

**TESTIMONY OF ALAN MOCH  
BEFORE THE PUBLIC SERVICE COMMISSION  
Case No. GS-06-510  
Gas Pipeline Safety Rulemaking**

**November 26, 2007**

Good afternoon! My name is Alan Moch. I am employed by the Public Service Commission as Director of its Testing and Safety Division. I am also designated as one of the State's two Gas Pipeline Safety Inspectors.

The North Dakota Public Service Commission participates in, and receives some funding from the Federal/State Gas Pipeline Safety Program. The Commission acts as agent for the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), in the enforcement of the minimum gas pipeline safety standards on all gas distribution and intrastate transmission facilities within the State. This is accomplished by entering into an agreement with the U.S. Department of Transportation which requires North Dakota to adopt all of the Federal gas safety standards, along with any future amendments to those standards. The initial adoption took place on June 1, 1984, with additional rulemaking proceedings, such as this, held annually, if necessary, to continue to amend the standards. The rules offered here today come to the Commission as Final Rules from the U.S. Department of Transportation, Pipeline and Hazardous Material Safety Administration's Office of Pipeline Safety rulemaking proceedings.

The 2006 Gas Pipeline Safety rule amendments enacted by the federal government and to be adopted by reference into state administrative rule, consist of the following changes to the federal gas safety standards:

49 CFR Part 192 - Amendment No. 101 - Under current regulations governing integrity management of gas transmission lines, if an operator uses direct assessment to evaluate corrosion risks, it must carry out the direct assessment according to PHMSA standards. In response to a statutory directive, this Final Rule prescribes similar standards operators must meet when they use direct assessment on certain other onshore gas, hazardous liquid, and carbon dioxide pipelines. PHMSA believes broader application of direct assessment standards will enhance public confidence in the use of direct assessment to assure pipeline safety. This Final Rule took effect on November 25, 2005.

49 CFR Part 192 - Amendment No. 102 – This action adopts a consensus standard to distinguish onshore gathering lines from other gas pipelines and production operations. In addition, it establishes safety rules for certain onshore gathering lines in rural areas and revises current rules for certain onshore gathering lines in non-rural areas. Operators will use a new risk-based approach to determine which onshore gathering lines are subject to PHMSA's gas pipeline safety rules and which of these rules the lines must meet. PHMSA intends this action to reduce disagreements over classifications of onshore gathering lines, increase public confidence in the safety of onshore gathering lines, and provide safety rules consistent with the risks of onshore gathering lines. This final rule took effect on April 14, 2006.

49 CFR Part 192 - Amendment No. 103 – This final rule updates the pipeline safety regulations to incorporate by reference all or parts of new editions of voluntary consensus technical standards to enable pipeline operators to utilize current technology, materials, and practices. This final rule took effect on July 10, 2006.

Since the adoption of the above Amendments is mandated by Federal law, no Regulatory Analysis, Takings Assessment, or Small Entity Regulatory Analysis is required for this rule adoption. However, a Regulatory Analysis Statement and Takings Assessment, and a Small Entity Regulatory Analysis was prepared and submitted on December 15, 2006, for this gas pipeline safety rulemaking proceeding. A preliminary analysis of the Amendments, as outlined above, showed that the impact to the State's regulated community would be less than \$50,000, and have no affect on takings.

The Commission has not received any written comments concerning this proceeding.

This concludes my testimony. I would be happy to answer any questions on the above rules at this time.