

**Revised
Direct Testimony**

of

Mark Maple

Engineering Department

Energy Division

Illinois Commerce Commission

St. Louis Pipeline Corporation

Docket No. 02-0664

Petition for a Certificate Authorizing Operation as a Common Carrier By Pipeline and
Authority to Exercise Eminent Domain

September 22, 2004

1 Q. Please state your name and business address.

2 A. My name is Mark Maple and my business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

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5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Illinois Commerce Commission (“Commission”) as an
7 Energy Engineer in the Engineering Department of the Energy Division.

8

9 Q. Please state your educational background.

10 A. I hold a Bachelor of Science degree in Mechanical Engineering and a minor in
11 Mathematics from Southern Illinois University in Carbondale, Illinois. I am
12 currently enrolled in the MBA program at the University of Illinois at Springfield,
13 where I have taken 24 of the required 48 hours towards my degree. Finally, I am
14 a registered Professional Engineer Intern in the State of Illinois.

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16 Q. What are your duties and responsibilities as an Energy Engineer in the
17 Engineering Department?

18 A. My primary responsibilities and duties are in the performance of studies and
19 analyses dealing with the day-to-day, and long-term, operations and planning of
20 the gas utilities serving Illinois. For example, I review purchased gas adjustment
21 clause reconciliations, rate base additions, levels of natural gas used for working

22 capital, and utilities' applications for Certificates of Public Convenience and
23 Necessity Certificates. I also perform utility gas meter test shop audits.

24

25 Q. What is the purpose of this proceeding?

26 A. St. Louis Pipeline Corporation ("Petitioner" and "Company") has requested that
27 the Commission grant it a Certificate pursuant to Section 8-503 of the Public
28 Utilities Act ("Act") authorizing and directing the Petitioner to construct and
29 maintain an approximate eight-mile section of its existing jet fuel pipeline.
30 Additionally, the Petitioner requests that the Commission grant it authority to
31 exercise the power of eminent domain to acquire permanent easements under
32 and through real estate owned by the Metro-East Sanitary District ("MESD"),
33 pursuant to Section 8-509 of the Act. Finally, the Petitioner has requested a
34 Certificate to operate as a common carrier pursuant to Section 15-401 of the Act.

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36 Q. What are your recommendations?

37 A. I recommend that the Commission grant the Petitioner's requests.

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Pipeline Description

Q. Please describe the pipeline in question.

A. According to the Petition, the pipeline is used to transport jet fuel from a tank farm near Hartford-Wood River, Illinois to Lambert International Airport (“Lambert”) in St. Louis, Missouri. (Petition, p. 2.) The total length of the pipeline is 22.5 miles. Of those 22.5 miles of pipeline, approximately eight miles exists in Illinois, completely contained in Madison County. It is for this eight-mile section that the Petitioner is seeking certification.

Q. What is the conflict in this docket?

A. A portion of this pipeline is buried in land controlled by MESD. At one time, the Petitioner had an easement from MESD, giving legal access for the pipeline in question. However, both parties later determined that the easement expired in 1995. For the last several years, the parties have tried to negotiate a new easement, with no success. In the mean time, the pipeline has remained in place and continues to serve Lambert.

Since the Petitioner has been unable to negotiate an easement, it has petitioned the Commission for a certificate to operate as a common carrier. It also seeks to take the land in the vicinity of its existing pipeline via eminent domain proceedings.

60 Q. What size of easement is the Petitioner requesting?

61 A. The Petitioner has made offers to MESD in the past asking for a one-foot wide
62 easement.

63
64 Q. Does the Petitioner seek to construct or alter any facilities pursuant to this
65 docket?

66 A. No. The entire pipeline is already in place and has been operational for quite
67 some time. It is my understanding that no additional construction is needed or
68 proposed.

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70 Q. Is the pipeline in question being used exclusively for interstate commerce?

71 A. Yes. According to the Petitioner's response to Staff data request ENG 1.1, the
72 Petitioner is operating the pipeline as an interstate carrier. Also, the Petitioner's
73 responses to Staff data requests ENG 1.2, 1.17, and 1.18 indicate that the
74 pipeline is used solely to serve Lambert. (Petitioner's Exhibit 1.2.)

75
76 Q. What products does the Petitioner transport via the pipeline in question?

77 A. The pipeline's sole purpose is to transport Jet-A Aviation Fuel to Lambert.
78 (Petitioner's Exhibit 1.0, p. 6.) According to the Petitioner's response to Staff
79 data request ENG 1.2, Jet-A Aviation Fuel is a kerosene-based product that is
80 used by the airline industry to fuel airplanes. (Petitioner's Exhibit 1.2.)

81 Q. What is the capacity of the pipeline?

82 A. According to the Petitioner's response to Staff data request ENG 1.2, the pipeline
83 can transport a maximum of 588,000 gallons of fuel per twenty-four hour period.
84 Under normal operation, the pipeline transports roughly 470,000 gallons per
85 twenty-four hour period.

86 **Common Carrier Certificate Requirements**

87 Q. What are the Commission's requirements to obtain a certificate in good standing
88 to operate as a common carrier?

89 A. Section 15-401 (b) of the Act states:

90 The Commission, after a hearing, shall grant an application
91 for a certificate authorizing operations as a common carrier
92 by pipeline, in whole or in part, to the extent that it finds that
93 the application was properly filed; a public need for the
94 service exists; the applicant is fit willing, and able to provide
95 the service in compliance with this Act, Commission
96 regulations, and orders; and the public convenience and
97 necessity requires issuance of the certificate. (220 ILCS
98 5/15-401(b).
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103 Q. Was the Petitioner's application properly filed?

104 A. Yes. On October 8, 2002, the Petitioner filed a Petition asking for relief under the
105 provisions of, among others, Section 15-401. Additionally, Mr. Hopgood presents
106 in his direct testimony the Petitioner's arguments for its application.
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Public Need

- 108
- 109 Q. Did you find that the Petitioner demonstrated a public need for the pipeline?
- 110 A. Yes.
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- 112 Q. Is the Petitioner currently serving the public need with this pipeline?
- 113 A. Yes. The pipeline transports an average of 470,000 gallons of jet fuel each day.
- 114 This is approximately half of the daily load of Lambert.
- 115
- 116 Q. Do other pipelines in the St. Louis area provide the same service to the public?
- 117 A. Yes. According to the Petitioner's response to Staff data request ENG 1.7, there
- 118 is one other pipeline that serves Lambert with jet fuel. Shell Pipeline Company
- 119 operates this pipeline, which also provides the airport with Jet-A fuel.
- 120 (Petitioner's Exhibit 1.2.)
- 121
- 122 Q. Explain your understanding of the fuel procurement process at Lambert.
- 123 A. Allied Aviation is responsible for receiving and storing jet fuel for use by the
- 124 airlines at Lambert. It also provides the fueling trucks and equipment for the
- 125 airport. Only two pipelines serve Allied Aviation, the pipeline in question owned
- 126 by St. Louis Pipeline and a pipeline owned by Shell. Each day, Allied Aviation
- 127 brings in jet fuel on both pipelines. Although Allied Aviation has storage tanks, it
- 128 is only able to store about one day's worth of fuel. This storage is relatively small

129 compared with other airports, such as New York, where storage is large enough
130 to maintain a seven-day supply. So on a given day, Allied Aviation tries to bring
131 in all of the fuel it needs off the pipelines, leaving the storage as a buffer in the
132 case of an emergency.

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134 Q. Do you believe that the pipeline in question is needed since the airport is also
135 served by Shell's pipeline?

136 A. Yes, I believe it is needed. The pipelines often have planned maintenance
137 outages as well as unplanned outages. The existence of two pipelines lets the
138 pipeline operators coordinate the scheduled maintenances so that one pipeline is
139 always operating. In the case of unplanned outages, two pipelines minimize the
140 chance that the airport would unexpectedly have its supply cut off. There has
141 been at least one occurrence when one of the pipelines had an unexpected
142 outage that caused a temporary shortage of fuel at the airport. Without a second
143 pipeline to minimize the damage, the impact of an outage could be devastating to
144 the airport and to the public.

145 I received similar information in a letter from Mr. Hopgood. He noted that Shell's
146 pipeline dates back to the 1930's and occasionally has outages. There have
147 been several occasions when St. Louis Pipeline has operated around the clock to
148 supply Lambert with fuel while the Shell pipeline wasn't operating. Also, Mr.
149 Hopgood points out that the existence of two pipelines, which are served by two

150 different sources, benefits the airlines by giving them choice and creating a
151 somewhat competitive marketplace. Without both pipelines, the remaining
152 pipeline would have a monopoly at Lambert.

153 **Fit, Willing, and Able**

154 Q. Is the Petitioner fit, willing, and able to provide these services?

155 A. Yes.

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157 Q. What information did the Petitioner provide to support a finding of fit, willing, and
158 able?

159 A. The Petitioner stated in its application that it has substantial assets and
160 substantial experience in the operation of petroleum pipelines. Additionally, the
161 same persons who are currently operating the pipeline have been doing so for
162 many years and will continue to operate the pipeline in the future. The Petitioner
163 has shown its willingness to provide service by initiating this proceeding and by
164 attempting to secure land easements to ensure future use of the pipeline.

165
166 Q. Are there any other government entities that have the authority to determine the
167 Petitioner's ability to operate the pipeline?

168 A. Yes. The U.S. Department of Transportation ("DOT") has rules concerning the
169 construction, location, testing, and maintenance of pipelines. The DOT is
170 responsible for overseeing and enforcing those rules. Additionally, the Federal
171 Energy Regulatory Commission ("FERC") regulates the pipeline because it is
172 used for interstate commerce. The Petitioner must file its tariffs with FERC.

173 **Public Convenience and Necessity**

174 Q. Does public convenience and necessity require the issuance of this certificate?

175 A. Yes. As noted earlier, the pipeline serves the public by transporting jet fuel,
176 which is essential to the operation of Lambert International Airport. If the
177 Petitioner were unable to transport these products, the public would be
178 inconvenienced by shortages of these products, possibly leading to travel and
179 shipment delays as well as higher operating costs.

180
181 Q. Is it feasible to deliver the necessary jet fuel to the airport by any means other
182 than pipeline?

183 A. No. The only other method available to deliver fuel to the airport is via tanker
184 truck. Assuming that each truck could transport 7400 gallons of fuel, it would
185 take 64 trucks each day to replace the average deliveries currently being made
186 by the pipeline. On peak days, the number would be greater. Using this many
187 trucks to transport jet fuel would further congest traffic and lessen the public's
188 safety, making it infeasible. In fact, the largest number of trucks used during a

189 pipeline shutdown in recent history is 40 per day. This would be about the
190 maximum number that could be handled by the airport. Since there are only six
191 unloading positions for the entire airport, one cannot simply add more trucks to
192 meet the demand. I agree with Mr. Hopgood's assessment that having the fuel
193 shipped by pipeline as opposed to shipment by truck benefits the public.
194 (Petitioner's Exhibit 1.0, pp. 5-6).

195

196 Q. Should the Commission issue a certificate of good standing to the Petitioner?

197 A. Yes, the Petitioner should be granted a certificate of good standing. The
198 Petitioner has satisfied each of the four requirements specified in the Act.

199

200 Q. Does this conclude your revised direct testimony?

201 A. Yes.