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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration (PHMSA)

[Docket No. RSPA-03-14455]

Pipeline Safety: Public Meeting on Use of Excess Flow Valves in Gas Distribution
Service Lines

AGENCY: Office of Pipeline Safety, Pipeline and Hazardous Materials Safety
Administration, DOT.

ACTION: Notice; public meeting.

SUMMARY: The Pipeline and Hazardous Materials Safety Administration's (PHMSA) Office of Pipeline Safety (OPS) is sponsoring a public meeting on the use of Excess Flow Valves in gas distribution safety lines as a technique for mitigating the consequences of service line incidents. The meeting will be held on June 17, 2005, in Washington, DC.

DATES: The public meeting will be held Friday, June 17, 2005, from 8:30 a.m. to 3.00 p.m.

ADDRESSES: The meeting will be held at the Ritz Carlton hotel, Pentagon City, 1250 South Hays Street, Arlington, VA 22202. The phone number for hotel reservations is (703) 415-5000 or 1-(800)-241-3333. Attendees staying at the hotel must make reservations by May 30.

FOR FURTHER INFORMATION CONTACT: Mike Israni (PHMSA/OPS) at 202-366-4571; mike.israni@dot.gov, regarding the subject matter of this notice. For information regarding meeting logistics, please contact Cheryl Whetsel at 202-366-4431; cheryl.whetsel@dot.gov.

SUPPLEMENTARY INFORMATION:

PHMSA/OPS invites public participation in a meeting to be held on June 17, 2005, to discuss use of excess flow valves (EFV) in gas distribution service lines to mitigate the consequences of potential service line incidents. The preliminary agenda for this meeting includes briefings on the following topics:

Operator Case Studies and Experience

Analysis of Recent Incident Data

NTSB Position and Recommendation

Views of State Regulatory Commissioners

Views of State Fire Marshals

Views of EFV Manufacturers

Views of Industry Trade Associations

A study for the National Association of Regulatory Utility Commissioners (NARUC)

conducted by the National Regulatory Research Institute (NRRI)

Distribution Integrity Management Program role in EFVs

Background

EFVs are devices designed to be installed in gas service lines, the pipelines that carry gas from a distribution main to each individual customer. They automatically shut off the flow of natural gas in a service line when the line is ruptured. Proper operation of an EFV would minimize or eliminate safety consequences from fires caused by escaped gas.

EFVs will not shut off flow in response to a leak in a building or in response to a slow leak, such as a leak caused by corrosion or a small crack in the service line. If an EFV activates improperly when there is no line break, i.e., spurious actuation, it would cut off gas flow to the customer.

Proposals to Require EFV Installation

In 2001, the National Transportation Safety Board (NTSB) recommended that DOT mandate installation of EFVs as a means of reducing or preventing injury or death from

incidents resulting from service line breaks or ruptures in all new and renewed service lines where operating conditions are compatible with available valves.

The public safety community has also weighed-in on this issue. The International Association of Fire Chiefs (IAFC) and the International Association of Fire Fighters (IAFF) believe the use of EFVs should be required. The National Fire Protection Association (NFPA) and the National Association of State Fire Marshals (NASFM) have expressed interest in exploring options to improve gas distribution pipeline integrity management.

State Regulatory Considerations

Nearly all gas service lines are under the regulatory authority of state regulatory commissions. PHMSA/OPS has been discussing the need to mandate the installation of EFVs with state regulators. A requirement could be promulgated in a stand-alone federal regulation. Alternatively, operators could be required to consider the use of the valves among a range of prevention and mitigation options within the broader context of a Gas Distribution Integrity Management rule.

To date, no state has taken a position in support of a stand-alone federal mandate. Several states strongly oppose a stand-alone federal mandate. The leadership of the National Association of Regulatory Utility Commissioners (NARUC) has expressed the view that the use of the valves should be considered within the broader context of a Gas

Distribution Integrity Management regulation. NARUC has begun its own independent study of this matter to assist in understanding the position of each of the states.

Benefit-Cost Study

In 2002, OPS tasked the Volpe Center to update a previous benefit-cost study for the mandatory installation of EFVs in new and renewed residential gas service lines. In December 2002, Volpe completed a draft benefit-cost analysis. PHMSA/OPS then published the study in the Federal Register to obtain public comments on the analysis and the underlying data and assumptions. Thirty-nine comments were received from the gas pipeline industry, one state, the fire prevention community, and the public. Many of these comments addressed data errors.

In September 2003, Volpe published a final benefit-cost study that corrected errors in the calculations, including an assumed EFV activation rate that was overstated by a factor of 10. The final estimated benefit-cost ratio for mandatory installation of EFVs remained low, between 0.29 and 0.88, depending on assumptions. This means that implementation of the NTSB recommendation for residential gas service lines would be expensive relative to the expected benefits.

Distribution Integrity Management

At present, PHMSA/OPS is considering whether requirements should be imposed to help better assure the integrity of gas distribution pipeline systems and, if so, how those requirements should be structured. PHMSA/OPS is working with a work/study group consisting of representatives of state pipeline safety regulators, the gas distribution industry, the Gas Pipeline Technology Committee, the Fire Marshal's Association, and the public. Members of this group are expected to meet periodically, throughout 2005, to evaluate various topics about the decision regarding the need for and nature of potential distribution integrity management requirements. This work/study group is considering the use of EFVs, in the context of an overall integrity management program, as one of a range of actions that could help to mitigate the consequences of distribution pipeline system incidents.

The work/study group notes that there is limited data available on actual experience with EFVs either regarding whether they have been effective in mitigating accidents, or whether they have experienced high rates of spurious actuation that interrupts gas flow to customers. The group is conducting surveys and reviewing available data to try to better understand the issues related to potential EF requirements.

Current Actions

PHMSA/OPS also is conducting evaluations of EFV use. The following actions have been completed or are currently underway.

- 1) PHMSA/OPS completed a study of five years of incident data and concluded that at most, 100 of 634 reportable incidents met criteria for activation of an EFV. This study will be discussed during the public meeting.
- 2) PHMSA/OPS commissioned a new study with Oak Ridge National Laboratory to validate EFV performance since the 1998 rulemaking. This study team of research and academic professionals will review measurable data that PHMSA/OPS will collect from individual operators on the operational history of EFVs. PHMSA/OPS has not collected this type of information since the performance standards were set by the American Society of Testing and Materials (ASTM).
- 3) PHMSA/OPS is commissioning further statistical analysis to evaluate operational success rate, false positives, trigger rate, and reduction in damages.
- 4) PHMSA/OPS collected additional data from state pipeline regulators on EFV installations and activations, including incidents that didn't reach the reporting threshold. This data revealed that a larger than expected number of operators are voluntarily installing EFVs.

- 5) PHMSA/OPS is cooperating with NARUC on its study of the use of EFVs.

- 6) PHMSA/OPS is working with NASFM to review incident data collected by the fire service and to discuss opportunities to enhance overall distribution pipeline safety, including the use of the EFVs.

- 7) PHMSA/OPS established a State/Federal Distribution Integrity Management work group to consider development of EFV requirements as a mitigation measure under a Distribution Integrity Management Program.

Need for Public Input

As described above, much work is ongoing and stakeholders have taken various positions regarding the need to require use of EFVs. The benefit-cost analysis does not appear to support a requirement mandating installation of EFVs.

This meeting will update the public on the continuing EFV activities and provide interested stakeholders an opportunity to present their positions for and against a requirement to use EFVs. Therefore, PHMSA/OPS encourages interested members of the public to attend the meeting and to share their views on EFVs. These views will be considered in making decisions regarding the mandatory use of EFVs.

Issued in Washington, DC, on _____.

Florence L. Hamn,

Director, Office of Regulations

Office of Pipeline Safety