

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Pipeline Safety
Rulemaking**

Case No. GS-17-370

PUBLIC SERVICE COMMISSION STAFF TESTIMONY

January 3, 2018

My name is Patrick Fahn. I am the Director of the Public Utilities Division of the Public Service Commission.

The purpose of this testimony is to describe the proposed administrative rule changes pertaining to pipeline safety. Under North Dakota Administrative Code chapter 69-09-03, the Commission adopts by reference the most recent amendments to pipeline safety regulations adopted by the United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA).

For gas pipeline safety and hazardous liquids pipeline safety, this proposed rule change adopts, by reference, amendments to safety regulations that have been adopted by PHMSA since December 31, 2015, current to December 31, 2017.

For safety standards regarding liquefied natural gas facilities, the Public Service Commission currently has statutory authority, and liquefied natural gas facilities are included under its gas safety program. However, no jurisdictional intrastate liquefied natural gas facilities existed in North Dakota until 2017. The Commission is adopting the PHMSA safety standards pertaining to liquefied

natural gas facilities, Title 49 Code of Federal Regulations Part 193 in effect as of December 31, 2017.

A description of PHMSA rule amendments since December 31, 2015, current to December 31, 2017 is attached.

This concludes my testimony.

Thank you.

PHMSA latest rulemakings with effective date after December 31, 2015 ending December 31, 2017

Part affected	Amendment No.	Federal Register	Description	Effective date after December 31, 2015
190	17	82 FR 19325	INFLATION ADJUSTMENT OF MAXIMUM CIVIL PENALTIES	4/27/17
190	18	81 FR 70980	ENHANCED EMERGENCY ORDER PROCEDURES	10/14/16
190	19	82 FR 7972	OPERATOR QUALIFICATION, COST RECOVERY, ACCIDENT AND INCIDENT NOTIFICATION, AND OTHER PIPELINE SAFETY CHANGES	3/24/17
191	24	81 FR 91860	SAFETY OF UNDERGROUND NATURAL GAS STORAGE FACILITIES	1/17/17
191	25	82 FR 7972	OPERATOR QUALIFICATION, COST RECOVERY, ACCIDENT AND INCIDENT NOTIFICATION, AND OTHER PIPELINE SAFETY CHANGES	3/24/17
192	121	81 FR 70987	EXPANDING THE USE OF EXCESS FLOW VALVES IN GAS DISTRIBUTION SYSTEMS TO APPLICATIONS OTHER THAN SINGLE-FAMILY RESIDENCES	4/14/17
192	122	81 FR 91860	SAFETY OF UNDERGROUND NATURAL GAS STORAGE FACILITIES	1/18/17, 12/17/17
192	123	82 FR 7972	OPERATOR QUALIFICATION, COST RECOVERY, ACCIDENT AND INCIDENT NOTIFICATION, AND OTHER PIPELINE SAFETY CHANGES	3/24/17
40	31	81 FR 52364	TECHNICAL AMENDMENT	8/8/16
194				
195	101	80 FR 7972	OPERATOR QUALIFICATION, COST RECOVERY, ACCIDENT AND INCIDENT NOTIFICATION, AND OTHER PIPELINE SAFETY CHANGES	3/24/17
199	27	82 FR 7972	OPERATOR QUALIFICATION, COST RECOVERY, ACCIDENT AND INCIDENT NOTIFICATION, AND OTHER PIPELINE SAFETY CHANGES	3/24/17
196		80 CFR 43836	Pipeline Safety: Pipeline Damage Prevention Programs, Action: Final Rule	
198		80 CFR 43836	Grants to Aid State Pipeline Safety Programs	

Part 190, Amendment #17 82 FR 19325 INFLATION ADJUSTMENT OF MAXIMUM CIVIL PENALTIES

Updated maximum civil penalty amounts: \$209,002 for violation of a regulation under 49 U.S.C. 60101, \$76,352 for violation of a regulation under 49 U.S.C. 60103 or 49 U.S.C. 60111, \$1,214 for violation of a regulation under 49 U.S.C. 60129.

Part 190, Amendment #18 81 FR 70980 ENHANCED EMERGENCY ORDER PROCEDURES

This rule establishes procedures for the issuance of emergency orders that will be used to address an unsafe condition or practice, or combination of unsafe conditions or practices, that pose an imminent hazard to public health and safety or the environment.

Part 190, Amendment #19 (see below)

Part 191, Amendment #24 81 FR 91860 SAFETY OF UNDERGROUND NATURAL GAS STORAGE FACILITIES

This rule revises the Federal pipeline safety regulations related to downhole facilities, including wells, wellbore tubing, and casing, at underground natural gas storage facilities. This rule also incorporates by reference two American Petroleum Institute (API) Recommended Practices (RP): API RP 1170, "Design and Operation of Solution-mined Salt Caverns used for Natural Gas Storage," issued in July 2015; and API RP 1171, "Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs," issued in September 2015.

Part 191, Amendment #25 (see below)

Part 192, Amendment #121 81 FR 70987 EXPANDING THE USE OF EXCESS FLOW VALVES IN GAS DISTRIBUTION SYSTEMS TO APPLICATIONS OTHER THAN SINGLE-FAMILY RESIDENCES

Excess flow valves (EFV), which are safety devices installed on natural gas distribution pipelines to reduce the risk of accidents, are currently required for new or replaced gas service lines servicing single-family residences. This rule expands this requirement to include new or replaced branched service lines servicing single-family residences, multifamily residences, and small commercial entities consuming gas volumes not exceeding 1,000 Standard Cubic Feet per Hour (SCFH). PHMSA is also amending part 192 to require the use of either manual service line shut-off valves (e.g., curb valves) or EFVs, if appropriate, for new or replaced service lines with meter capacities exceeding 1,000 SCFH. Lastly, this final rule requires operators to notify customers of their right to request installation of an EFV on service lines that are not being newly installed or replaced. PHMSA has left the question of who bears the cost of installing EFVs on service lines not being newly installed or replaced to the operator's rate-setter.

Part 192, Amendment #122 81 FR 91860 Safety of Underground Natural Gas Storage Facilities

This final rule amends the U.S. Department of Transportation's (DOT) regulation to address critical safety issues related to downhole facilities, including wells, wellbore tubing, and casing, at underground natural gas storage facilities. This rule incorporates by reference two American Petroleum Institute (API) Recommended Practices (RP): API RP 1170, "Design and Operation of Solution-mined Salt Caverns used for Natural Gas Storage," issued in July 2015; and API RP 1171, "Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs," issued in September 2015.

Part 192, Amendment #123 (see below)

Part 40, Amendment 31 (81 FR 52364) Technical Amendment

This final rule amends the U.S. Department of Transportation's (DOT) regulation to conform to recent legislation that changed the definition of the term "service agent" in the DOT drug and alcohol testing regulations. The final rule also revises the definition of "service agent" to include all entities that provide services for DOT mandated drug and alcohol programs.

Part 40, Amendment 32 (82 FR 52229) (effective Jan 1, 2018)

This final rule amends the U.S. Department of Transportation's (DOT) drug testing program regulation to add hydrocodone, hydromorphone, oxycodone, and oxycodone to its drug-testing panel; add methylenedioxyamphetamine as an initial test analyte; and remove methylenedioxyethylamphetamine as a confirmatory test analyte. This final rule clarifies certain existing drug-testing program provisions and definitions, makes technical amendments, and removes the requirement for employers and Consortium/Third Party Administrators to submit blind specimens.

Part 190, Amendment #19 (82 FR 7972), Part 191, Amendment #25 (82 FR 7972), Part 192, Amendment #123 (82 FR 7972), Part 195, Amendment #101 (80 FR 7972), Part 199, Amendment #27 (82 FR 7972)

This final rule amends the U.S. Department of Transportation's (DOT) regulation to add a specific time frame for telephonic or electronic notifications of accidents and incidents and adds provisions for cost recovery for design reviews of certain new projects, for the renewal of expiring special permits, and sets out the process for requesting protection of confidential commercial information. This final rule also amends the drug and alcohol testing requirements, and incorporates consensus standards by reference for in-line inspection (ILI) and Stress Corrosion Cracking Direct Assessment (SCCDA).