

# APGA

## *Pipeline Safety Monthly Regulatory Update*

March 2019

the voice and choice of public gas



| Proposed Rule                                |                            | Final Rule                                    |                                  | Direct Final Rules   |   |  |
|--|----------------------------|---|----------------------------------|--|---|--|
|  | Estimated NPRM Publication |   | Estimated Final Rule Publication |  | Effective Date                              |  |
| Gas Regulatory Reform                        | 2019                       | Safety of On-Shore Hazardous Liquid Pipelines | 2019                             | Enhanced Emergency Order Procedures  | October 14, 2016                            |  |
| Valve Installation & Rupture Detection       | 2019                       |   |                                  |  | Final Rule: Q2 2019                         |  |
| Standards Update - 2015 and Beyond*          | 2018                       | Gas Transmission Rule (Mandates)              | 2019                             | Underground Storage  | January 17, 2017<br><br>Final Rule: Q3 2019 |  |
| State Pipeline Safety Program Certification* | 2018                       | Gas Transmission Rule (Non-Mandates)          | 2021                             | <p><i>Note: Both of these rulemakings were issued as “Direct Final Rules”, meaning they are currently in effect. However, there was no Notice of Proposed Rulemaking. PHMSA will now issue Final Rules that take into consideration industry’s comments that were submitted after the publication of the Direct Final Rules.</i></p> |   |  |
|  |                            | Gas Gathering Rule                            | 2020                             |  |   |  |
| Class Locations                              | 2019                       | Operator Qualification                        | Delayed                          |  |   |  |

# Final Rules

*For these rulemakings, the Notice of Proposed Rulemaking has been published and comments have been submitted. Stakeholders are awaiting the publication of the Final Rule.*



# Operator Qualification

## *Significant Rule*

NPRM Published: May 21, 2015

Comments Submitted: July 24, 2015

Estimated Final Rule Publication: Delayed

*PHMSA presented its path forward to the PHMSA Gas Pipeline Advisory Committee on June 1, 2016. The PAC provided guidance and input on the contents of the final rule.*

**NOTE:** PHMSA originally proposed changes to Operator Qualification in the *Operator Qualification, Cost Recovery, Accident & Incident Notification and Other Pipeline Safety Changes Proposed Rule*. The balance of that rulemaking was finalized in January 2017, but did not include Operator Qualification modifications.

## **Related Links:**

[PHMSA's Notice of Proposed Rulemaking](#)

[APGA Comments on Proposed Rulemaking](#)

[PHMSA's Final Rule: \*Without Operator Qualification requirement changes\*](#)

# Operator Qualification

Topics addressed in the proposed rulemaking:

1. Required Change Management Process for OQ
2. Introduction of Program Effectiveness for OQ
3. Record Keeping Requirements for Training
4. Addition of OQ for New Construction
5. Modification of the Definition of “Covered Task”

Language agreed upon during PHMSA GPAC Meeting:

*... a covered task is an activity, identified by the operator that:*

- 1. is performed on a pipeline facility;*
- 2. is an operations or maintenance task including those conducted during an emergency response, or is a construction task or an integrity management task performed on the right-of-way;*
- 3. is performed as a requirement of this part; and*
- 4. affects the operation or integrity of the pipeline*

# Operator Qualification

## *APGA Position:*

1. Definition of Covered Task & OQ for New Construction: APGA has long supported PHMSA's efforts to include construction tasks as a covered task and under OQ.
2. Management of Change: APGA supported the incorporation of a Management of Change process, but believed it should be limited to those operators that have more than 50 employees who perform covered tasks.
3. Program Effectiveness: APGA remains concerned that the requirement to perform program effectiveness will be administratively burdensome, particularly for small operators.
4. Training Records: APGA supported PHMSA's proposal to require operators to provide training to ensure that any individual performing a covered task has the knowledge, skills, and abilities to perform that task. However, APGA only supports this addition if PHMSA is not proposing to add a mandatory training requirement to the OQ evaluation and re-evaluation process. Further, APGA does not support a requirement to keep records of training not performed as a part of the OQ process. APGA also believes that any requirement for training records should be on a going forward basis and not retroactive.

# Safety of Gas Transmission & Gathering Lines

*Significant Rule(s)*

*Broken into 3 Rules:*

**Safety of Gas Transmission Pipelines, MAOP Reconfirmation, Expansion of Assessment Requirements and Other Related Amendments**

*Addresses Congressional Mandates*

Rule Sent to OST for Review: October 5, 2018

Estimated Final Rule Publication: Q3 2019

**Safety of Gas Transmission Pipelines, Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments**

*Not associated with Congressional Mandates*

Estimated Final Rule Publication: 2020

**Safety of Gas Gathering Pipelines**

Estimated Final Rule Publication: 2020

# Safety of Gas Transmission & Gathering Lines

## Timeline & Links for More Information:

|                               |   |   |
|-------------------------------|---|---|
| <b>August 25, 2011</b>        | Publication of the Advanced Notice of Proposed Rulemaking | <a href="#">Federal Register Notice</a>   |
| <b>April 8, 2016</b>          | Publication of the Notice of Proposed Rulemaking          | <a href="#">Federal Register Notice</a>   |
| <b>July 7, 2016</b>           | NPRM Comments Due   | <a href="#">APGA Comments</a>   |
| <b>January 11-12, 2017</b>    | PHMSA Gas Pipeline Advisory Committee (GPAC) Meeting #1   | <a href="#">Presentations &amp; Voting Slides</a>   |
| <b>June 6 – 7, 2017</b>       | GPAC Meeting #2   | <a href="#">Presentations &amp; Voting Slides</a>   |
| <b>December 14 – 15, 2017</b> | GPAC Meeting #3   | <a href="#">Presentations &amp; Voting Slides</a>   |
| <b>March 2, 2018</b>          | GPAC Meeting #4   | <a href="#">Presentations &amp; Voting Slides &amp; Industry Comments</a>   |
| <b>March 26 – 28, 2018</b>    | GPAC Meeting #5   | <a href="#">Presentations &amp; Voting Slides</a><br><a href="#">Industry Comments Rule #1</a><br><a href="#">Industry Comments Rule #2</a> |
| <b>February 2, 2019</b>       | Industry Letter Supporting Publication of Mandates Rule   | <a href="#">Industry Letter</a>   |



# Safety of Gas Transmission & Gathering Lines

- Industry proposed definitions for *Transmission Line & Distribution Center*:

*Transmission line* means a pipeline, other than a gathering line, that:

1. Transports gas from a gathering line or storage facility to a distribution center, storage facility; or large volume customer that is not down-stream from a distribution center;
2. ~~has an MAOP~~ operates at a hoop stress of ~~20~~ 30 percent or more of SMYS; or
3. transports gas within a storage field; or
4. is voluntarily determined by the operator to be a transmission pipeline.

Note: A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

*Distribution center* means ~~the a location~~ initial point where gas ~~volumes are either metered or have pressure of volume~~ enters piping used primarily to deliver gas to customers who purchase it for consumption as opposed to customers who purchase it for resale, for example:

- (1) at a metering location
- (2) pressure reduction location, or
- (3) where there is a reduction ~~prior to delivery to customers through a distribution line~~ in the volume of gas, such as a lateral off a transmission line.

# Safety of Gas Transmission & Gathering Lines

Quickest Path to a Final Rule – MANDATES RULEMAKING

PHMSA Reviews NPRM Comments

*July – December 2016*



PHMSA Presents Path Forward to GPAC (5+ Meetings)

*December 2016, January 2017, December 2017, March 2018 (2)*



PHMSA Makes Necessary Modifications

*Spring & Summer 2018*



Office of the Secretary of Transportation Reviews & Approves Final Rule

*Q3 2018 – Q1 2019* ←



Office of Management and Budget Reviews & Approves Final Rule

*April 2019 – July 2019*



Final Rule Publication

*August 2019*



Effective Date of Final Rule

*Final Rule Publication + 6 Months = February 2020*

# Safety of Gas Transmission & Gathering Lines

## Topics Pertaining to Rule #1

1. Definition of Transmission Line & Distribution Center: APGA supports PHMSA's proposed definition of Distribution Line if PHMSA's intent is to exclude all pipelines operating below 20% SMYS from the definition of Transmission Line.
  - Industry is encouraging PHMSA to define *Distribution center in the first rulemaking focused on Congressional Mandates*.
2. Moderate Consequence Areas: APGA supports PHMSA's decision to not modify the current definition of HCAs and thus limit the pipelines that must be incorporated into TIMP.
  - Only pipelines operating greater than 30 % SMYS are included in the new requirement to expand integrity assessments outside of HCAs.
3. New Recordkeeping Requirements: APGA urges PHMSA to ensure that the final code language clearly states that any newly introduced recordkeeping requirements are not retroactively applied.
4. MAOP & Material Verification and Expanding Assessments Beyond HCAs: APGA urges PHMSA to limit these requirement to pipelines operating above 30% SMYS.
  - PHMSA considering limiting some of the new requirements related to MAOP and Material Verification to pipelines operating greater than 30% SMYS. That decision may come in the March or June 2018 GPAC Meetings.

# Safety of Gas Transmission & Gathering Lines

## Topics Pertaining to Rule #2

1. Corrosion Control Requirements: APGA asked that PHMSA limit some of the proposed corrosion control requirements to transmission pipelines greater than 20% SMYS, but at a minimum ensure that the requirements do not apply to distribution pipelines.
  - The GPAC ensure that the new requirements do not apply to distribution pipelines and made many of the requirements more reasonable for operators, but did not vote to limit any to pipelines operating greater than 20% SMYS.
2. Management of Change: APGA encourages PHMSA to restrict the requirements for MOC to operators that have control rooms and/or compressor stations.
  - The GPAC did not vote to support this position, but did limit the changes that must be incorporated into an MOC to those that could substantially impact the integrity of the pipeline.

# **Additional Pending Final Regulations & Agency Actions**

## **Safety of On-Shore Hazardous Liquid Pipelines**

Final Rule sent to OMB for Review: March 19, 2019

## **National Pipeline Mapping System Update**

# Proposed Rules

*These are rulemakings that PHMSA has stated are in progress. The content and details of these rulemakings remains unknown as the proposed rule has not yet been published.*



# Gas Regulatory Reform

*Nonsignificant  
“Prerule Stage”<sup>1</sup>*

Estimated NPRM publication date: 2019

## **From PHMSA:**

*“This rulemaking would amend the Pipeline Safety Regulations to adopt a number of actions that ease regulatory burdens on the construction and operation of gas transmission and gas gathering pipeline systems. These amendments include regulatory relief actions identified by internal agency review, existing petitions for rulemaking, and public comments on the Department of Transportation regulatory reform and infrastructure notices.”*

<sup>1</sup> “On the Unified Agenda, actions in the prerule stage are those actions on which the agency is considering taking action. Actions in the prerule stage have yet to be published as a Notice of Proposed Rulemaking and may include Advance Notices of Proposed Rulemaking and reviews of existing regulations.”

# Class Location Change Requirements

## *Significant Rule*

ANPRM Published: July 31, 2018

Estimated NPRM publication date: 2019

## **Advanced Notice of Proposed Rulemaking**

### Summary

*“Operators have suggested that performing integrity management measures on (transmission) pipelines where class locations have changed due to population increases would be an equally safe but less costly alternative to the current requirements of either reducing pressure, pressure testing, or replacing pipe.”*

ANPRM Comments Due: October 1, 2018<sup>1</sup>

<sup>1</sup> APGA is coordinating with the other industry trade associations (INGAA, AGA, API) to file joint industry comments to the ANPRM.



# Valve Installation and Minimum Rupture Detection Standards

## *Significant Rule*

Proposed Rule Sent to OMB for Review: October 12, 2018

Estimated NPRM publication date: 2019

## **Expected to cover**

- Rupture detection and response time metrics, including:
  - Integration of ASV and RCV placement  
(Objective: Improve overall incident response)

## **Will attempt to address**

### *Legislation*

- If appropriate, require ASVs, RCVs or equivalent technology on new or fully replaced transmission lines  
(where economically, technically & operationally feasible)

### *NTSB Recommendations*

- Equip SCADA systems with tools to assist in recognizing and pinpointing leaks (distribution and transmission)

# Additional Pending Regulations / Actions

**Safety of On-Shore Hazardous Liquid Pipelines**

**Standards Update Rule – 2015 and Beyond**

**State Pipeline Safety Program Certification**

**National Pipeline Mapping System Update**

*Referenced in the Gas Transmission Rule NPRM or Discussed at Workshops:*

**Quality Management**

**Public Awareness**

**LNG for Small Facilities**

# Advocacy Actions Beyond Current Rulemakings

*Details are provided on APGA advocacy actions that are in progress, but are outside of specific PHMSA rulemakings.*



# Farm Tap Inspections

*OQ, Cost Recovery, Accident & Incident Notification and Other Pipeline Safety Changes Final Rule*

**Effective:** March 24, 2017

## **New Requirement:**

- (a) This section applies, except as provided in paragraph (c) of this section, to any service line directly connected to a production, gathering, or transmission pipeline that is not operated as a part of a distribution system.
- (b) Each pressure regulating or limiting device, relief device, automatic shutoff device, and associated equipment must be inspected and tested at least once every 3 calendar years, not exceeding 39 months.

## **Related Links:**

[PHMSA's Notice of Proposed Rulemaking](#)  
[APGA Comments on Proposed Rulemaking](#)  
[PHMSA's Final Rule](#)

[Industry Comments on Deregulatory Actions \(APGA Supported\)](#)

# Farm Tap Inspections

## Post Final Rule Advocacy Actions:

### **1. Industry Comments to the Department of Transportation on Deregulatory Actions**

*A suggested deregulatory action for PHMSA.*

*Submitted: November 9, 2017*

### **2. Industry Comments to the Department of Transportation on Deregulatory Actions**

*At the December 13, 2017 PHMSA Gas & Liquid Pipeline Advisory Committee Meeting, PHMSA indicated that modifications to the new Farm Tap requirements was included in their priorities for regulatory reform.*

*Submitted: December 1, 2017*

### **3. PHMSA Discusses Farm Taps with Industry Stakeholders**

*PHMSA discussed concerns with new Farm Tap requirements with industry stakeholders. PHMSA is working towards a Stay of Enforcement on the 192.740 requirements until further action can be taken through Regulatory Reform rulemakings.*

*May 7, 2018*

# Construction Inspection

*Miscellaneous Changes to the Pipeline Safety Regulations Rulemaking*

The Effective Date for §192.305 is “**delayed indefinitely.**”

Final Rule Language:

**§192.305 Inspection: General.** Each transmission line and main must be inspected to ensure that it is constructed in accordance with this subpart. An operator must not use operator personnel to perform a required inspection if the operator personnel performed the construction task requiring inspection. Nothing in this section prohibits the operator from inspecting construction tasks with operator personnel who are involved in other construction tasks.

## Related Links:

[NAPSR Resolution on Construction Inspection](#)

[PHMSA’s Notice of Proposed Rulemaking](#)

[APGA Comments on Proposed Rulemaking](#)

[PHMSA’s Final Rule](#)

[APGA Petition for Reconsideration](#)

[PHMSA’s Response to Petitions for Reconsideration](#)

# Construction Inspection

## Post Final Rule Advocacy Actions:

PHMSA Created the “Construction Inspection Advisory Group” in Fall 2015 . The group was tasked with addressing concerns from industry, while meeting the goals of the federal and state regulators. Members of the advisory group included:

- PHMSA
- NAPSR
- APGA
- AGA
- Distribution Contractors Association (DCA)

**The group last met in October 2015. The changes to §192.305 will not move forward without the consensus of this advisory group.**

### ***APGA Petition Position:***

- **APGA requested that PHMSA clarify that a 2-man utility crew may inspect each other’s work and comply with the Construction Inspection requirements.**
- **PHMSA should ensure that the Final Rule does not impact a substantial number of small businesses.**

# Recently Published Rulemakings

*These rules have been finalized recently.*





# Underground Storage

## *Interim Final Rule*

IFR Published: December 19, 2016

Comments Submitted: February 17, 2017

Industry Petition for Reconsideration Submitted to PHMSA: January 18, 2017

Petition for Reconsideration Filed to the DC Circuit Court: March 17, 2017

Final Rule to OMB for Review: October 15, 2018

## **Interim Final Rule Effective Date: January 18, 2017**

### **Introduces storage facilities into Pipeline Safety Regulations:**

1. Incorporation of mandatory & non-mandatory provisions of API RP 1170 & 1171

With respect to the incorporation by reference of API RP 1170 & API RP 1171 in this section, the non-mandatory provisions (i.e. provisions containing the word “should” or other non-mandatory language) are adopted as mandatory provisions under the authority of the pipeline safety law except when the operator...

2. Compliance Timeline

### **Notice Issued June 20, 2017:**

Until PHMSA addresses the petitions from industry and for one year after the publication of a final rule, PHMSA will not issue any enforcement citations to operators for failure to meet any provisions that are non-mandatory in API RP 1170 and RP 1171.