

## **Gas Distribution Integrity Management**

PHMSA has initiated rulemaking on integrity management for natural gas distribution pipeline systems— the remaining element of the pipeline network not covered by current by integrity management requirements.

The Department's Inspector General highlighted this need in testimony to Congress in July 2004. Report to Congress required in May 2005, submitted in June 2005. Congress included a requirement in the Pipeline Inspection, Protection, Enforcement and Safety (PIPES) Act of 2006, requiring DOT to establish standards (a rule) by December 31, 2007.

PHMSA is addressing requirements to install Excess Flow Valves (EFV) wherever feasible, in response to PIPES mandate, as part of a distribution integrity management rule.

PHMSA plans to issue a regulatory proposal by April 2008.

### **Background**

In 2004, the work of the Distribution Infrastructure Government-Industry Team resulted in a widely accepted approach to distribution integrity management. An American Gas Foundation study provided a first step in developing appropriate requirements for a wide spectrum of gas distribution pipelines and system operators. In December 2004, PHMSA held a public meeting to update all stakeholders on efforts for gas distribution integrity management.

Beginning January 2005, an Executive Steering Group of State Commissioners, industry executives, public representatives, and PHMSA examined possible options and decided on an approach for developing appropriate requirements, standards, or guidelines to address the improvement needs of the gas distribution pipeline infrastructure.

PHMSA held a public meeting on regulatory treatment for EFVs in June 2005. PHMSA again updated stakeholders on overall distribution integrity

management efforts at a second public meeting in September 2005.

The Stakeholder groups under the direction of Executive Steering Group issued its key findings and conclusions concerning potential approaches to distribution integrity management in a December 2005 report, and PHMSA briefed the TPSSC in December 2005. The findings and conclusions from the Report provided the basis for the PHMSA development approach to improved gas distribution performance. The Report also contained candidate path forward actions for PHMSA consideration.

We expect our regulatory proposal to accommodate the wide variation among distribution pipeline systems and operators. The Gas Piping Technology Committee (GPTC) (an ANSI-certified standards developing organization) is developing guidance for gas distribution integrity.

#### DIMP Proposal Highlights:

Each operator would have an integrity program with the following elements: an understanding of the operator's system/infrastructure, the identification of threats potentially affecting the system, the assessment and prioritization of risks, the implementation of measures to mitigate risks, the measurement and monitoring of performance, a provision for adjustments to the program as necessary based on performance, and periodic reporting of a subset of performance measures to regulators. These elements responds to IG recommendation and Congressional interest, and are similar to other IM rules, except there is no requirement for physical inspection/assessment or distinction concerning which pipeline segments can produce "high consequences" in the event of an accident. These distinctions are appropriate because assessment of distribution pipelines in the manner done for other pipelines is not practical, and distribution pipelines are in populated areas, eliminating the need to identify high consequence areas.

Each operator would be required to install an EFV, except when gas supply pressure is not continuously higher than 10 psig or when liquids/contaminants that could interfere with valve operation are present in the gas stream, to protect single-family residences served by new and replaced gas service lines from release of gas due to major damage to the line.

Our approach would be consistent with the requirements of the Pipes Act.

## **FOLLOW-UP**

We expect the GPTC to release draft Guidance material for public comment as soon as PHMSA issues its proposed rule . The American Public Gas Association is currently developing a simpler version of guidance material for small operators. We expect to publish the final rule in spring of 2009.