



Gas Pipeline Safety

Federal and State Gas Pipeline Safety initiatives

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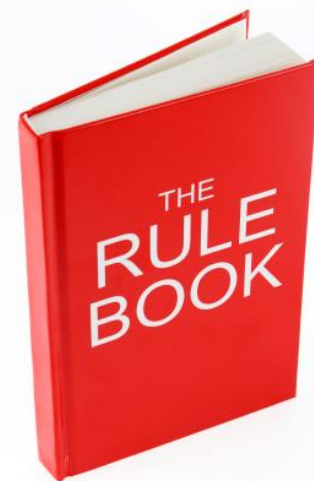
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What is the difference between a law and a rule?

- Laws are passed by the legislature. Anything to do with enforcement authority, fines and penalties, fees or other taxes, requirement to provide access, etc. is a law.
- Rules are instructions on how to comply with the law. Rules get into details and are enforced by whatever government agency is named in the authorizing law.





Federal Law and Rules

- Federal law is referred to as the “United States Code”. The Pipeline Safety Statute is 49 USC 60101-60301
- PHMSA is the agency congress authorizes to regulate pipelines. They do this through issuing Federal rules – the “Pipeline Safety Regulations”, 49 CFR 192.





State Law and Rules

- The Ohio Revised Code section 4905.90 to 4905.96 says the PUC enforces the Pipeline Safety Regulations at the state level. PHMSA gives us grant money and we perform inspections for them.
- The Ohio Administrative Code section 4901:1-16 contain rules for requirements above and beyond the Pipeline Safety Regulations. Leak grading, construction reports, etc.





Federal Initiatives

- On January 3, 2012 a law went into effect funding the pipeline safety program through 2015 and adding additional requirements:
 - Increasing maximum civil penalties.
 - Minor changes to damage prevention grants, specification that State agencies cannot be exempt from call before you dig requirements.
 - Several other changes that are applicable only to liquid lines (leak detection, emergency response plans, etc.).



Automatic Shut-off Valves, Excess Flow Valves

- No later than 2 years from the date of enactment, PHMSA shall require the use of automatic or remote-control shut-off valves “where economically, technically, and operationally feasible” on newly constructed or replaced transmission lines. Same thing for excess flow valves beyond single family residences.
- Advanced notice of proposed rulemaking issued in 2011, no activity since then. PHMSA may decide these valves are not feasible.



Incident Notification

- On January 30, 2013, PHMSA issued an advisory bulletin that the NRC should be notified within one hour of discovery of a pipeline incident.
- Operators are now also required to file additional telephonic reports if there are significant changes in the number of fatalities or injuries, product release estimates or the extent of damages.
- *“PHMSA will issue a proposed rule at a later date, but encourages owners and operators of the gas and hazardous liquids pipeline systems and LNG facilities, as a practice, to report such accidents and incidents within one hour of confirmed discovery.”*



MAOP / Pressure Testing

- No later than 18 months after enactment, PHMSA must: Require additional testing (Pressure and/or Alternative) for any transmission pipeline segment operating over 30% SMYS whose original MAOP determination was made through 192.619(c) (“Grandfathering”).
- Guidance coming soon.
- What I know (think?): for Transmission lines in HCA’s, operating over 30% SMYS, operators may perform a pressure test, in-line inspection, reduction of MAOP by 20%, or apply to PHMSA to do something else. Timelines for completion not yet worked out.



Reporting MAOP Exceedance

- All pipeline operators must report any exceedance of MAOP (over that allowed in CFR 49 192.201 for pressure limiting devices) within 5 days following occurrence.
- December 2012 advisory bulletin – report these the same way you would report a safety related condition for the time being.



Gathering Lines

- No later than 2 years after enactment, PHMSA must complete a review of all exemptions for Gathering lines and issue recommendations for modification or revocation of existing exemptions.
- Appears to be a lower priority for PHMSA
- In Ohio we believe we have this covered through recent Gas Gathering legislation.



Ohio Initiatives

- Gas Gathering legislation (Ohio Revised Code 4905.90 and 4905.911)
 - Definition: "**Gas gathering pipeline**" means a gathering line that is not regulated under the Natural Gas Pipeline Safety Act and the rules adopted by the U.S. DOT pursuant to the Natural Gas Pipeline Safety Act, including 49 C.F.R. part 192, as amended. "Gas gathering pipeline" includes a pipeline used to collect and transport raw natural gas or transmission quality gas to the inlet of a gas processing plant, the inlet of a distribution system, or to a transmission line.



O.R.C. 4905.911

(A)(1) The public utilities commission shall require an operator of either of the following types of pipelines that was completely constructed on or after the effective date of this section and that transports gas produced by a horizontal well to comply with the applicable pipe design requirements of **49 C.F.R. 192 subpart C**:

- (a) A gas gathering pipeline;
- (b) A processing plant gas stub pipeline.



O.R.C. 4905.911 (continued)

(A)(2) The commission shall also require the operator to do all of the following regarding that pipeline:

- (a) **Design, install, construct, initially inspect, and initially test the pipeline in accordance with the requirements of 49 C.F.R. 192** if the pipeline is new, replaced, relocated, or otherwise changed;



O.R.C. 4905.911 (continued)

- (b) Control corrosion according to requirements of **49 C.F.R. 192 subpart I** if the pipeline is metallic;
- (c) Establish and carry out a damage prevention program under **49 C.F.R. 192.614**;
- (d) Establish and carry out a public education program under **49 C.F.R. 192.616**;
- (e) Establish the MAOP of the pipeline under **49 C.F.R. 192.619**;



O.R.C. 4905.911 (continued)

- (f) Install and maintain pipeline markers according to the requirements for transmission lines under **49 C.F.R. 192.707**;
- (g) Perform leakage surveys according to requirements in **49 C.F.R. 192.706**;
- (h) **Retain a record of each required leakage survey** conducted under division (A)(2)(g) of this section and 49 C.F.R. 192.706 **for five years** or until the next leakage survey is completed, whichever time period is longer.



O.R.C. 4905.911 (continued)

(B)(1) Any person who plans to construct a pipeline subject to division (A) of this section after the effective date of this section shall file with the public utilities commission division of pipeline safety a form approved by the division that includes all of the following information:

- (a) The route of the proposed pipeline;
- (b) The MAOP of the pipeline;
- (c) The outside diameter of the pipeline;
- (d) The wall thickness of the pipeline;
- (e) The material that the pipeline will be made of;
- (f) The yield strength of the pipeline.
- The form shall be filed with the division not later than twenty-one days prior to the commencement of construction of the pipeline.



O.R.C. 4905.911 (continued)

(B)(2) Not later than sixty days after the completion of construction of a pipeline subject to division (B)(1) of this section, the operator of the pipeline shall file with the public utilities commission division of pipeline safety an explanation of the constructed pipeline's route and operating information.

(C) For purposes of this section:

- (1) "Horizontal well" has the same meaning as in section 1509.01 of the Revised Code.
- (2) "Operator" means any person that owns, operates, manages, controls, or leases a gas gathering pipeline or a processing plant gas stub pipeline.



Notes on O.R.C. 4905.911

- A “Gas Gathering Pipeline” is a definitional Gathering line but is not Type A or Type B Gathering. 192.8 and RP80 are still used to determine if something is Gathering vs a Production Operation.
- The law applies only to pipelines that transport gas from a horizontal well (i.e. wells producing gas in the Utica or Marcellus fields through fracking).
- The law only applies to pipelines completely constructed after the effective date (September 10, 2012). There are no retroactive requirements that apply to existing Gathering lines.



Notes on O.R.C. 4905.911 (continued)

- The law is written in such a way that gas gathering operators are only defined as “operators” for the purpose of the requirements in O.R.C. 4905.911.
- As a result, they are not required to do things that “operators” have to do in the Ohio Administrative Code, such as leak grading, reporting incidents or outages, or filing annual reports.
- Procedural requirements of the Ohio Administrative Code (such as access for inspections and enforcement) still apply.



Differences between Gas Gathering and Type A Gathering

- Gas Gathering operators do not have to have an O&M manual, emergency response plan, or written OQ program (qualifications for Subpart I, Corrosion Control still apply)
- Gas Gathering operators do not have to perform Patrolling although Leak Surveys are required.
- Gas Gathering operators are not subject to part 191 (reporting, incident investigations, and safety related conditions) or part 199 (drug & alcohol).





Changes to Ohio's Damage Prevention Law

- Changes to Ohio Revised Code part 153 and parts 3781.25 to 3781.32
- Law becomes effective March 27, 2013.
- Still no enforcement provisions. Work continues.



Summary of Damage Prevention Changes

- White-lining (pre-marking by excavator) required in some circumstances.
- Universal marking standards codified.
- Positive response to locate requests.
- Protection service contacts limited base participants.
- Additional requirements for trenchless excavation.



GPS Inspection Priorities

- Goal is to inspect all audit units annually.
- Number of audit days is determined by miles of pipeline, adjusted by an assessment of relative risk and geographic area.
- Assessment of relative risk determined by type of piping, % pre-code pipe, leaks, incidents, compliance history.



IMP, DIMP

- Transmission integrity management audits being conducted in 2013, 2014. Goal is to perform a complete audit once every reassessment interval.
- Distribution integrity management audits conducted in 2012 and 2013, with master meter systems scheduled for 2014.
- Re-inspects anticipated once every 5 years.



Questions?

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