



# Office of Pipeline Safety Update

## 2011 SGA Operations Conference Distribution Operations Roundtable July 12, 2011

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# Topics for Discussion

- Key Messages (DIMP and HQ related)
- Current Challenges
- Impacts on Pipeline Safety
- Focus on Pipeline Safety
- Other Simmering Issues
- Upcoming Events



# DIMP related Key Messages

- Distribution Integrity Management Programs are required to be developed and implemented by August 2<sup>nd</sup>!
- Two DIMP Webinars have been held and the recordings and handouts are available on the DIMP website.
- There are inspection forms and other important implementation information available on the DIMP website <http://primis.phmsa.dot.gov/dimp/>
- Mechanical Fitting Failure reporting began this year with 2011 reports required to be submitted by March 15, 2012
- PHMSA will begin putting out DIMP-related “performance” reports this year based on past data and 2010 Annual Reporting information



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[DIMP Communications:  
Public Meetings,  
Webinars, Webcasts,  
and State Seminars](#)

[DIMP History](#)

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Comments for OPS](#)

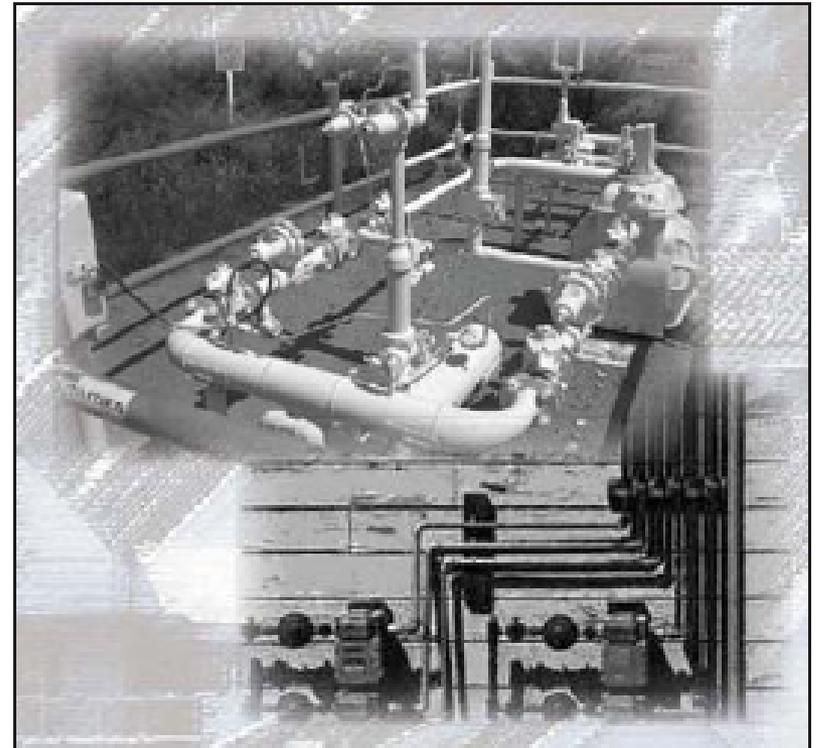
[Regulator Contacts](#)



## Distribution Integrity Management

The Pipeline and Hazardous Materials Safety Administration (PHMSA) published the final rule establishing integrity management requirements for gas distribution pipeline systems on December 4, 2009 (74 FR 63906). The effective date of the rule is February 12, 2010. Operators are given until August 2, 2011 to write and implement their program.

PHMSA previously implemented integrity management regulations for hazardous liquid and gas transmission pipelines. These regulations aim to assure pipeline integrity and improve the already admirable safety record for the transportation of energy



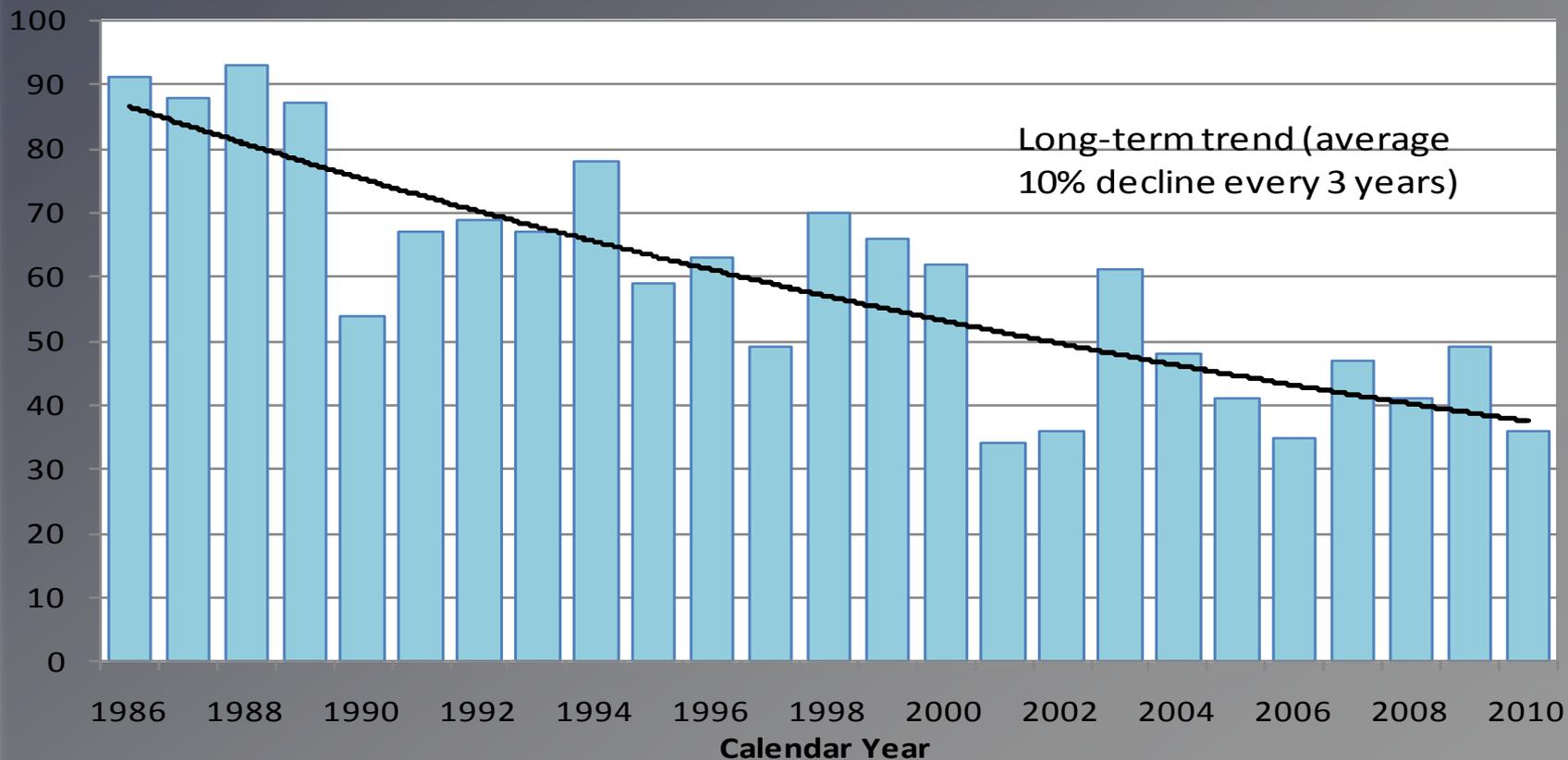


# Key Messages

- The World is Changing...Recent Events are Bringing a LOT of Attention Our Way
  - The Public is Expecting and Demanding more from Regulators and Operators
- We Need to Be Ready with reasonable explanations for the actions we have and have not taken
- Overall safety has improved, but significant incidents continue to occur



## Pipeline Incidents w/Death or Major Injury (1986-2010)



Data: DOT/PHMSA Pipeline Incident Data (as of Jan. 19, 2011)



# Current Challenges

- Rash of High Profile Accidents with Serious Consequences
- Differing Levels of “Acceptable Risk” with Different Audiences
  - Transparency will sharpen focus of debate
- We have accomplished a lot. We still have work to do.



# Some Recent High Profile Accidents

- **Deepwater Horizon**
- **Marshal, Michigan (Federally Regulated)**
  - Major Crude Oil Spill Dramatically Impacted Several Communities in Michigan
- **San Bruno, California (State Regulated)**
  - Major tragedy – Unimaginable Proportions
- **Allentown, Pennsylvania (State Regulated)**
  - Major tragedy – Causes still being investigated
- **Excavation Damage Fatalities (State Regulated)**
  - Texas, North Dakota, Georgia – to name a few



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# San Bruno, CA September 2010







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# Allentown, PA February 2011





# The Impact of 2010

- Got the Attention of Everyone – White House, Secretary, Congress, media, oversight agencies, and the public
- Expect to See More Media Attention to Pipeline Failures
- Expect to See DOJ and EPA Stepping Up Their Attention
- Delayed Reauthorization
- Sharpened Awareness of Role of Rate Setting in Safety AND the Role of Safety in Rate Setting



# The Impact of 2010

- **On Reauthorization of the Pipeline Safety Program**
  - Quadrennial Congressional scrutiny of **OUR** (Fed/State) performance in regulating the Industry
  - Had hopes of it going better than in 2002 or 2006
  - 7 hearings last year alone – two so far in 2011
  - Will set the most of regulatory agenda for the next 4 years



# Pipeline Safety Reauthorization

- General Themes / Provisions in Play
  - More Inspection – would increase 10 FTE/year
  - Stronger Enforcement – raises civil penalties 2.5X
    - Some attention directed at changing our process
  - Eliminating exemptions from One-Call laws
  - Study and regulate use of ASV/RCV's



# Pipeline Safety Reauthorization

- Study and regulate HL leak detection
- Extends EFV's rules to multi-family/small commercial
- Cost recovery for special permits and new construction
- Study/report on risks of Canadian crude from oil sands
- Increased data reporting – including geospatial data



# The Impact of 2010

- **On Administration Posture and Direction**
  - Administration commitment to tighten regulations
    - Several New Rulemaking Documents:
      - Final: Acceleration of Control Room Mgmt implementation dates.
      - ANPRM: Questions to stakeholders about the adequacy of HL and NGT (soon) regulations.
      - Expect something similar for gathering systems.
    - Several Advisory Bulletins Issued as a Direct Result
      - Emergency Response Preparedness and Planning
      - Sufficiency of Records and Adequacy of Risk Assessment
    - Concerns about Special Permits and Incorporated Standards



# Focus on Pipeline Safety

- Expect to hear a lot from DOT regarding the need to elevate attention at both the STATE and FEDERAL levels on pipeline safety challenges
  - Legacy infrastructure: risk assessments, repair, rehabilitation, and replacement or requalification
- Secretary LaHood Hosted a National Pipeline Safety Forum at DOT on April 18, 2011
  - <http://opsweb.phmsa.dot.gov/pipelineforum/>
  - Report to American on Pipeline Safety – 6 months



# Report to America

- Set up a Technical Advisory Committee (TAC) Subcommittee to work on report
  - Sue Fleck (Industry - Gas)
  - Craig Pierson (Industry - Liquid)
  - Carl Weimer (Public)
  - Rick Pevarski (Public)
  - Massoud Tahamtini (Regulator)
  - Colette Honorable (Regulator)



# Report to America

- Week of May 16 – Call with Subcommittee to discuss outline, charge to group.
- June 15 – Public Mtg in DC – Seeking input from stakeholders
- June 16 – Working (closed) mtg
- July 13/14 – Working (closed) mtg
- Aug 2/3 – Subcommittee presents to Full TAC for review/approval
- Aug 15 – PHMSA injects report into DOT review process.



# Focus on Pipeline Safety

## Near Term (3 months)

- Risk Assessment Workshop
- Pipe Seam Workshop and Report
- International Regulators Conference
- National Infrastructure Bank
- Reauthorization Legislation
- Research and Development Conference



# Focus on Pipeline Safety

## Mid Term (6 months)

- Publication of Pipeline Safety: Report To The Nation
- Issue of Safety Advisory TBD
- Public Safety/First Responder Forum



# Focus on Pipeline Safety

## Long Term (12 months)

- Technical Workshop regarding Leak Detection & Valves
- Develop comprehensive research and development plan
- Establish “Near Miss” reporting system
- Roll out Vehicular Damage Public Awareness Campaign
- Revise and execute MOU with FERC



# Focus on Pipeline Safety (cont.)

- **National Transportation Safety Board**
  - 5 active investigations
- **DOT Office of the Inspector General**
  - Hazardous Liquid Integrity Management
  - State Pipeline Safety Program: Performance and Oversight
    - Ongoing Internal Review Ordered By Administrator
  - Control Room Management
- **U.S. Government Accountability Office**
  - Unregulated / non-jurisdictional pipeline risk
  - Requests to redefine NGT from 20% SMYS to 30% SMYS



# Other Simmering Issues

- Damage Prevention – Adequacy of State Laws/Programs
- Population Encroachment: Getting the PIPA word out
- New Construction
  - OQ & QMS: Role of Contractors in Determining Quality
  - Material Deficiencies
- Public Awareness Programs: Inspections and Effectiveness
- Repair Criteria and Response Times Outside HCA's
- More Research and Development Investment
- Transparency/Adequacy of Consensus Standards – IBR
  - FOIA



# Calendar of Upcoming Events

- DIMP Implementation Workshop – Summer 2012
  - DIMP Recorded Webcasts – Summer 2011
- Pipeline Seam Types and Susceptibilities – July 20, 2011
- Pipeline Operator Risk Assessment – July 21, 2011
  - Will be webcast
- Emergency Response Workshop – Fall 2011
- Additional Meetings of Interest:
  - Technical Advisory Committees – Summer 2011



# Now Back to DIMP

- Training of State and Federal Inspectors
- DIMP Implementation Team Activities
- Implementation of Inspection Programs
- PHMSA – NAPSR Partnership in Coordination of implementing the DIMP Regulation
- Impact of “Report to America” on Distribution Operations
- Planned Reports to Stakeholders
- More webinars are being planned as a method for Operators and Regulators to communicate information and provide for “Q&A” sessions – Are they effective?



**Questions**