



Dates of Interest

April 2014

- 11 [Comments due](#) on draft API 1173, Pipeline Safety Management System Requirements
- 14 Southern Gas Ass'n Operations & Engineering Spring Web Conference Series, [Pipeline Safety Management Systems](#)
- 13-16 [GPA 2014 Convention](#), Dallas, TX
- 16 [PHMSA Class Location Methodology Workshop](#), Crystal City, VA
- 22 PHMSA [webinar](#) to disseminate results of odorant effectiveness research
- 30 [Applications for Technical Assistance Grants due \(re-opened and date extended\)](#)
- 28 – 5/2 [NAPSR Southern Region Meeting](#), Panama City, FL

May 2014

- 6-8 [Southern Gas Ass'n Practical In-Line Inspection Workshop](#), Tulsa, OK
- 9 [Applications due](#) for PHMSA Competitive Academic Agreement Program grant
- 19-23 [NAPSR Western Region Meeting](#), Cody, WY
- 20-23 [AGA Operations Conference](#), Pittsburgh, PA

# Pipeline Safety Update

## ISSUE NO. 74 – APRIL 9, 2014

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*Criminal charges issued against PG&E; White House notes PHMSA's efforts to help reduce methane emissions; PHMSA seeks comments on numerous changes to OPID Assignment Request form and Operator Registry Notification forms; PHMSA offers grants to universities for pipeline safety research; Other PHMSA activities; Updates from select states; Industry updates*

### Criminal Charges Issued Against Pacific Gas & Electric

On April 1, a federal grand jury returned an indictment charging Pacific Gas and Electric Company with criminal violations of the Pipeline Safety Act. The indictment alleges knowing and willful violations of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) gas integrity management regulations and other rules concerning recordkeeping, data gathering and integration, threat identification, assessment tool selection, and risk prioritization. The charges flow from an investigation into the 2010 San Bruno incident. The twelve count indictment seeks penalties of approximately \$6 million. No individuals have been charged. The indictment is [here](#).<sup>1</sup>

### White House Notes PHMSA's Efforts to Help Reduce Methane Emissions

On March 28, the White House released the Administration's "comprehensive interagency strategy to cut methane emissions" ([Methane Strategy](#)<sup>2</sup>), listing new actions the Administration is taking or will take to reduce methane emissions, improve public health and safety, and provide more energy to the nation. The Methane Strategy includes regulatory actions and voluntary incentive programs that federal agencies will use to address methane emissions. Of note, the Methane Strategy outlines efforts that PHMSA takes to monitor natural gas pipeline systems and to ensure that leaks and accidental releases are minimized or eliminated, stating that PHMSA will continue to require that pipeline operators take steps to eliminate leaks and prevent accidental methane releases and evaluate the progress of states in replacing cast iron pipelines.

### PHMSA Activities

*PHMSA seeks comments on numerous changes to OPID Assignment Request and Operator Registry Notification forms.* On March 31, PHMSA issued a [notice](#)<sup>3</sup> requesting comments on numerous proposed changes to the OPID Assignment Request form (PHMSA F 1000.1) and Operator Registry Notification form (PHMSA F 1000.2). Proposed changes to the OPID Assignment Request form include collecting state-specific pipeline mileage and facility descriptions, collecting more specific information about ownership structure of gas distribution operators, and aligning the commodity choices for gas distribution and transmission with those in the annual and incident reports. Proposed revisions to the Operator Registry Notification form (filed to reflect facility construction and changes in ownership or operator) include reducing the number of notification types, modifying the information required when the operating entity changes, collecting data about pipeline miles separate from non-pipeline facilities, and collecting state-specific pipeline mileage and facility descriptions. PHMSA intends to request that the Office of Management and Budget approve the revised information collection. Comments are due May 30. The revised redline of the Operator Registry Notification form with instructions is [here](#).<sup>4</sup> The revised redline of the OPID Assignment Request form with instructions is [here](#).<sup>5</sup>

*PHMSA offers grants to universities for pipeline safety research.* On March 31, PHMSA [announced](#)<sup>6</sup> that its Competitive Academic Agreement Program is accepting applications from colleges and universities for

**Dates of Interest (continued)**

May 2014

- 21-23 [Southern Gas Ass'n Integrity Management for Gas Transmission Pipeline Workshop](#), Houston, TX
- 30 [Comments due](#) on PHMSA OPID Assignment Request and Operator Registry Notification

**Regulations and Code Compliance:  
Upcoming PHMSA State Seminars**

April 2014

- 21-25 Washington (Liquid)

May 2014

- 6-8 New Mexico (Gas & Liquid)

June 2014

- 9-13 Hawaii (Gas & Liquid)
- 24-27 Missouri (Gas)

PHMSA offers training on gas and hazardous liquid pipeline safety regulations. More information is available [here](#).

grants to fund research into innovative solutions to pipeline corrosion and other known pipeline integrity challenges. PHMSA expects to award up to a total of \$500,000 in grants. The deadline for applying is May 9.

**PHMSA proposed penalties in 2013 set record high while serious pipeline incidents were at all-time low.** On April 7, PHMSA [announced](#)<sup>7</sup> that, in 2013, it proposed a total of \$9.7 million in civil penalties for safety violations, the highest annual amount of proposed penalties in the agency's history. PHMSA stated that, during 2013, it initiated 266 enforcement cases against pipeline operators. PHMSA also reported that, since 2009, the industry has experienced 45 percent fewer serious pipeline incidents, *i.e.*, those resulting in fatalities or major injuries.

**PHMSA to host webinar on odorant effectiveness.** On April 22, at 2:30 PM (EST), PHMSA will host a webinar to disseminate the results of its recent research on odorant effectiveness. Registration is [not required](#).<sup>8</sup>

**Reminder: PHMSA's Class Location Methodology workshop is April 16.** On April 16, PHMSA will hold a [public workshop](#)<sup>9</sup> on whether applying gas transmission integrity management requirements beyond high consequence areas would mitigate the need for class location requirements. The workshop will feature presentations from PHMSA, state representatives, and other stakeholders, as well as panel discussions and an overview of the comments received in response to PHMSA's August 1, 2013 [Notice of Inquiry on Class Location Requirements](#)<sup>10</sup> and August 25, 2011 [Advanced Notice of Proposed Rulemaking on the Safety of Gas Transmission Pipelines](#).<sup>11</sup>

**Representatives Cassidy and McAllister request safety information regarding Midla Pipeline.** On April 3, Representatives Bill Cassidy (R-LA) and Vance McAllister (R-LA) [requested](#)<sup>12</sup> that PHMSA provide information regarding the safety history of the American Midstream Midla, LLC ("Midla") pipeline in light of Midla's application to the Federal Energy Regulatory Commission requesting authorization to abandon the 370-mile pipeline. The Congressmen seek information regarding the feasibility of retrofitting the pipeline to accommodate in-line inspection tools (pigs) or using an alternative inspection protocol, such as hydrostatic tests to determine the safety of the line, and information regarding the safety trends for pipelines built in the 1920s.

**Status of PHMSA Rulemakings.** The table below reflects the most current publicly available information on the status of PHMSA rulemakings as reported in the [DOT's March 2014 Significant Rulemaking Report](#).<sup>13</sup> Additional information from the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) is [here](#).<sup>14</sup>

<b>Rulemaking &amp; Next Action</b>	<b>Estimated Date to OMB</b>	<b>DOT Estimated Publication Date</b>	<b>OIRA Estimated Publication Date</b>
Excess Flow Valves; NPRM	March 17, 2014	June 27, 2014	May 2014
Issues Related to Use of Plastic Pipe in the Gas Pipeline Industry; NPRM	No Date Announced	April 2014	April 2014
Safety of Gas Transmission Pipelines; NPRM	May 8, 2014	Aug. 20, 2014	July 2014
Safety of On-Shore Hazardous Liquid Pipelines; NPRM	March 20, 2014	July 9, 2014	April 2014
Valve Installation and Minimum Rupture Detection Standards; NPRM	Sept. 18, 2014	Dec. 29, 2014	TBD
Enforcement of State Excavation Damage Laws; Final Rule	March 13, 2014	June 25, 2014	March 2014
Miscellaneous Amendments to Pipeline Safety Regulations; Final Rule	March 27, 2014	July 9, 2014	August 2014
Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Amendments; Final Rule	March 7, 2014	June 18, 2014	TBD

### Federal Funding Resource Center

Van Ness Feldman continually identifies and provides updates on federal funding opportunities related to energy, environment, natural resources, and public lands, including PHMSA grants.

[www.vnf.com/Funding](http://www.vnf.com/Funding)

To sign up for the weekly updates, e-mail [vnf@vnf.com](mailto:vnf@vnf.com) with "FFO Subscribe" in the subject line.

### Climate, Energy, & Air Update

Catch up on the latest EPA developments by subscribing to Van Ness Feldman's bi-weekly Climate, Energy & Air Update. [Click here to read the latest issue.](#)

## Updates from Select States

*New North Dakota rules for gathering lines are effective.* On April 1, [new rules](#)<sup>15</sup> went into effect providing the North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division with additional authority to regulate gathering lines.

## Industry Updates

*Deadline for commenting on draft API Pipeline Safety Management Standard is April 11, 2014.* The deadline for submitting comments on the [draft version](#)<sup>16</sup> of API Recommended Practice 1173, Pipeline Safety Management System Requirements (1<sup>st</sup> Edition, February 2014) (API RP 1173) is April 11. Developed in response to a [safety recommendation](#)<sup>17</sup> issued by the National Transportation Safety Board in the wake of the July 2010 Marshall, Michigan pipeline failure, API RP 1173 provides guidance to operators for developing and maintaining pipeline safety management systems.

**For Your Interest:** The Common Ground Alliance February/March report is [here](#).<sup>18</sup>

## FOR MORE INFORMATION

Van Ness Feldman counsels clients on pipeline safety compliance, enforcement, and litigation under the Pipeline Safety Laws and Regulations and related statutes. If you are interested in additional information regarding pipeline safety matters or any PHMSA or pipeline related matter, please contact [Susan Olenchuk](#) at (202) 298-1896 or [sam@vnf.com](mailto:sam@vnf.com), [Jim Curry](#) at (202) 298-1831 or [jbc@vnf.com](mailto:jbc@vnf.com), [Keith Coyle](#), at (202) 298-1811 or [kjc@vnf.com](mailto:kjc@vnf.com), or [Michael O'Neill](#) at (202) 298-1904 or [mlo@vnf.com](mailto:mlo@vnf.com) or any member of the firm's Pipeline & LNG practice group.

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<sup>1</sup> U.S. v. Pac. Gas & Elec. Co., No. CR-14-175 (N.D. Cal. filed April 1, 2014) <http://www.justice.gov/usao/can/news/2014/docs/PGE%20Indictment.pdf>.

<sup>2</sup> Climate Action Plan: Strategy to Reduce Methane Emissions (March 2014):

<http://democrats.energycommerce.house.gov/sites/default/files/documents/White-House-Methane-Climate-Strategy-2014-3-28.pdf>.

<sup>3</sup> Pipeline Safety: Information Collection Activities, Revisions to Operator Identification (OPID) Assignment Request and Operator Registry Notification, 79 Fed. Reg. 18118 (Mar. 31, 2014):

<http://www.gpo.gov/fdsys/pkg/FR-2014-03-31/pdf/2014-07075.pdf>.

<sup>4</sup> PHMSA, Red-Lined OPID Notification Form and Instructions:

<http://www.regulations.gov/#!documentDetail;D=PHMSA-2014-0018-0002>.

<sup>5</sup> PHMSA, Red-Lined OPID Assignment Form and Instructions:

<http://www.regulations.gov/#!documentDetail;D=PHMSA-2014-0018-0001>.

<sup>6</sup> PHMSA, "PHMSA Seeking Pipeline Research Projects from Colleges and Universities" (Mar. 31, 2014):

<http://phmsa.dot.gov/portal/site/PHMSA/menuitem.6f23687cf7boobof22e4c6962d9c8789/?vgnextoid=ee2929b7e5f05410VgnVCM100000d2c97898RCRD&vgnnextchannel=485b143389d8c010VgnVCM10000080e8a8c0RCRD&vgnnextfmt=print>.

<sup>7</sup> PHMSA's Proposed Pipeline Penalties Hit All-Time High; Serious Pipeline Incident Count Hits All-Time Low (April 7, 2014):

<http://www.phmsa.dot.gov/portal/site/PHMSA/menuitem.6f23687cf7boobof22e4c6962d9c8789/?vgnextoid=9c7c87c1a3e25410VgnVCM100000d2c97898RCRD&vgnnextchannel=d248724dd7d6c010VgnVCM10000080e8a8c0RCRD&vgnnextfmt=print>.

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<sup>8</sup> PHMSA, Registration for Webinar on Odorant Effectiveness (April 22, 2014):

<https://www150.livemeeting.com/cc/phmsa/join?id=2MB4O7&role=attend&pw=F%67Ef5g9%22%24S>.

<sup>9</sup> PHMSA, Class Location Methodology Workshop (April 16, 2014):

<http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=95>.

<sup>10</sup> Pipeline Safety: Class Location Requirements, 78 Fed. Reg. 46560 (Aug. 1, 2013):

<http://www.gpo.gov/fdsys/pkg/FR-2013-08-01/pdf/2013-18286.pdf>.

<sup>11</sup> Pipeline Safety: Safety of Gas Transmission Pipelines, Advanced Notice of Proposed Rulemaking, 76 Fed. Reg. 53,086 (Aug. 25, 2011):

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-25/pdf/2011-21753.pdf>.

<sup>12</sup> Letter from Reps. Bill Cassidy and Vance McAllister to Cynthia Quarterman, PHMSA (April 3, 2014):

<http://cassidy.house.gov/sites/cassidy.house.gov/files/Cassidy-McAllister%20Midla%20Letter%20to%20PHMSA.pdf>.

<sup>13</sup> Pipeline Safety: Class Location Requirements, 78 Fed. Reg. 46,560 (Aug. 1, 2013):

<http://www.gpo.gov/fdsys/pkg/FR-2013-08-01/pdf/2013-18286.pdf>.

<sup>14</sup> OIRA DOT Rulemaking Status Page:

[http://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION\\_GET\\_AGENCY\\_RULE\\_LIST&currentPub=true&agencyCd=2100&image58.x=52&image58.y=10](http://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST&currentPub=true&agencyCd=2100&image58.x=52&image58.y=10).

<sup>15</sup> N.D. Indus. Comm'n, Dep't of Mineral Res., Oil & Gas Div., Administrative Rules Committee Approves Rule Changes – Rules Take Effect April 1, 2014" (Mar. 12, 2014):

<https://www.dmr.nd.gov/oilgas/pressreleases/PressRelease03122014.pdf>.

<sup>16</sup> API Recommended Practice 1173, Pipeline Safety Management System Requirements (1st Edition, February 2014) (API RP 1173):

<http://www.api.org/-/media/Files/Oil-and-Natural-Gas/pipeline/2014-Pipeline-Safety-Ballot/Comments-to-Draft-API-RP-1173.pdf>.

<sup>17</sup> NTSB, Pipeline Accident Report PAR-12-01(July 25, 2010):

<https://www.nts.gov/investigations/summary/PAR1201.html>.

<sup>18</sup> Common Ground Alliance, February/March 2014 Report:

[http://www.commongroundalliance.com/Template.cfm?Section=CGA\\_News1&CONTENTID=8212&TEMP\\_LATE=/ContentManagement/ContentDisplay.cfm](http://www.commongroundalliance.com/Template.cfm?Section=CGA_News1&CONTENTID=8212&TEMP_LATE=/ContentManagement/ContentDisplay.cfm).