



Pipeline and Hazardous
Materials Safety Administration

Class Location Requirements

Class Location Methodology Workshop - Arlington, VA
April 16, 2014

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Pipeline and Hazardous Materials Safety Administration

Topics

- PHMSA Objectives
- Update on Section 5, statutory mandate
- Timeline
- Provide overview
- Review comments received on Gas ANPRM & Notice of Inquiry



PHMSA Objectives

As required by statutory mandate –

- To develop and provide a report to Congress on the expansion of the Integrity Management Program outside HCAs
- Determine if the expansion mitigates the need for class location requirements



Statutory Mandate

- **Section 5 (a) of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011**
 - requires PHMSA to evaluate and issue a *report* on whether Integrity Management Program (IMP) requirements, or elements of IMP, should be expanded beyond high consequence areas (HCAs), and
 - with respect to **gas transmission pipeline facilities**, whether applying IMP requirements to additional areas would mitigate the need for class location requirements.



Statutory Mandate (cont.)

- **Section 5 (b) of the 2011 Act requires evaluation to consider -**
 - (1) priority for public safety
 - (2) importance to reducing risks in HCAs
 - (3) Incremental costs of applying IM outside HCAs
 - (4) IM assessments and repairs that do not disrupt pipeline service
 - (5) IM requirements outside HCAs that are most effective and efficient options
 - (6) Appropriate Repair criteria outside HCAs



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Timeline

- August 25, 2011: ANPRM Gas (outside HCAs)
- January 3, 2012, Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011
- August 1, 2013: Notice of Inquiry (class locations)
- February 25, 2014: Updated PAC
- April 16, 2014: Class Location Workshop
- May 16, 2014: Comments on workshop
- Summer 2014: Complete Congressional Report



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Summary

- **Where do we go?**
 - No Class Location
 - Class location (No Change)
 - Class Location Modified/Expanded
 - HCAs and PIR modified
 - Other Alternative Methods
- **How should it apply?**
 - Gas Transmission
 - Gathering or Distribution
 - Interstate and Intrastate
 - Operating Stress Level
 - Diameter or MAOP
 - Existing, Pre-1970 or New Pipelines





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Class Location

- **Class locations:**
 - Derived from the ASME, “Gas Transmission and Distribution Pipeline Systems,” (ASME B31.8);
 - Deeply imbedded in Part 192; and
 - Industry is comfortable with the approach.



Integrity Management Approach

- **Gas Integrity Management:**
 - Uses high consequence areas (HCAs) to identify areas of higher risk along pipelines; and
 - Provide a more rigorous approach for maintaining pipeline integrity to those pipeline segments that pose a threat to public safety and property damage.



Overview of Comments on IM Expansion (ANPRM)

- **Public Comments:**

- Revise the IM to include more mileage (e.g., include entire Class 3 and 4 area in lieu of only the potentially impacted area inside Class 3 & 4) and critical infrastructure.
- IM plans for densely populated areas (Class 4) and for a new Class 5 encompassing cities with population greater than 100,000, be developed in consultation with local emergency responders.



Overview of Comments on IM Expansion (ANPRM)

- **Industry:** Application of IM principles to non-HCA areas should be left to industry as a voluntary effort.
- **NAPSR:** Prefer the current class location system
- **The Jersey City Mayor's office:** Current class system does not sufficiently reflect high density urban areas, and petitioned PHMSA to add three (3) new class locations.



Comments on Class Location – (Notice of Inquiry)

- **Industry Overview of Comments:**
 - Keep class locations intact for existing pipelines.
 - Allow a PIR approach to be used for new pipelines and when Class locations change.
 - Class locations imbedded in regulations and adopting a single design factor approach would be too complicated to implement.
 - Stakeholders need to be involved before any rulemaking is made.



Comments on Class Location - Notice of Inquiry

- **AGA:**
 - Allow operators to choose method for design factors, existing class locations or PIR (HCA method).
- **API:**
 - Without Class locations it is not possible to determine regulatory status of gathering lines.
- **APGA:**
 - Limit new requirements to lines operating $\geq 30\%$ SMYS.
 - Revise definition of a transmission pipeline.



Comments on Class Location - Notice of Inquiry

- **INGAA:**
 - IM should be extended beyond HCAs.
 - Allow either existing class locations or PIR method.
 - Revise certain operation and maintenance requirements that may no longer be necessary given new technology and integrity management activities.



Comments on Class Location - Notice of Inquiry

- **Iowa Utilities Board**
 - Keep existing class locations.
 - Add additional safety to buildings outside small radius PIRs.
- **Iowa Assoc. of Municipal Utilities**
 - New regulations would impose new and significant costs to operators of small diameter, low pressure pipelines.
 - Revise definition of transmission pipeline.



Comments on Class Location - Notice of Inquiry

Pipeline Safety Trust:

- Supports applying IM beyond HCAs.
- Expand class location definitions.
- Strengthen existing Integrity Management rule.





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Comments on Class Location – Testimony July 2011

- **NAPSR**

- Class locations apply much more than integrity management:
 - apply to design, such as valve spacing, whether that valve is 10 miles away or 2 miles away;
 - odorization and operations, leak surveys, patrolling.
 - Class locations are a much broader concept than just integrity management, so we do have concerns on that.
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Summary

- There is a broad perspective from industry and the public on the expansion of the IMP requirements.
- The implications of changing class location could have significant regulatory impact.
- There are several alternatives to consider.