Pipeline Safety Update

September 2020
Transmission and Gathering Lines Rulemaking

Final Regulation Published October 1, 2019

Directive from Congress in the 2011 Act

Strengthens protocols for Integrity Management (IM), including protocols for inspections and repairs, and improves information collection to help drive risk-based identification

Extends IM outside of HCA’s

**Effective date July 1, 2020**

Rulemaking #2 - Safety of Gas Transmission Pipelines: Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments

Rulemaking #3 – Safety of Gas Gathering Pipelines

On April 22, PHMSA issued a stay of enforcement and allows gas pipeline operators through December 31, 2020 to comply with these deadlines before PHMSA resumes its normal enforcement processes
Transmission and Gathering Lines Rulemaking

Expansion of Integrity Management beyond HCAs:

• Expands transmission integrity to Moderate Consequence Areas ("MCA")
• Initial assessment within 14 years not to exceed 10 years after the pipeline segment meets condition in 192.710.

MAOP Reconfirmation:

• Removed grandfather clause from Class 3/4 and HCAs
• Must develop and document procedures for completing all actions required by July 1, 2021
• 50% complete by July 3, 2028
• 100% complete by July 2, 2035
• 6 Methods: Pressure Test, Pressure Reduction, Engineering Critical Assessment, Pipe Replacement, Alternative Technology.
• Removed spike test from MAOP reconfirmation.
Transmission and Gathering Lines Rulemaking

Records:

• Requires operators to collect traceable, verifiable and complete records moving forward, and retain existing and new TVC records for the life of the pipeline.
• Does not provide code definitions for “traceable”, “verifiable,” and “complete”; however, the preamble provides clarification and examples of what these terms mean, relative to records used for substantiating MAOP.

Material Properties Verification:

• Rule is only applicable to transmission pipelines and is not retroactive.
• Material properties verification is addressed separately from application of Integrity Management principles
• Clarifies that only operators who do not have traceable, verifiable, and complete records will be required to create a material verification plan.
Transmission and Gathering Lines Rulemaking

On July 7, PHMSA published its response agreeing with the Joint Trade Associations petition to align scope of MAOP reconfirmation with GPAC discussions. Changes go into effect July 1, 2020 ★

- Joint Trades filed FAQs in preparation for February workshop
  - Several comments addressed in responses with PHMSA posted on docket.

Concerns:
- Data collection requirements for revised Gas Transmission Annual Report go beyond those of the final rule.

Next steps:
PHMSA updated significant rulemaking report and Part 2 is on track for late summer/fall 2020
Emergency Order

Final Regulation published October 1, 2019

• Outlines requirements for PHMSA to temporarily implement regulations to remedy an imminent hazard.

• Applied to owners or operators of pipeline facilities
Underground Storage

Final Regulation Published February 12, 2020

- Requires operators of underground storage facilities for natural gas to comply with API RP 1170 and/or 1171, including compliance with mandatory and non mandatory provisions

- Final rule incorporates two recommended practices.

- Additional assessments for salt caverns

- Next Steps: Begin work on updates to API 1170/1171
Pending Regulations
Valve installation and Minimum Rupture Detection Standards

Notice for Proposed Rulemaking Published February 6, 2020

- Establish performance metrics for rupture detection for gas transmission and liquid pipelines.
- Add Automatic or Remotely Controlled Shutoff Valves (ASV/RCVs) on new or fully replaced gas transmission & liquid pipelines.
- Metrics for incident response
- AGA jointly filed comments on April 6, 2020
- Will be addressed in July 22, 2020 GPAC Meeting
Regulatory Reform NPRM

Only Applicable for significant rulemakings
1 new regulation ➔ At least 2 rules pulled back
Does not apply to Congressional mandates

1. Provide flexibility in the inspection of farm taps
2. Repeal DIMP requirements for master meter operations
3. Repeal submission of mechanical fitting failure reports
4. Increase monetary threshold to $122,000 for incident reporting criteria
5. Clarifies remote monitoring of rectifier stations is permitted
6. Revise inspection intervals for atmospheric corrosion assessment for gas distribution service
7. Update design standards for PE pipe and raise maximum diameter limit

Aligns with AGA’s petition request to allow other procedures that can demonstrate an equivalent or superior level of safety than ASTM F2620(2019)

8. Revises test requirements for pressure vessels
9. Revises welder requalification (6 to 7.5 months)
10. Allows pre-installation testing (<30%SMYS and above 100 psi)

Comments filed in August
Class Location Change Requirements

Advanced Notice Proposed Rulemaking Published July 2018 ★Cleared OMB – tentative GPAC in Oct.2020★

- Uses IM principles as an alternative to existing methods for managing gas transmission pipeline class location changes.
  - Replace, pressure test, reduce pressure

- AGA jointly filed comments which generally support PHMSAs’s proposal and highlight other benefits such as advancing the deployment of new technologies, and incentivizing operators to implement modern inspection technologies.
LNG Update NPRM

- Revise 49 CFR Part 193 to incorporate current industry developed standards (via NFPA 59A-2019)
- Addresses LNG Export Facilities and Small Scale LNG Facilities
- Will be addressed in July 22, 2020 GPAC Meeting
- In March 2020, PHMSA responded to AGA’s petitions which asked PHMSA to modify inspection intervals and incorporate updated standards.
- NPRM is currently at PHMSA after review from OMB
Standards Update NPRM

• Addresses the set of incorporated by reference standards throughout PHMSA’s part 192, and Part 195 code with updated revisions of standards.

• Would impact approximately 60+ standards that are incorporated by reference.
Other Initiatives
Petition to Modify: Plastic Pipe

• In August, AGA submitted a petition asking PHMSA to modify the plastic pipe rulemaking and consider other sound fusion joining methods.

• Currently, operators must comply with the heat fusion procedures listed in ASTM F2620-12, which may be interpreted to mean that other qualified procedures are no longer acceptable and could require each operator to re-qualify joining procedures. **PHMSA ALIGNS WITH AGA’S PETITION IN NPRM REGULATORY REFORM RULEMAKING**

• In March 2020, **PHMSA provided an updated response** to AGA’s petitions and addressed ongoing concerns with procuring Category 1 fittings, as well as AGA’s petition on allowing alternate fusion standards to be considered within the scope of the final plastic pipe regulation.

  • PHMSA is “not intending to enforce the requirements of §§192.281 (e)(3) or 192.281 (e)(4) for joints between metallic and plastic pipe with a nominal pipe size of 4 or greater until **August 31, 2020**, and recommends States do the same.”

  • PHMSA also clarified that “in the interim until a rulemaking is proposed and ultimately finalized, PHMSA is planning to enforce this requirement [for fusion standards] consistent with the language in the preamble and recommends States do the same.”
Updates to National Pipeline Mapping System (NPMS)

• June 2016 PHMSA posted notice requesting comments on updates to NPMS

• PHMSA will be requiring operators to submit additional attributes in as part of a phased-in approach

• AGA recommended that any new data or attributes need to focus on enhancing safety and allow operators enough time to gather data (AGA comments)

Anticipate new requirements will be published in 2020
Farm Tap FAQs

• On April 20, 2020 PHMSA clarified requirements for service pipelines connected to transmission, gathering or production pipelines.

• In January 2017 PHMSA published a final rule titled “Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Changes” which added periodic inspections and maintenance requirements (192.740).

• In May 2019 PHMSA issued guidance which allowed operators to maintain their farm taps per 192.740 or within their DIMP Plans.
Farm Tap FAQs

Highlights of FAQs:

• A farm tap is a distribution service line if any portion “transports gas from a common source of supply to an individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small commercial customers served through a meter header or manifold.”

• “A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream, or at the connection to customer piping if there is no meter.”

• “On a farm tap, the “source” piping ends and the service line begins at the first point where the downstream service line can be isolated from source piping (e.g. the inlet to a valve or regulator, hereafter referred to as the “first isolation point”).”

AGA submitted comments on FAQs in June
Pipeline Safety Reauthorization
Pipeline Safety Reauthorization

• Every 4 years PHMSA’s pipeline safety program is reauthorized by Congress
• Includes congressional mandates based on areas where congress believes additional oversight, research, or regulation is needed
  • Often response to pipeline incidents

House and Senate must agree on one bill
U.S. House of Representatives

- Transportation and Infrastructure’s Pipeline Subcommittee
- Energy and Commerce’s Energy Subcommittee

Committees and Subcommittees

- Commerce, Science, and Transportation Committee – Subcommittee on Surface Transportation

U.S. Senate
### Key Themes Within Proposed Legislation

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#### E&C
- ASVs/RCVs: ★ ★ ★ ★ ★
- Over-pressure Protection: ★ ★ ★ ★ ★
- DIMP: ★ ★ ★ ★ ★
- Distribution Records: ★ ★ ★ ★ ★
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#### T&I
- ASVs/RCVs: ★ ★ ★ ★ ★
- Over-pressure Protection: ★ ★ ★ ★ ★
- DIMP: ★ ★ ★ ★ ★
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#### Senate
- ASVs/RCVs: ★ ★ ★ ★ ★
- Over-pressure Protection: ★ ★ ★ ★ ★
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Pipeline Safety Reauthorization

- Senate passed a bi-partisan bill S.2299
- House passed a partisan bill H.R. 5120
- Ongoing work on measures are being discussed

Global pandemic has reprioritized the work of Congress
The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 74 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — more than 71 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States' energy needs.

www.aga.org