

2007 Update

Bicentennial Center

Salina Kansas

October 23-October 25, 2007



Kansas Pipeline Safety Seminar 2007

- PowerPoint Presentations available on KCC website!!

● www.kcc.ks.gov

Kansas Pipeline Safety Seminar 2007

- PIPES Act of 2006
- New Kansas Regulations
- Update on Public Awareness
- DIMP and EFV's
- Kansas Natural Disasters & Emergency Planning
- ...AND LOTS MORE!!!

Kansas Pipeline Safety 2007 Review

- Public Awareness Inspections
 - PHMSA clearinghouse audits
 - Kansas audit forms based on PHMSA form
 - KCC Assistance: Kris Casarona

Kansas Pipeline Safety 2007 Review

- Pipeline Safety Engineer vacancy
 - KC Metro area
 - Home based
 - Advertising in SHARPS system, KCC Website, and Kansas City media

Kansas Pipeline Safety 2008 Preview

- PHMSA initiative to transition to Risk-Based Inspections
- Focus efforts of Kansas work force
 - Not every site inspected every year

Shared Challenges--jw

- Three Challenges in 2006
 - DIMP
 - Data
 - Risk-Based Inspections
- Challenges for 2007
 - Data Analysis / Knowledge Management
 - DIMP Team – Next Steps
 - PIPA Team

Who Gets to Pay??

– PIPES Act 2006 --

- ... the Committee directs PHMSA to review the user fee collection process to determine if it should be modified to more equitably allocate the cost of the pipeline safety program across the industry segments.

Who Gets to Pay??

– PIPES Act 2006 --

- PHMSA shall submit a report to both the House and Senate Committees on Appropriations by February 1, 2008,
 - the agency's statutory authority to revise the fee structure;
 - its assessment of the current fee structure;
 - any recommendations for changes to the fee structure that should be considered as a result of the passage of the PIPES Act.

User Fee Options_{--ke}

Program Cost Way Up

- New Programs Often Distribution
 - Focused
- Q: Is there a fair way for PHMSA to assess LDC's?
- Possible "Tracker" Approach w/ FERC

Summary of PHMSA 2007 Presentations

- Slides from:
 - Krista Edwards, Acting Administrator
 - Stacey Gerard, Assistant Administrator, Chief Safety Officer
 - Jeff Wiese, Associate Administrator for Pipeline Safety

Messages from PHMSA Leadership--sg

- Problems
 - Getting attention outside accident context
 - Understanding each others constraints
 - More work than time or money
- OUR View of OUR Role Has Evolved – As Have Others'
- Outside Confidence Is Critical to OUR Success
 - Awareness of criticality of systems we manage is growing
 - Others need to trust OUR assessments of the problem and our ideas on how to fix it

Hypothesis: PHMSA Seeks To Improve Performance, (2007)--sg

- “Are We There Yet” Question Being Frequently Asked
- Is There an Organizational Framework “Out There”?
 - Beyond IMP
 - That could guide our improving performance
 - Without benefit of an “event driver”

Why Consider This Challenge

NOW--sg

- Always a potential for new threats – security, pandemics, etc
- Recent events call attention to “process safety management” and adequacy of management systems
- Nation increasingly is focusing on energy security/reliability

Objective: Create an Organization Framework to Help Anticipate Events--sg

- Where is the potential for risk always present and high consequence
- How can we make better use of information to control these risk
- How can we instill or can operators instill in employees
 - consciousness of , and alignment with, our values
 - in safety, reliability and protecting the environment and
 - keep the consciousness up
- How can we motivate continuous improvement
 - many at the top of safety performance lose it.

Would Establishing “Best Practices” Be Useful? --sg

1. Learning From Events and Near Misses

- What didn't work?
- What did work?

2. Comprehensiveness In Review of Problems

- Do small problems become routine
- Do we have checks and balances
- Objective auditing
- Perspective of all individuals
- Transparency

Would Establishing “Best Practices” Be Useful? --sg

- cont'd

3. Focus on Operations

- Is there situational awareness,
 - Are personnel alert to small events
- Understanding them and projecting what could happen
- Do personnel feel free to report problems, and
- Do they believe they will be assessed fairly?

Would Establishing “Best Practices” Be Useful? --sg

- cont'd

4. Is the Organization Resilient

- Ready to act
- Able to quickly assess a problem
- Employees empowered to react
- Relate to past experience

5. Is Technical Expertise Listened To?

Post-Clearinghouse Actions by OPS--jw

- OPS/States Coordinate Revisions With Operators
- OPS Considering Formal Enforcement Actions Against Jurisdictional Non-submitting Operators
- States Have Independent Authority to Enforce
- Developing Field Implementation Inspection Forms
- Proposing a Public Meeting in Spring 2008
 - Clearinghouse findings
 - Operator Learning from nearly 3 cycles
 - Recommendations for 2nd Edition RP 1162

Shared Challenges--jw

- Three Challenges in 2006
 - DIMP
 - Data
 - Risk-Based Inspections
- Challenges for 2007
 - Data Analysis / Knowledge Management
 - DIMP Team – Next Steps
 - PIPA Team

Regulatory Agenda

- Distribution Integrity Management
- Low-stress pipelines
- Operator Qualifications (B31Q)
- CCERT and SCADA
- Maximum Allowable Operating Pressure (MAOP)
- Land Use Development Around Pipelines (PIPA)