



Pipeline Class Location Methodology Workshop

(Pipeline Operator Presentations)

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Also representing APGA





Who We Are

IAMU an Iowa not for profit association representing community-owned utilities, established 1947

- 51 gas
- 136 electric
- 545 water
- 30 broadband





Who We Are

American Public Gas Association (APGA)

- National, non-profit association of publicly-owned natural gas distribution systems.
- APGA was formed in 1961 as a non-partisan organization, and currently has approximately 700 members in 36 states.
- Overall, there are nearly 1,000 municipally-owned systems in the U.S. serving more than five million customers.



American Public Gas Association



IM beyond HCA's vs Class Location

- For APGA and IAMU – No
- Does not make sense for most community - owned transmission systems due to size and type.
- Focus should be risk based not functional.
- Major re-write to Code to eliminate class locations.





APGA & IAMU Interest in Transmission Issues



- Regulatory costs vs actual risk.
- Nationally out of the 1,000 systems there are 56 publicly-owned transmission line.





Definition of Transmission includes Functional and Risk

- (a) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center; or storage facility;
- (b) Operates at a hoop stress of 20 percent or more of SMYS; or
- (c) Transports gas within a storage field.





Functional and Risk Based

- Since 1970 many changes but definitions of transmission and distribution have not kept up.
- Suggest: Revise def. towards risk based, or
- Creating a new category of pipe for smaller dia., lower stress lines.





2011 Publicly-Owned Stats

< 3,000 miles of transmission lines

➤ **PE – 30 miles**

Steel

➤ 282 miles 4" or less

➤ 520 miles 4-6"

➤ 822 miles 6-8"

➤ 368 miles 8-10"

➤ 402 miles 10-12"

➤ 490 miles 12-24"

➤ 52 miles 28-30"





Publicly-Owned Stats

- Many of the 56 are sole feeds from the transmission supplier.
- Which is another problem issue – MAOP verification. We can't shutdown the entire cities to test pipelines.
- Pigging technology not available for small pipe dia.; even if it was it would be cost prohibitive for small utilities to retro-fit.





Iowa Stats

- 18 of our 51 systems have transmission, total 178 miles, **all** are less than 20% SMYS. **All lines odorized.**
- 1.25" – 8" dia.
- 142 of the 178 miles between 2" & 4".
- 149 miles steel – Schedule 80, some 40
- 29 miles plastic - ≤ 100#

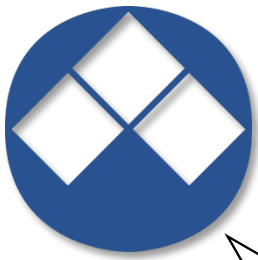




Iowa Stats

- All 18 lines < 20% SMYS
- NO HCA's
- PIR (17 lines 14' – 90'; 1 line 126')
- 3.54 miles Class 3
- 173 miles Class 1 & 2
- 142 miles 2" – 4" pipe
- Dry gas – no internal corrosion noted





Iowa Stats

- Populations 360 – 13,790
- Operating Revenues
 - \$113,871 - \$5,956,616
- Meters 198 – 4,980
 - < 500 – 9 towns (revs < \$1/2 million)
 - < 1,000 – 6 towns (revs < 1 million)
 - < 2,500 – 2 towns (revs < 4 million)
 - < 5,000 – 1 town (rev < 6 million)

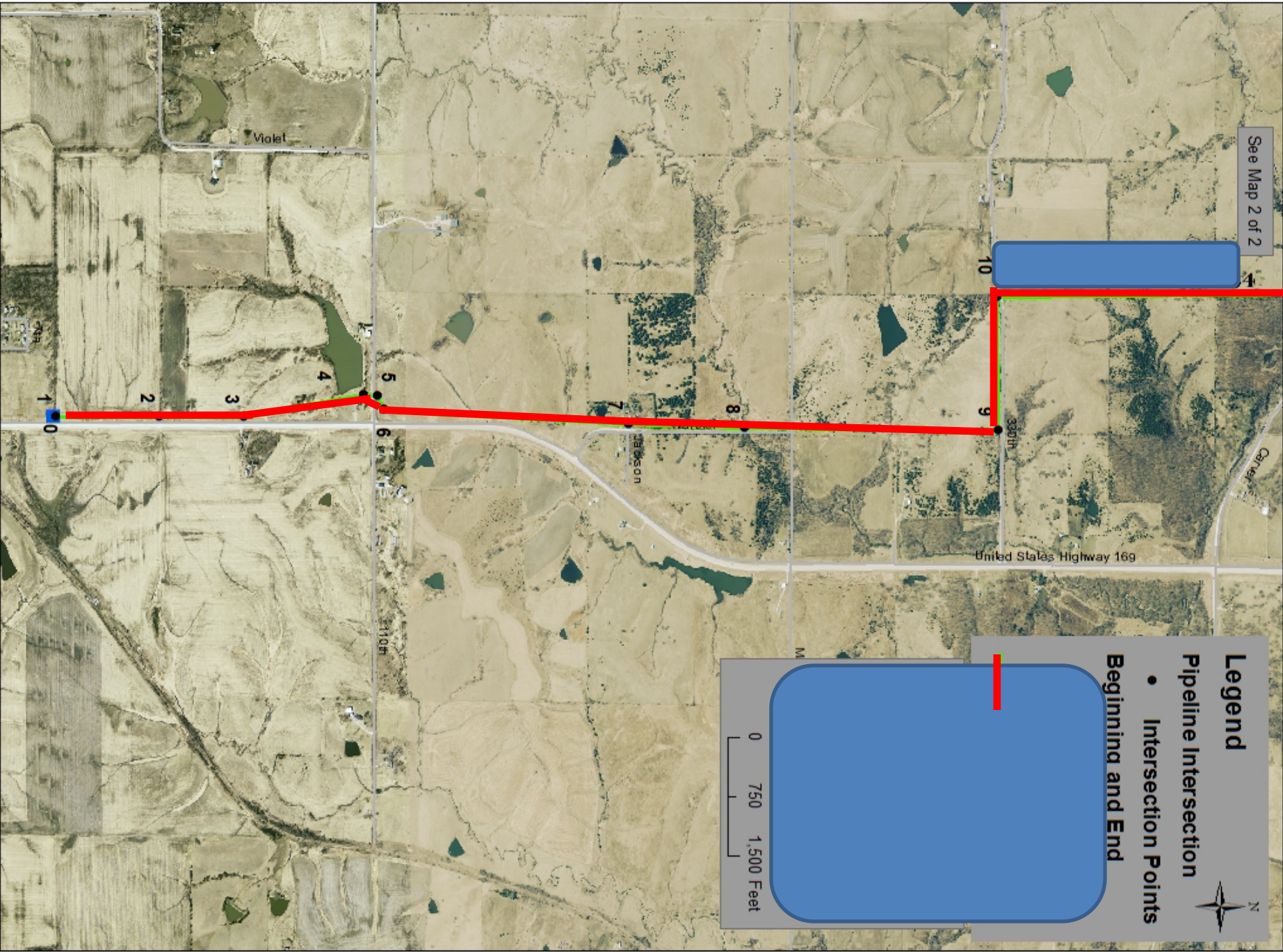




Example, IA

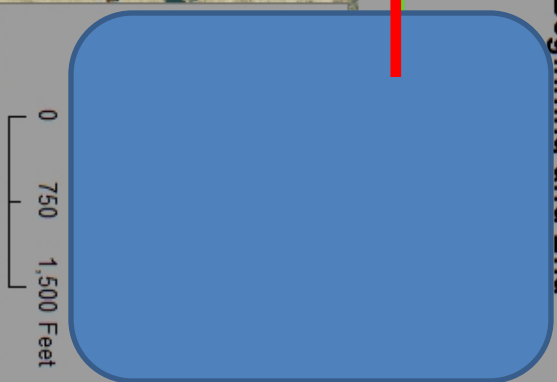
- Class 1 – 4.669 miles
- 2" steel – schedule 40
- 150# – < 20% SMYS – Gas odorized
- 198 meters – Population 360
- Revenues \$113,871
- PIR 17 feet



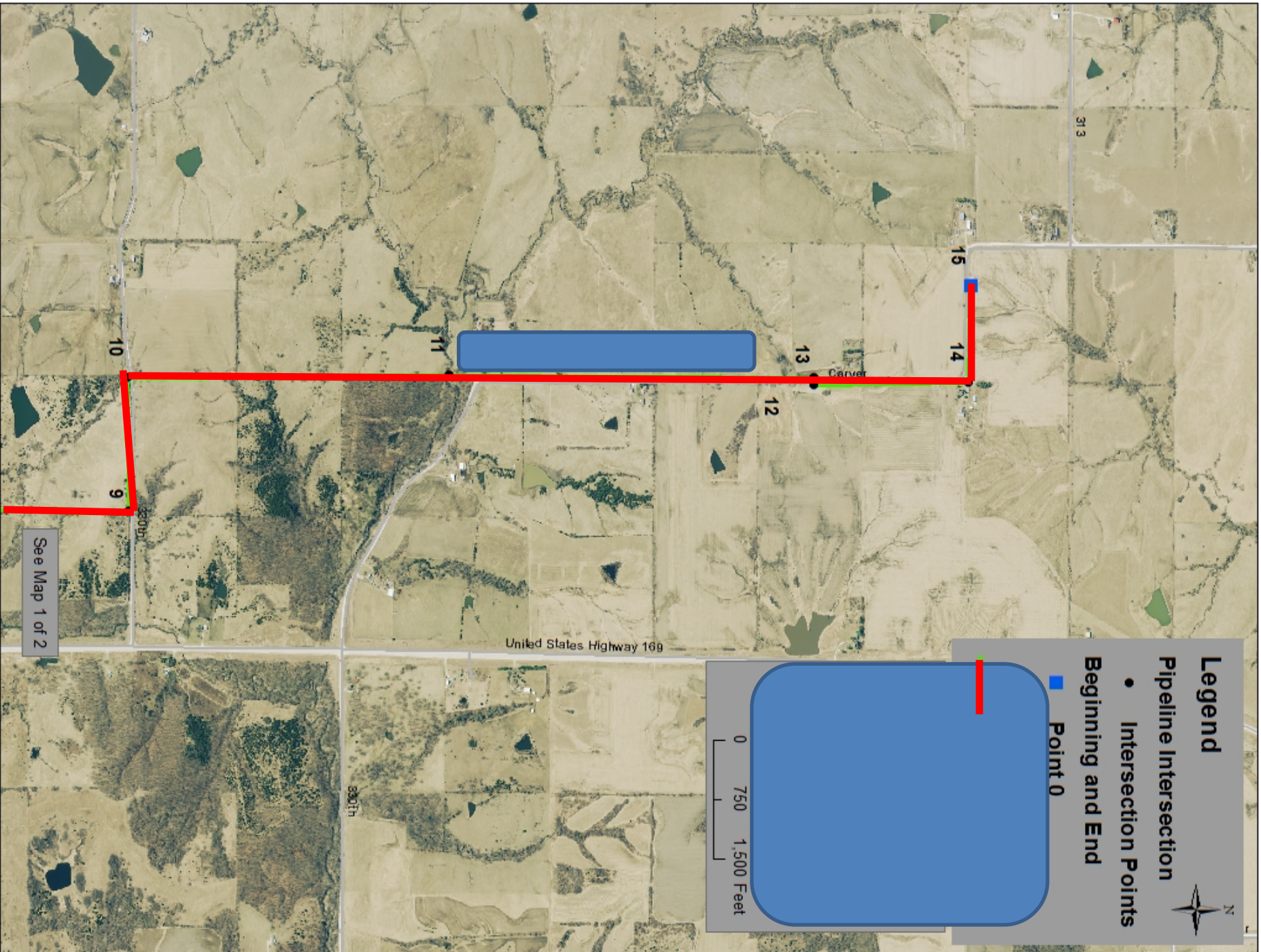


Legend

- Pipeline Intersection
 - Intersection Points
- Beginning and End**



0 750 1,500 Feet



Legend

Pipeline Intersection

- Intersection Points

Beginning and End

■ Point 0



See Map 1 of 2

United States Highway 169

313

15

14

13

12

11

10

9

380th

1134







DANGER
NO OPEN
FLAMES
NO SMOKING
NO ALCOHOL
NO DRUGS





Costs

- Developing IM plan.
- Additional remote valves.
- MAOP verification.
- Estimated it would cost the 18 utilities is Iowa \$1,720,000 .





Impact

- These transmission rule changes would cause economic devastation.
- Notable impact on residents & small businesses.
- Greatly impact financial stability of small systems and will dramatically raise the rates on some of the poorest areas of the state.





Support AGA

APGA supports AGA that managing pipelines by integrity management rather than class location ought to be an option, but operators should continue to be able to use class location.





Summary

- Low risk transmission lines do exist, due to small dia. size of pipe and low stress.
- Don't eliminate or change class location concept, it works for us.
- Consider removing functional part of transmission definition – apply IM only to pipe operating at high stress levels.





Summary

- Suggest that regulators create a new category of pipelines for transmission to fit us very low risk lines.
- Please know that any transmission rules apply to systems like Iowa's and the other small municipalities around the country.





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American Public Gas Association

