From: Doll, Laura
Sent: 10/24/2013 12:02:03 PM
To: elizaveta.malashenko@cpuc.ca.gov (elizaveta.malashenko@cpuc.ca.gov)
Cc:
Bcc:
Subject: AGA meeting: PHMSA

You likely get AGA newsletter things and are well aware of what's going on. I am not. But I saw this as part of a larger email this morning and it caught my eye. It's a brief update.

Laura

-

US: Industry Urges PHMSA to Simplify Pipeline Safety Requirements

In order to comply with Pipeline Safety Act requirements to confirm the operating pressure limits of certain natural gas transmission pipelines, the US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) held a public workshop on August 7th on its proposed Integrity Verification Process (IVP). In response to feedback from stakeholders at and following that meeting, on September 12th, PHMSA announced a revised IVP flowchart and, in order to provide the public adequate time, extended the comment period until earlier this month.

PHMSA began developing the IVP approach following the 2011 Pipeline Safety Reauthorization and following NTSB recommendations that called for the following: removing the grandfather clause that exempted pre 1970s-pipe from hydrostatic testing, new pressure testing requirements, integrity verification plans for pipes that do not have complete MAOP records and conversional of all gas pipes to accommodate in-line inspection tools.

The resulting proposed draft IVP to establish and document the safe operating pressure limits of pipelines would apply to about 91,000 miles of steel gas pipelines, roughly 30% of existing gas lines. The IVP, which is designed as 21-step flow chart, would do the following:

- Apply to pipelines in higher risk locations or high-consequence areas (HCAs); PHMSA has also proposed to apply the IVP to a new category of moderate consequence areas;
- Apply to pipes that are grandfathered, lack MAOP records, lack pressure tests, operate over 72% of Specified Minimum Yield Stress or have history of failures linked to defects;
- Would require operators to design a program to establish the makeup of their pipeline by one or more processes, including cutting out and testing pipe, non-destructive testing, field verification of

components or other verifications;

- Require pipelines that lack MAOP documentation to establish their MAOP using one of a number of methods including a pressure test or replacing the pipe.

Now, the pipeline industry is urging PHMSA to simplify its plan to verify the safe pressure of natural gas pipelines, a requirement that the industry believes could prove to be a very large undertaking. Through public comments, the general sense of the industry is that PHMSA is trying to take on too much, and address many issues in one process which will ultimately lead to confusion and complication.

Through its comments, AGA noted that while some intrastate pipelines have begun MAOP verification, others are waiting to see what will be accepted by PHMSA to verify MAOP. According to AGA, "the complexity and uncertainty involved in the revised PHMSA IVP is inadvertently delaying operator action to test pipes due to their concern that the work may be nullified if it does not conform to the as yet undefined regulation. AGA recommended that PHMSA keep the MAOP verification and integrity management processes separate.

Laura Doll

Director, Regulatory Relations

lrdd@pge.com

office: 415.973.8663

mobile: 415.828.3739