Regulations Update

2022 PIPELINE SAFETY SEMINAR

Hosted by the Kansas Corporation Commission

and the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA)

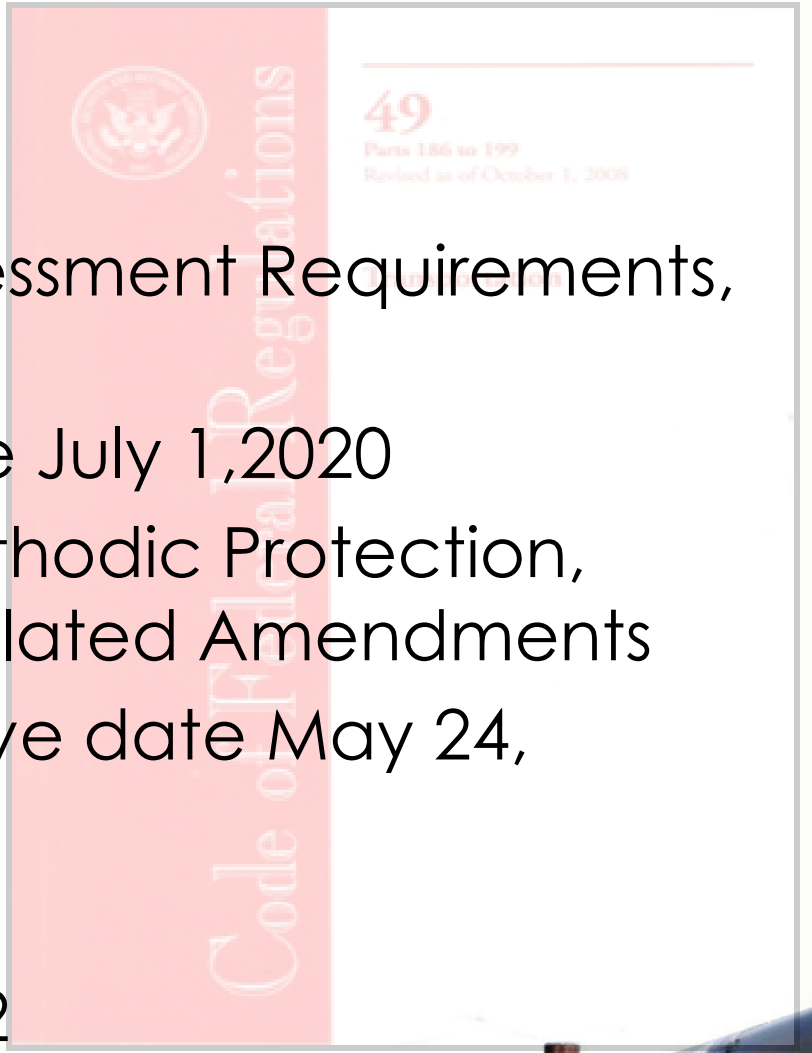
"Mega" Gas Rule – Split Into Three Smaller Rules

- RIN 1 – Safety of Gas Transmission Pipelines:

  MAOP Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments

  Published October 1, 2019. Effective date July 1,2020
- RIN 2 – Repair Criteria, IM Improvements, Cathodic Protection, Management of Changes, and Other Related Amendments

  Final Rule published Aug 24, 2022. Effective date May 24, 2023
- RIN 3 – Gas Gathering
  - Published 11/15/21. Effective Date 5/16/22



New Rule Highlight
Two new long-term programs:

- MAOP Reconfirmation (§192.624) - 15 years - by **July 2, 2035**
  - Material Verification (§192.607)
  - Engineering Critical Assessments (192.632)
- Assessments outside of HCAs (§192.710) – Initial by 2034 and reassessments every 10 years, e.g., piggable MCAs over 30% SMYS

IMPLEMENTATION DATES

Implementation Dates

- By July 1, 2020 (Effective Date of Rule)
  - Report pressure exceedances (§191.23(a)(10), §191.25(b))
  - Maintain records to document class locations, including determination methods (§192.5)
  - Begin to Identify, prioritize, and perform assessments (§192.710) outside HCAs, i.e., non-HCA Class 3 and 4, and MCAs

Implementation Dates

- July 1, 2021
  - Begin to use new Incident Report (Form PHMSA F 7100.2); current form posted to Docket PHMSA-2011-0023 on 10/24/2019
  - Operators subject to §192.624, **develop and document procedures for** completing all actions required for MAOP reconfirmation by this date (Requires they know their MCAs)
  - For GT pipe and components, **have and begin to implement procedures** for material properties and attributes verification

Implementation Dates

- July 1, 2021
  - For GT pipe installed after this date, retain welder and/or plastic joiner qualification records for minimum of 5 years following construction (New par added to 192.227)
  - Any launchers/receivers used after this date must meet conditions of §192.750
  - Identification and assessment of moderate consequence areas (MCA) per 192.710

Implementation Dates

- March 15, 2022 – Annual Report Due
  - (Form PHMSA F 7100.2-1)
    - Report on all MCAs and MAOP reconfirmation for pipeline segments operational as of December 31, 2021

Compliance Tools for Operators Frequently Asked Questions (FAQs) and Inspection Forms

PHMSA Gas Transmission IA Question Set

Integrity Management - High Consequence Areas

1. IM High Consequence Areas - HCA Identification *Does the process include the methods defined in 192.903 High Consequence Area (Method 1) and/or 192.903 High Consequence Area (Method 2) to be applied to each pipeline for the identification of high consequence areas?* (IM.HC.HCAID.P) 192.905(a)

2. IM High Consequence Areas - HCA Identification *Do records demonstrate that the identification of pipeline segments in high consequence areas was completed in accordance with process requirements?* (IM.HC.HCAID.R) 192.947(d) (192.905(a);192.907(a);192.911(a))

Frequently Asked Questions (FAQs) & Answers

- Solicited from:
  - Industry
  - State/Federal Regulators
  - Public
- Assist in implementation of
- final rule;
  - Provides clarity to existing requirements
  - Provides guidance
  - Provides Information Sources
- Batched, draft FAQs were posted in Federal Register to solicit public comment - Docket ID: PHMSA-2019-0225

FAQs & Answers – 1st Batch
Gas Rule FAQs

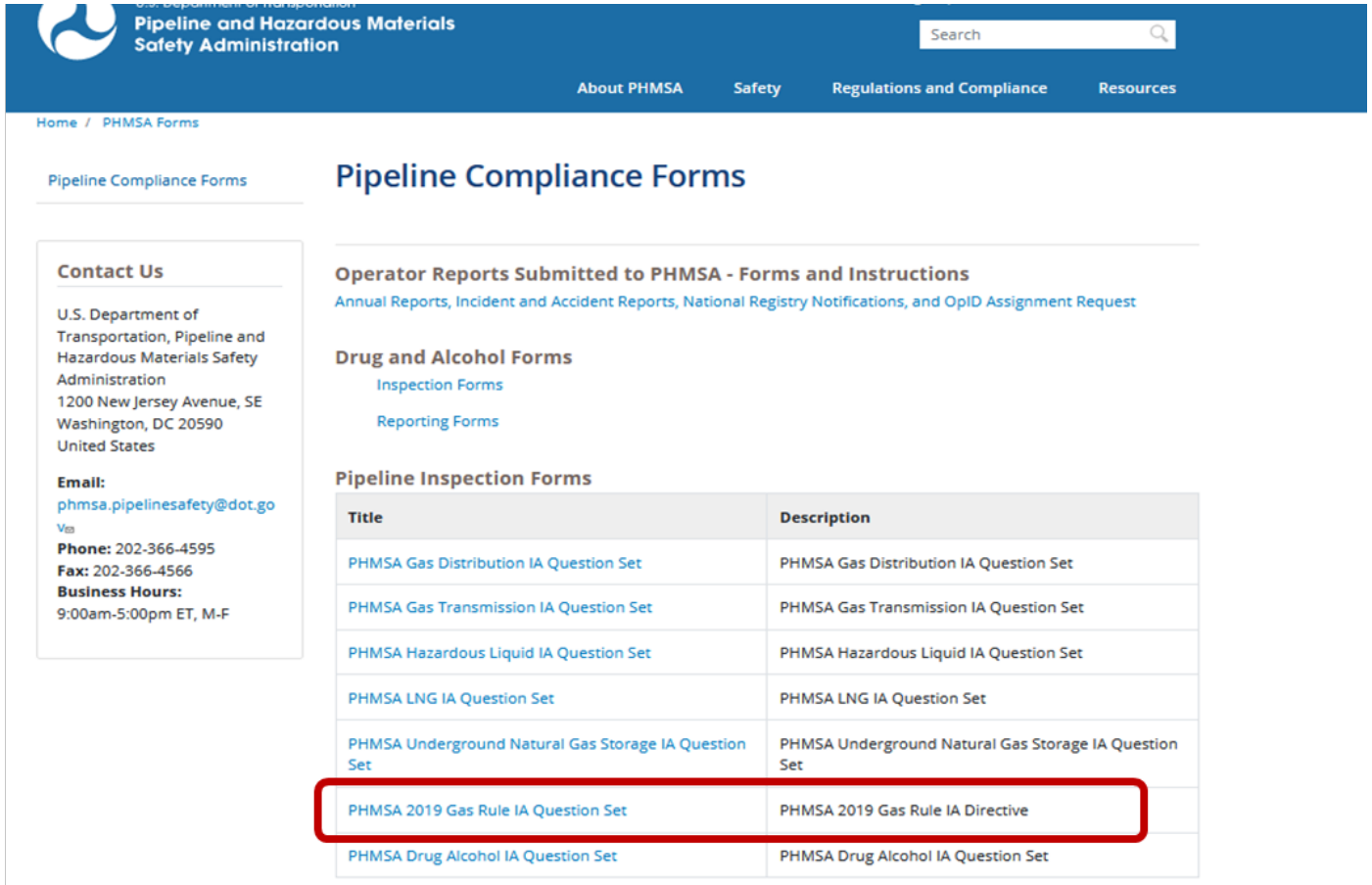
- 44 FAQs and Answers were posted to PHMSA public site on September 15, 2020
- Posted draft FAQs for public comment 1/30/2020

- Topical Areas include:
  - General
  - Reporting
  - Other technology notification
  - Moderate consequence area
  - MAOP establishment and reconfirmation
  - Spike hydrostatic testing
  - Material verification
  - Failure mechanics
  - Assessments outside HCAS

FAQs & Answers – 2nd Batch
Gas Rule FAQs

- Content includes 24 more FAQs
  - Similar topical areas as 1st Batch
- Posted Draft Batch-2 FAQs posted to Federal Register December 22, 2020, for comment (Closed March 16, 2021)
- **Final Batch 2 FAQs Under Legal Review**

As of 7.28.21



Gas Rule – Public Question Set is Posted to PHMSA Website

https://www.phmsa.dot.gov/forms/pipeline-compliance-forms

INSPECTION STRATEGY

Inspection Strategy

- Pilots Inspections (October 2020 – April 2021) Done
- Specialized Inspections (July 2021 – July 2028) Underway
- Integrated Inspections (TBD)

Pilot Inspections

- Were Used to Align PHMSA, States, and pipeline operators
  - Expectations; Get Feedback
  - Guidance (FAQs)
- Focused on nearer term requirements
  - Class location confirmation
  - MCA identification procedures and completion if applicable
  - Applicability of §§192.607, 192.624 and 192.710
  - Material verification procedures
  - MAOP reconfirmation procedures
  - Reporting

Pilot Inspections

- Boardwalk – October 2020
- Iroquois Gas – November 2020
- Louisville Gas & Electric – February 2021
- National Grid/MMT (192.607 only) – March 2021
- Dominion Energy Questar Pipeline – March 2021
- Southern Star Central Gas – April 2021

- **Note: Draft inspection questions used during pilots shared with NAPSR (changes slightly when IA updated 6/30/21)**

Overarching Pilot Results

- Areas Needing Operator Attention:
  - Not clear whether operator was designating a pipeline grandfathered or not.
  - Need to find Subpart J compliant records if they are going to claim "non-grandfathered' status regardless of when the pressure test was done
  - Need a good definition of "Opportunistic Digs" to collect missing material attribute information
  - Determine which components are applicable under material testing

Specialized Inspections

Interstate Pipelines: Performed by Interstate Agents/Federal Region Staff as a Joint Inspection Team

- Utilized PHMSA's Inspection Assistant (IA) software and guidance materials based on FAQs **(Industry has equivalent forms without inspector considerations available on the PHMSA website)**
- Timeframe: Began in July 2021
- Focused on procedures / applicability for Reporting, Class Locations, MCA, MAOP Reconfirmation, Material Verification, Predicted failure, Spike testing, and Launcher/Receivers.

Specialized Inspections

Intrastate **Pipelines:**

- PHMSA provided inspection form to NAPSR for states not using IA on 7/26/2021 (Analog version of the IA questions)
- Recommended to States that this form be used to conduct specialized inspections by staff well versed in all parts of Part 192, particularly Subpart O and MAOP determination.
- Recommended that the states also focus mostly on applicability and adequacy of procedures and plans

Specialized Inspections

- Two specialized Gas Integrity Inspections have been conducted to date
- Results:
  - **Lack of specificity** in procedures
  - MCA identification by July 1
  - Definition of non-piggable line
  - TVC documentation for confirmation of MAOP
  - Reconfirmation at facilities (comp. Stations, valve sites)
  - Applicability for reconfirmation

ADDITIONAL AREAS OF CONCERN

Additional Compliance Concerns Seen to Date

1. Use of previous subpart J tests on grandfathered pipes to satisfy reconfirmation (Method 1)
2. Proper application of ECA (engineering critical analysis)
3. Procedures just copying the code
4. Not Adding OQ Covered Tasks for Material Verification Work

New Regulation
Published in Federal Register – November 15, 2021

SAFETY OF GAS GATHERING PIPELINES: EXTENSION OF REPORTING REQUIREMENTS, REGULATION OF LARGE, HIGH-PRESSURE LINES, AND OTHER RELATED AMENDMENTS

§192.3 DEFINITIONS

Gathering line means a pipeline that transports gas from a current production facility to a transmission line or main.

This new regulation did not change the definition of gathering it just added new types of regulated onshore gathering.

§192.8 Operators are still required to use API RP 80 1st edition (April 2000) to determine if gathering.

Previously Defined Gathering: Type A & B

Type A

- Metallic and the MAOP produces a hoop stress of >20% SMYS.
- Non-metallic and the MAOP > 125 psig.
- In a class 2, 3, or 4

Previously Defined Gathering: Type A & B

Type B

- Metallic and the MAOP produces a hoop stress of <20% SMYS.
- Non-metallic and the MAOP < 125 psig.
- In a class 3 or 4

New Types of Gathering: Type C and R

Type C

- Outside diameter 8.625" or greater and any of the following:
  - Metallic and MAOP cause hoop stress >20% of SMYS or
  - Unknown SMYS and MAOP is equal or greater than125 psig
  - Non-metallic MAOP > 125 psi
  - In class 1 location
- Approximately 90,000 miles of Type C affected

Type R

All others

New Requirements -Type C Gathering

- Design, construction, initial inspection, initial testing for new/replaced lines – **Allows for use of composite materials**
- Corrosion control (subpart I)
- Damage prevention (§ 192.614)
- Public awareness (§ 192.616)
- MAOP determination (§ 192.619)
- Line markers (§ 192.707)
- Leakage surveys using leak detection equipment (§ 192.706)
- Emergency Plans (§ 192.615) – GAO rec.

Summary of Type C Requirements

Criteria	Type C requirements (cumulative)
Diameter equal to greater than 8.625 inches **90,000 miles**	-Damage prevention § 192.614 -Emergency Plans § 192.615 - New/replaced - Design, installation, construction, inspection, and testing requirements*
Diameter 8.625 inches through 12.75 inches with a building within the potential impact circle (PIC): **20,000 miles**	The above and: -Public Awareness § 192.616 -Line Markers § 192.707 -Corrosion control (subpart I - Leakage surveys (192.706)
Diameter > 12.75 inches through 16 inches with a building within the PIC, or Diameter > 16 inches **14,000 miles**	The above and: -Plastic pipe requirements -Establish maximum allowable operating pressure (MAOP, § 192.619)

* Exceptions created for short replacement sections and composite pipe

Bottom Line Up Front – 1/2

- This Final Rule accomplishes the following:
  - Subject all gas gathering lines, **including previously unregulated lines**, to our annual and incident reporting requirements (over 420,000 miles of pipe).
    - Includes new Type R
  - Limit the use of the incidental gathering line exception to lines 10 miles or less.
    - If it's 10 miles or more it will be considered transmission and subject to all regulations that apply.

Bottom Line Up Front – 2/2

- Higher risk, previously-unregulated gathering pipelines now subject to safety standards:
  - 91,000 additional miles of pipe subject to damage prevention, and emergency planning requirements.
  - 20,000 additional miles of pipe subject to public awareness, line marker, corrosion control and leak survey requirements.

Bottom Line Up Front – 2/2 contd.

- Higher risk, previously-unregulated gathering pipelines now subject to safety standards:
  - 14,000 additional miles of pipe subject to MAOP requirements.
  - All new and replaced pipe 8 inches or greater will have to be constructed in accordance with the current pipeline safety regulations.

Key Compliance Dates

Effective Date: May 16, 2022

- Incident Reports: Events occurring after effective date
- Annual Reports: 2022 reports due March 2023
  - Type A, B, and C on Form F7100.2-1
  - All other Gathering (Type R) on form F7100.2-3
- Identify Type C lines**: by the 6th month after the effective date**
- Section 192.9: **by the 1st year after the effective date**
- MAOP lookback: 5-year period ending 1 year after the effective date

Where can I find information on the Status of Significant rulemakings?

- DOT
  - Report on DOT Significant Rulemakings (Monthly reports)
    - http://www.dot.gov/regulations/report-on-significant-rulemakings
- OMB
  - www.reginfo.gov
  - DOT Rule List
- eCFR
  - https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-A/part-106

Where can I find information on the Status of Significant rulemakings?

- PHMSA Technical Resources
  - https://www.phmsa.dot.gov/technical-resources/pipeline/pipeline-technical-resources-overview

- GPAC Meeting slides for reference at "Public Meetings" tab
  - https://primis.phmsa.dot.gov/meetings/

Where can I find information on the Status of Significant rulemakings?

- Gas Pipeline Leak Detection and Repair
  - Docket PHMSA-2021-0039
  - U.S.C. 60108 govinfo.gov
  - U.S.C. 60102 govinfo.gov