he said.

Pat Stiver, administrative director of Walls Hospital in Cleburne, said her hospital was notified that it would be receiving six patients, but had received none.

"We are standing by, prepared to take anyone," she said. "But so far, we don't have any."

Candace White, a spokeswoman with Parkland Hospital in Dallas, said the hospital had not received any patients. Parkland is the premier burn unit in North Texas.

Lake Granbury Medical Center also had not received any patients, said Erin McIlhany, director of marketing for the hospital.

No further information was immediately available on the missing workers.

C&H Power Line, with headquarters in the small northeast Oklahoma town of Dewey, is involved in power line maintenance, repair and construction, according to its website.

The company has more than 200 employees and sales in excess of \$30 million annually.

The company's chief operations officer, Fred Hagg, could not be reached for comment Monday afternoon.

Ramona Nye, a spokeswoman for the Texas Railroad Commission, which regulates the Texas oil and gas industry, said that the blast is under investigation and that the cause is not yet known.

EXHIBIT

Sheriff Alford said fire departments and deputies from several counties responded to the explosion.

He said there were multiple fires. Fine said the blast sparked at least one grass fire, which was brought under control.

At 4:45 p.m., the flames appeared to be subsiding, and winds were moving the smoke south away from the scene.

Emergency officials were urging residents not to drive to the scene because private vehicles clogging the two-lane blacktop roads could hamper their response.

Residents were also asked not to call 911 for information.

Residents in Pecan Plantation, a private golf community that straddles the Johnson and Hood county lines, reported hearing a loud explosion around 2:40 p.m.

Resident Ginger Zemanek said she was sitting on her back patio, which faces the Brazos River, when the explosion shook all the windows in her house. She saw flames shooting "hundreds of feet into the air."

"The noise was unbelievable, just horrendous," she said.

Barbara Carrell, who also lives along the river, said she first thought that a helicopter had crashed. But then she heard a "whooshing noise, like wind rushing" as the flames burned.

"Then we knew it had to be a gas explosion," she said. "The flames were so big and immense."

The fire appeared to be burning behind a hill known as Barnard's Knob, she said.

Pecan Plantation security called her house and told her not to evacuate, she said. The Pecan Plantation Fire Department went through the neighborhood and told residents that their homes were not endangered.

"They said just to stay in the house, so that's what we are doing," Carrell said.

Michael McDonald, also a resident of Pecan Plantation, said his daughter was playing outside when he heard and felt a large boom and ran outside.

"It felt like the pictures were going to come off the wall," he said. "It sounded like a space shuttle is taking off."

At 3:30 p.m., McDonald said that the gas line appeared to be still burning and that there was a continuous sound, almost like a jet flying overhead.

Chris Murray ran out of his Godley office when he heard a rumbling "just like a fighter jet in the distance."

A plume of smoke that "looked like a volcano" rose in the distance to the southwest of Infiniti Decor, where the CAD designer works.

"One of our drivers actually said he was able to see the flames," he said. "He could see it off in the distance."

The driver was on Highway 171, south of Godley.

The rumbling subsided about 3:15 p.m., Murray said, but there was still lots of smoke in the air by 3:30 p.m.

"We thought it was lightning hit a tank with fuel in it," he said. "It was storming recently. There was thunder about 10 minutes before this happened."

Bob Newton, a Pecan Plantation resident, said he was inside his home when the explosion "shook the walls" at about 2:30 p.m. He ran outside and saw flames shooting over the trees across the Brazos River.

He and some neighbors drove to an elevated spot along the river and could feel the heat from the flames.

"It was roaring like a jet engine," he said. "It was a monster."

Newton said that when he felt the explosion, he first assumed it occurred at a large gas processing plant just southwest of his home. But when he got outside, he realized the location of the fire was more to the south.

"I don't know what it was, but it was big," he said.

*Star-Telegram staff writers Deanna Boyd, Alex Branch, Martha Deller, Nate Jones, Mike Lee, Melody McDonald and Richard Yeakley contributed to this report.*

Looking for comments?

# Star-Telegram

## 2 gas explosions, similar scenarios

Posted Wednesday, Jun. 09, 2010

**BY BETSY BLANEY AND ANGELA BROWN**

The Associated Press

The explosion in the Texas Panhandle on Tuesday that killed two men was the second deadly blast in the state in two weeks who hit natural gas transmission lines.

The blast near Darrouzett involved a crew that was removing caliche -- commonly used in cement -- from a pit for a drilling company, Lipscomb County Sheriff James Robertson said in a news release.

A bulldozer struck a 14-inch pipeline, and the resulting explosion killed Steven Douglas Odell, 32, and Johnnie Mike R Pampa, Robertson said Wednesday. The men worked for Nick Thomas Inc., the sheriff said.

One worker was hospitalized after the blast, but Baptist Medical Center in Oklahoma City declined to provide information Wednesday. Two other workers were treated at the scene.

Denver-based DCP Midstream shut off valves leading to the pipeline, allowing the fire to burn out about four hours later, Elliott said. She said the pipeline fed one of the company's processing plants.

Darrouzett resident Rhonda Cochran said she could see the flames as she was driving from Booker to her home.

"They were huge," she told the *Amarillo Globe-News*. "I was eight miles away from Darrouzett. You could see the flames

### Monday's explosion

On Monday, James Robert Neese, 45, of Ramona, Okla., was killed when his crew from Oklahoma-based C&H Power Services ruptured a natural gas line off County Road 1120 near the border of Hood and Johnson counties.

Fred Haag, chief operating officer of C&H, said the crew followed the proper procedures in locating the line before digging an auger to bore a hole for a utility pole when the auger hit a 36-inch gas transmission line. The pierced gas line shot out of the ground that burned out about two hours later.

Haag said the crew had a survey map but also made calls to verify the line location.

At least seven of the other 13 workers near the site were treated at hospitals, mostly for burns to their necks and arms from the massive fireball, Haag said.

Several of Neese's relatives also work for C&H, including his brother, who was at the site Monday but was not injured. "We're a fairly small company and close-knit," Haag said.

Looking for comments?





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# Texas Railroad Commission considers replacing steel gas lines

12:00 AM CDT on Wednesday, July 7, 2010

By **ELIZABETH SOUDER** / The Dallas Morning News  
[esouder@dallasnews.com](mailto:esouder@dallasnews.com)

Texas has about 2.2 million natural gas steel service lines that need to be replaced to prevent explosions, according to a member of the Texas Railroad Commission.

Doing so could cost more than \$1 billion.

Railroad Commissioner Michael Williams proposed at a meeting Tuesday that regulators should require utilities to replace the steel lines that bring natural gas from pipelines under neighborhood streets to homes.

Regulators targeted the service lines after several deadly home explosions occurred in Atmos Energy's North Texas territory.

The problem is that the old service lines are made of rigid steel, which can shift and corrode. Williams wants utilities to replace the steel with new plastic lines.

Atmos spokeswoman Susan Harris said in an e-mail that company officials are "committed to replacing all our steel service lines in North and Central Texas" and "support the objectives of the rulemaking" outlined by Williams.

She said Atmos has hired 52 contracting crews to replace the lines in its Mid-Tex Division, in North and Central Texas. The crews replace about 500 lines a week with flexible polyethylene lines.

"When the replacements are completed, our Mid-Tex Division will operate one of the country's most up-to-date distribution systems," she said.

During the weekend, Williams said replacements would probably cost around \$500 to \$1,000 per line.

He said there could be more than 1 million lines in Atmos Energy's North Texas region alone. Replacing a million lines would cost around \$500 million.

If Williams is correct about the cost, replacing all of Texas' 2.2 million lines could cost more than \$1 billion.

It's unlikely that Atmos, CenterPoint Energy and other utilities would be on the hook for the cost. Utilities typically charge ratepayers for the cost of new infrastructure, plus a 10 percent pro

EXHIBIT

Creating a rule to require the replacements will take months.

Railroad Commission staff will draft a formal rule for the commissioners to consider in August. Before a rule is enacted, the public would get time to comment.

Depending on how the commission structured the order, the replacements could take up to 10 years to complete.