

# Pipeline Safety Update



## Dates of Interest

### October 2014

- 6-11/17 [SGA Operations and Engineering Fall Web Conference Series](#)  
(Information Integration to Enhance Pipeline Safety)
- 13-16 [API Tank, Valves, and Pipeline Conference & Expo](#), Las Vegas, NV
- 14 [Comments due](#) on NTSB proposed investigation procedures
- 14-16 [AGA Leak Management Best Practices Roundtable](#), Detroit, MI
- 15-17 [SGA Fall Leadership Conference](#), Fort Worth, TX
- 19-21 [NACE Northern Area Eastern Conference](#), St. Johns, Newfoundland, Canada
- 19-21 [Interstate Oil & Gas Compact Commission Annual Meeting](#), Columbus, OH
- 20 [Comments due](#) on Coast Guard's proposal to increase OPA 90 liability limits.
- 21-22 [Meeting of the Technical Pipeline Safety Standards Committee and the Technical Hazardous Liquid Pipeline Safety Standards Committee](#), Washington, DC
- 23 [Comments due](#) on PHMSA's Public Awareness ICR
- 27-28 [AGA DIMP Workshop](#), Ft. Worth, TX
- 29-30 [AGA DIMP Best Practices Roundtable](#), Ft. Worth, TX

## ISSUE NO. 85 – OCTOBER 8, 2014

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*PHMSA extends deadline for comments on National Pipeline Mapping System information collection request. Update on Status of PHMSA Rulemakings. PG&E and others appeal proposed civil penalty before CPUC.*

### PHMSA Extends Deadline for Commenting on National Pipeline Mapping System Information Collection Request

On September 30, the Pipeline and Hazardous Materials Safety Administration (PHMSA) published a [Notice](#) extending until December 1 the deadline for submitting comments on a proposed [information collection request](#) (ICR), issued July 30, that would require that operators of hazardous liquid and gas pipelines and liquefied natural gas (LNG) facilities submit substantially more information to the National Pipeline Mapping System. PHMSA specifically requests comments on a realistic timeline under which pipeline operators could comply with the proposed submission requirements. The Notice also indicates that PHMSA is working with the Transportation Security Administration to determine the sensitivity of the requested data, and states further that, if the information submitted is requested under the Freedom of Information Act (FOIA), all applicable FOIA exemptions would be reviewed to determine whether to publically release the information.

### PHMSA Developments

**Updates on status of PHMSA Rulemakings.** The table below reflects information on the status of PHMSA rulemakings as reported in the Department of Transportation's (DOT) October Significant Rulemaking [Report](#). Additional information from the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) is [here](#). Note that OIRA has not updated this information in several months.

Rulemaking & Next Action	Estimated Date to OMB	DOT Estimated Publication Date	OIRA Estimated Publication Date
Excess Flow Valves; NPRM	April 30, 2014 (actual)	November 3, 2014	August 2014
Issues Related to Use of Plastic Pipe in the Gas Pipeline Industry; NPRM	N/A	N/A	June 2014
Safety of Gas Transmission Pipelines; NPRM	October 16, 2014	January 28, 2015	August 2014
Safety of On-Shore Hazardous Liquid Pipelines; NPRM	May 1, 2014 (actual)	November 20, 2014	July 2014
Valve Installation and Minimum Rupture Detection Standards; NPRM	December 21, 2014	May 1, 2015	N/A
Enforcement of State Excavation Damage Laws; Final Rule	<b>October 23, 2014</b>	<b>February 4, 2015</b>	August 2014

Dates Continued ...

November 2014

- 2-5 [APGA 2014 Utility Management Conference](#), San Destin, FL
- 4-6 [SGA Advanced Pipeline Design Workshop](#), Houston, TX
- 5-7 [NACE Western Area Conference](#), Seattle, WA
- 11 [Common Ground Alliance Best Practices Meeting](#), Las Vegas, NV
- 16-19 [NARUC Annual Meeting](#), San Francisco, CA
- 20-22 [Pipeline Safety Trust Conference](#), New Orleans, LA
- 24 [Canadian Energy Pipeline Foundation Canadian Pipeline Industry Quality Summit](#), Calgary, AB

December 2014

- 1 [Comments due](#) on PHMSA Proposed NPMS Information Collection Request



**Know what's below.  
Call before you dig.**

Miscellaneous Amendments to Pipeline Safety Regulations; Final Rule	<b>November 20, 2014</b>	<b>March 10, 2015</b>	August 2014
Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Amendments; Final Rule	N/A	N/A	September 2014
Operator Qualification, Cost Recovery, Incident Reporting, CO <sub>2</sub> , Special Permit Renewal, and Other Issues; NPRM	October 16, 2014	January 28, 2015	N/A

## Industry Updates

**PG&E and others appeal CPUC Presiding Officials' decisions.** On October 2, Pacific Gas and Electric Company (PG&E) and others filed appeals of the California Public Utilities Commission (CPUC) Presiding Officers' decisions, issued on September 2, which found that PG&E violated a number of pipeline safety requirements in connection with the September 2010 gas transmission line rupture in San Bruno, California, and recommended a total of \$1.4 billion in penalties. PG&E has filed appeals of all three decisions finding violations regarding [Records](#) (Investigation 11-02-016), [Class Location](#) (Investigation 11-11-009), and [Construction, Operation, and Maintenance](#) (Investigation 12-01-007); and the proposed decision addressing [Fines and Remedies](#).

The City of San Bruno, California, and the CPUC's Consumer Protection and Safety Division (CPSD) also filed appeals. The City of San Bruno's appeal of the Fines and Remedies decision is [here](#). The CPSD filed appeals on the decisions on [Records](#), [Class Location](#), and [Fines and Remedies](#).

Additionally, CPUC Commissioners [Sandoval](#), [Florio](#), and [Picker](#) filed requests for review of the Fines and Remedies decision.

## Select Updates from the States

### CALIFORNIA

[SB 1371](#) (Leno) (now Chapter 525, Statutes of 2014): This bill requires the CPUC to adopt rules and procedures, while giving priority to safety, reliability, and affordability of service, to minimize natural leaks from CPUC-regulated gas pipeline facilities, with the goal of reducing greenhouse gas emissions. The regulatory proceeding will commence by January 15, 2015, and the rules and procedures would be required to meet the following objectives: (a) provide for the maximum technologically feasible and cost-effective avoidance, reduction, and repair of leaks and leaking components within a reasonable time after discovery; (b) provide for the ranking or recorded leaks and leaking components by volume or energy content; (c) evaluate natural gas leakage abatement practices to determine effectiveness; and (d) establish and require the use of best practices for leak surveys, patrols, leak survey technology, leak prevention, and leak reduction. CPUC also must require gas corporations to file reports detailing their leak management practices, new methane leaks by grade, existing methane leaks, and a best estimate of gas loss due to such leaks. The bill was signed by the Governor on September 21.

### KANSAS

On August 21, 2014, the Kansas State Corporation Commission [announced](#) a public hearing, to be held on November 4, on proposed amended [regulations](#) adopting the 2013 version of the federal gas safety standards set forth in 49 C.F.R. Part 192. In addition, the proposed amendments would remove the 5-day repair requirement for class 1 leaks; permit utility companies to supervise repairs of natural gas lines in residential areas by defining "yard line" to end at the outside wall of an individually metered

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**Regulations and Code Compliance:  
Upcoming PHMSA State Seminars**

PHMSA offers training on gas and hazardous liquid pipeline safety regulations. More information is available [here](#).

**October 2014**

14-17 Mississippi (gas & liquids)  
20-24 Illinois (gas)  
20-24 New Hampshire (gas)

**November 2014**

17-21 Alabama (Gas)  
17-21 Tennessee (Gas)  
17-21 Oklahoma (Gas & Liquids)

**State-Specific Association  
Meetings**

**October 2014**

28-29 [Kansas Pipeline Safety Seminar](#), Manhattan, KS  
21-22 Illinois Commerce Commission [Pipeline Safety Conference](#), Effingham, IL

**November 2014**

5-7 [Mississippi Damage Prevention Summit](#), Philadelphia, MS

residential premise; and simplify the fee collection schedule for safety inspections and supervision by removing outdated assessment information.

**MICHIGAN**

*Michigan Public Service Commission proposes to incorporate federal safety regulations.* On July 17, the Michigan Public Service Commission convened a public hearing on a proposed amendment to its rules to adopt by reference the latest federal gas pipeline safety standards. The proposed rules would also adopt updated technical standards and clarify the requirements related to the disconnection or abandonment of indoor gas facilities.

[HB 5556](#) (Townsend): This bill would increase the administrative civil penalties that can be imposed for pipeline safety violations to \$20,000 per day, per violation, not to exceed \$800,000 for any related series of violations. It would also require any person who engages in the transportation of gas or who owns or operates pipeline facilities to annually communicate with county and municipal emergency coordinators to review the public education and awareness programs. The bill was introduced on May 8 and was referred to the House Committee on Energy and Technology.

**NEW JERSEY**

[A2711](#) (Handlin): This bill proposes to create the New Jersey Taskforce on Underground Utility Lines for the purpose of studying issues related to placing overhead utilities underground. The bill was referred to the Assembly Committee on Telecommunications and Utilities.

[S 2422](#) (Greenstein & Bateman): This bill would require natural gas pipeline utilities to repair or replace leaking natural gas pipelines within time frames to be established by the Dept. of Environmental Protection ("DEP"). DEP, in consultation with the Board of Public Utilities, would adopt implementing regulations to prioritize time frames for the repair and replacement of pipelines based on the severity of leaks, best practices and repair standards, and de minimis exceptions to the repair and replacement requirements. The penalties for noncompliance would be those set forth in the Air Pollution Control Act (1954). The bill was introduced on September 18 and referred to the Senate Economic Growth Committee.

[SR No. 91](#) (Codey, Thompson & Greenstein): This Senate Resolution urges natural gas pipeline operators to adopt infrastructure, technology and management tools to prevent methane leaks in order to reduce greenhouse gas emissions, improve the efficient transmission and distribution of natural gas, and reduce the risk of methane gas-related emergencies.

**NEW MEXICO**

*New Mexico Public Regulation Commission initiates rulemaking on excavation and One-Call Requirements.* On July 9, the New Mexico Public Regulation Commission [proposed](#) to amend its rules for excavation damage prevention and One-Call programs. The proposed amendments would require the establishment of a "positive response registry system," and update underground facility operators' (UFO) response requirements to excavation locate requests to include a "positive response" even if the UFO determines it has no facilities within the proposed excavation limits. The proposed amendments also would make failure to provide positive responses, pre-mark the intended site, or report damage a "willful" violation. A public hearing was held on September 24.

**NEW YORK**

The New York legislature has adjourned for the year without passing proposed pipeline safety legislation.

**PENNSYLVANIA**

[HB 1607](#) (Baker): The bill would amend Pennsylvania's Underground Utility Line Protection Law (One-Call Law) and extend the sunset date of the Act through 2021. In general, the bill would transfer

enforcement authority from the Department of Labor and Industry to the Pennsylvania Public Utility Commission; create a Damage Prevention Committee; place additional obligations on facility owners, excavators, and project owners; and create an administrative process for the determination of violations and the assessment of penalties. On June 27, the House passed the bill, and it has been referred to the Senate Consumer Protection and Professional Licensure Committee.

[SB1459](#): This bill would amend Pennsylvania's Underground Utility Protection Law to require the use of steel products made in the United States for any "construction, reconstruction alteration, repair, improvement or maintenance of gathering lines." The bill was referred to the Senate Consumer Protection and Professional Licensure Committee on July 31.

[SB1458](#): This bill would require the use of steel products made in the United States for "casings or other safety devices" used in drilling oil or gas wells. The bill would apply only to devices added on or after the effective date. The bill was referred to the Senate Environmental Resources and Energy Committee on July 31.

## TEXAS

*Adoption of regulations regarding federal requirements and farm tap odorizers.* On September 16, the Railroad Commission of Texas (Commission) [adopted](#) regulations that update the minimum safety standards by incorporating certain federal pipeline safety regulations that are effective on the date of the amended rule. The Commission also revised its regulations to clarify that wick-type farm tap odorizers are exempt from certain equipment reporting requirements, but must continue to comply with gas odorization requirements. The adopted regulations were published in the [Texas Register](#) on October 3 and became effective on October 6.

## WASHINGTON

*Washington adopts civil penalty cap increase.* Effective on October 4, the Washington Utilities and Transportation Commission (WUTC) will have the authority to impose increased civil penalties for violations of its intrastate gas pipeline safety regulations. As a result of an amendment adopted on September 3, the maximum per-violation penalty will be increased from \$100,000 to \$200,000 per violation, and the maximum penalty for a related series of violations will be increased from \$1,000,000 to \$2,000,000. These penalty caps are consistent with the limitations in the federal Pipeline Safety Act. More information is [here](#).

## FOR MORE INFORMATION

Van Ness Feldman counsels clients on pipeline safety compliance, enforcement, and litigation under the Pipeline Safety Laws and Regulations and related statutes. If you are interested in additional information regarding pipeline safety matters or any PHMSA or pipeline related matter, please contact [Susan Olenchuk](#) at (202) 298-1896 or [sam@vnf.com](mailto:sam@vnf.com), [Jim Curry](#) at (202) 298-1831 or [jbc@vnf.com](mailto:jbc@vnf.com), [Keith Coyle](#), at (202) 298-1811 or [kjc@vnf.com](mailto:kjc@vnf.com), or any member of the firm's Pipeline & LNG practice group.

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