



Pipeline Safety Update

ISSUE NO. 160 – OCTOBER 1, 2020

[Susan Olenchuk](#), [Bryn Karaus](#), [Jacob Cunningham](#), and [Marco Bracamonte](#)

Dates of Interest

October 2020

- 5-8 [API Virtual Pipeline SMS Workshop](#), Virtual Event
- 7 [Gas Pipeline Advisory Committee Meeting](#), Virtual Event
- 8-9 [NGA Fall Operations Conference](#), Virtual Event
- 10/19-11/06 [APGA Operations Conference](#), Virtual Event

November 2020

- 10-12 [API Cybersecurity Conference for the Oil & Natural Gas Industry](#), Houston, TX and Virtually
- 12-13 [AGA Executive Leadership Safety Summit](#), Virtual Event

PHMSA Proposes Alternative Safety Requirements for Gas Transmission Line Segments that Experience Class Location Changes

On September 3, the Pipeline and Hazardous Materials Safety Administration (PHMSA) released a pre-publication version of a Notice of Proposed Rulemaking (NPRM), "[Class Location Change Requirements](#)," that would permit an alternative approach to managing the safety of certain eligible gas transmission pipe segments whose class locations change from Class 1 to Class 3. Comments on the NPRM are due December 14, 2020.

Background. PHMSA's current regulations provide that, if the class location of a gas transmission pipeline segment changes, and the hoop stress corresponding to the established maximum allowable operating pressure (MAOP) for the pipe segment is not commensurate with the present class location, the operator must confirm or revise the MAOP of the line segment. If the hoop stress corresponding to the MAOP exceeds specified limitations, the operator must either pressure test the line to confirm MAOP, reduce the MAOP, or replace the segment.

PHMSA's NPRM. The NPRM proposes an additional alternative for certain eligible gas transmission line segments whose class location changes from a Class 1 to a Class 3 and the hoop stress associated with the line's established MAOP is not commensurate with the present class location. Specifically, proposed new § 192.618 would allow an operator to apply integrity management (IM) based principles to certain eligible pipe segments in lieu of having to pressure test or replace the line or reduce MAOP.

Eligible pipe segments. A pipeline segment with any of the following characteristics would not be eligible to use the IM-based alternative:

- operates above 72% specified minimum yield strength (SMYS)
- is missing records for diameter, wall thickness, grade, seam type, yield strength and tensile strength
- lacks hydrostatic pressure test to at least 1.25 x MAOP
- has direct current (DC), low-frequency electric resistance welded pipe (LF-ERW), electric flash-welded (EFW), lap-welded seams, or pipe with longitudinal joint factor below 1.0
- has bare pipe or wrinkle bends
- was previously denied a class location change special permit.
- has an MAOP established under § 192.619(c) or (d)
- has tape wraps or shrink sleeves, or has poor external coating that requires use of a 100 millivolt shift or linear anodes to maintain required levels of cathodic protection

State-Specific Association Meetings

October 2020

21 SD/ND [Pipeline Safety Operator Training Conference](#), Virtual Event

November 2020

11/30-12/02 GMA [Pipeline Safety Seminar](#), Macon, GA

Recent Van Ness Feldman Publications

[PFAS – What You Need to Know in Transactions](#) – October 01, 2020

[Hydro Newsletter – Volume 7, Issue 10](#) – September 30, 2020

[DOI Releases Proposal to Revise Supplemental Financial Assurance Requirements for Offshore Decommissioning Costs](#) - September 25, 2020

[House Passes Clean Economy Jobs and Innovation Act](#) – September 25, 2020

[FERC Issues Order No. 2222 to Increase Participation of Distributed Energy Resource Aggregations in Organized Markets](#) – September 22, 2020

[UPDATED: Army Corps Proposes to Reissue Nationwide Permits Two Years Ahead of Schedule](#) – September 18, 2020



Know what's below.
Call before you dig.

- transports gas that is not of suitable composition and quality for sale to gas distribution customers
- has experienced cracking in the pipe body, seam, or girth welds in or within 5 miles of the segment that is over 20% of the pipe wall thickness, has predicted failure pressure less than either 100 % SMYS or 1.5 x MAOP, or has experienced a leak or rupture due to brittle failure mode.

IM-Based Alternative. Under the proposed IM-based alternative, an operator would have the ability to designate an eligible pipe segment as a high consequence area (HCA) and include the segment in the operator's IM program. An operator also would be required to comply with the following additional conditions:

- *Integrity Assessment.* Within 24 months of the class location change, identify and document integrity threats to the segment and conduct an initial integrity assessment with a high-resolution inline inspection (ILI) tool between the nearest upstream ILI launcher and nearest downstream ILI receiver (*i.e.*, the ILI inspection area).
- *NDE.* Conduct a non-destructive Selective Seam Corrosion (SSC) inspection any time pipe in the ILI inspection area is exposed.
- *Remediation Schedule and Repair Criteria.* In the ILI inspection area, apply additional and more conservative repair criteria and comply with more aggressive remediation timelines than required under existing IM regulations.
- *Pipe and weld cracking inspections.* Except for pipe with fusion-bonded or liquid-applied epoxy coatings and excavations performed under damage prevention, inspect any pipe in the ILI inspection segment that is uncovered for any reason to evaluate for cracking where coating is removed. If cracking is found, the operator must perform an analysis in accordance with proposed revised § 192.712 and perform appropriate remediation.
- *Mandatory P&M Measures.* Implement additional preventative and mitigative measures, including performing a close interval survey (CIS) every 7 years; installing at least one cathodic protection test station no more than ½ mile apart; installing line-of-sight markers; performing interference surveys; maintaining depth of cover or adding markers at locations that do not meet requirements; performing monthly right-of-way patrols; performing quarterly leakage surveys; clearing metallic shorts at shorted casings.
- *Remote-Controlled or Automatic Shutoff Valves.* Ensure that mainline valves on both sides of Class 1 and Class 3 location segments, and isolation valves on any crossover or lateral pipe designed to isolate a leak or rupture in such segments, can be operated remotely or have automatic shut-off capability, with the maximum distance of 20 miles between such mainline valves. Valves must be able to close no more than 30 minutes after a rupture, be controlled by a SCADA system, and be maintained in accordance with PHMSA's regulations.
- *Required Documentation.* Maintain records of all compliance actions for the life of the pipeline

Revisions to § 192.712. The NPRM would amend existing § 192.712 (Analysis of Predicted Failure Pressure and Critical Strain Level) to add a provision for evaluating dents and other mechanical damage that could result in a stress riser.

PHMSA Releases Frequently Asked Questions for Gas Transmission Final Rule

On September 15, PHMSA released [Frequently Asked Questions](#) (FAQs) addressing compliance issues related to implementation of the Gas Transmission [Final Rule](#) that was adopted October 1, 2019 and [amended](#) on July 6. The FAQs include PHMSA's responses to public comments that were received on a draft version of the FAQs released in January. The FAQs address a number of issues including

compliance deadlines, reporting requirements, notification provisions, moderate consequence areas, spike hydrostatic testing, material verification, MAOP establishment and reconfirmation, failure mechanics, and non-HCA assessments.

PHMSA has not released FAQs addressing compliance issues related to implementation of the Hazardous Liquid Pipeline Final Rule that was also issued on October 1, 2019.

PHMSA Issues Advisory Bulletins to Operators of Distribution Systems

On September 29, PHMSA issued two advisory bulletins addressing regulatory requirements applicable to inside meters and regulators and addressing the protection of low-pressure distribution systems from overpressurization.

Inside Meters and Regulators (ADB-2020-01). This advisory bulletin reminds operators of (1) existing regulations (§§ 192.353, 192.355, and 192.357) applicable to the inspection and maintenance of inside meters and regulators; (2) the requirement to conduct leakage and atmospheric corrosion surveys of their systems, including service regulators located inside and outside buildings; and (3) the obligation under distribution IM (DIMP) to understand their systems, including the location of meters and regulators, and the responsibility to evaluate and rank the risks associated with these facilities.

Overpressure Protection on Low-Pressure Natural Gas Distribution Systems (ADB-2020-02). This advisory bulletin reminds operators of low-pressure natural gas distribution systems of the risk of failure of overpressure protection systems, clarifies existing pipeline safety standards, and highlights the importance of evaluating and implementing overpressure protection design elements and operational practices within their compliance programs. In particular, PHMSA reminds operators to review their DIMPs to ensure compliance with § 192.1005 and to ensure they specifically address the risk of an overpressurization event. PHMSA also recommends that, in addition to procedures required under § 192.605 for operations, maintenance and emergencies, operators have written procedures for all activities involving new construction or pipe replacement projects for low-pressure distribution systems. The advisory bulletin recommends specific elements that written procedures under DIMP and § 192.605 should contain.

Status of PHMSA Rulemakings

The chart below shows the status of PHMSA's pending pipeline safety rulemakings as reflected in (1) the Department of Transportation's (DOT) February [Significant Rulemaking Report](#), (2) PHMSA's status [Chart](#) of legislatively mandated actions (updated August 18), and (3) the Office of Management & Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) [Spring 2020 Unified Agenda](#) of Regulatory and Deregulatory Actions.

Pending Final Rules

Proceeding	DOT Estimated Publication	OIRA Estimated Publication	PHMSA's Chart
Gas Pipeline Regulatory Reform	Not Provided	Not Listed	Not Listed
Liquid Pipeline Regulatory Reform	Not Listed	Not Provided	Not Listed
Safety of Gas Transmission Pipelines, Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments	July 24, 2020	October 2020	November 9, 2020
Safety of Gas Gathering Pipelines	July 24, 2020	October 2020	November 9, 2020
Valve Installation and Minimum Rupture Detection Standards	Not Provided	Not Provided	Not Provided

Pending Notices of Proposed Rulemakings

Proceeding	DOT Estimated Publication	OIRA Estimated Publication	PHMSA's Chart
Amendments to LNG Facilities	March 17, 2020	Withdrawn	Withdrawn
Class Location Requirements	Pre-Publication Version Released September 3, 2020		
Periodic Standards Update Rule	Not Listed	June 2020	Not Listed
Periodic Standards Update II	Not Listed	November 2020	Not Listed
Repair Criteria for Hazardous Liquid Pipelines	June 26, 2020	July 2020	Not Listed

Pending Advance Notices of Proposed Rulemakings

Proceeding	DOT Estimated Publication	OIRA Estimated Publication	PHMSA's Chart
Coastal Ecological Unusually Sensitive Areas	February 20, 2020	June 2020	November 3, 2020

Other Updates from PHMSA

PHMSA announces GPAC meeting to consider NPRM on Gas Pipeline Regulatory Reform. On September 8, PHMSA issued a [notice](#) that the Gas Pipeline Advisory Committee (GPAC) will convene a virtual public meeting to discuss the [Gas Pipeline Regulatory Reform NPRM](#) issued on June 9. Additional information, including how to register, is [here](#).

Updates from Capitol Hill

Proposed legislation would authorize limited safety-enhancing test programs. On August 21, Congressman Marc Veasy (D-TX) introduced [H.R. 8085](#) which would authorize PHMSA to establish and implement safety-enhancing testing programs through 2026 to evaluate innovative technologies and operational practices of natural gas and hazardous liquid pipeline facilities.

Updates from Other Federal Agencies

DOT releases guidance regarding use of revised Federal Drug Testing Custody and Control Form. On August 31, DOT released [guidance](#) addressing changes to the revised Federal Drug Testing Custody and Control Form (CFF) recently approved by OMB. The new CFF must be used for oral fluid specimens. The previous CFF, approved in 2017, may be used for urine specimens until August 30, 2021.

Updates from Industry

Pipeline Association for Public Awareness publishes updated guidelines. The Pipeline Association for Public Awareness has released the 2020 Edition of its [Pipeline Emergency Response Guidelines](#). The Guidelines address different types of products and facilities; emergency preparedness; incident response steps; and security and damage prevention.

Updates on Litigation

Pipeline employee convicted and sentenced for falsifying pipeline safety documents. On August 24, DOT's Office of Inspector General [announced](#) that a pipeline employee was sentenced by a federal district court for falsifying documents in connection with an interstate pipeline project. The employee created documents falsely stating that pipeline welds had been x-rayed and that the resulting exposures were acceptable. The employee was sentenced to 36 months' probation, 100 hours of community service, and charged a \$100 special assessment. The employee had pled guilty in June.

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, [Bryn Karaus](#) at (202) 298-1821 or bsk@vnf.com, or any member of the firm's [Pipeline & LNG](#) practice group.

© 2020 Van Ness Feldman, LLP. All Rights Reserved. This document has been prepared by Van Ness Feldman for informational purposes only and is not a legal opinion, does not provide legal advice for any purpose, and neither creates nor constitutes evidence of an attorney-client relationship