



Associated Petroleum Industries of Pennsylvania
A Division of the American Petroleum Institute

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August 27, 2019

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: Comments on Hazardous Liquid Public Utility Safety Standards at
52 Pa. Code Chapter 59; L-2019-3010267: Advance Notice of Proposed Rulemaking Order

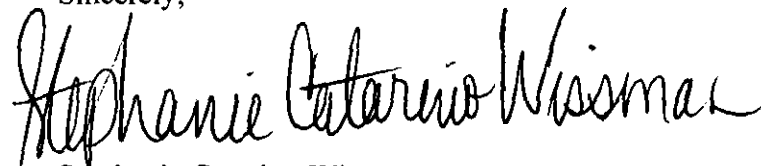
Dear Secretary Chiavetta:

Associated Petroleum Industries of Pennsylvania (API-PA) is pleased to offer comments on the Advanced Notice of Proposed Rulemaking at 52 Pa. Code Chapter 59 Hazardous Liquid Public Utility Standards. Accordingly, please find our comments and suggestions, attached.

API-PA is a division of the American Petroleum Institute (API), which represents all segments of America's oil and natural gas industry. API which started as a standards-setting organization has developed almost 700 standards to enhance the safety of our workers and protect the community and environment – standards the world looks to as a guide. Its more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 47 million Americans.

Thank you for the opportunity to offer comments on this proposed rulemaking. Please contact me if you have any questions or if additional information is needed regarding our comments.

Sincerely,



Stephanie Catarino Wissman
Executive Director

AUG 28 2019

API-PA Comments

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I. Introduction

The Pennsylvania Public Utility Commission (the Commission) should defer to the federal regulations prescribed in 49 CFR 191 – 193, 195, and 199 regarding pipelines that transport petroleum products and other hazardous liquids in interstate commerce. The current federal regulations have been developed through a thorough process consisting of cost/benefit analysis, public comments, and technical committee review. The Commission should continue to refer to and adopt these standards, as currently provided in 52 Pa. Code 59.33(b), as opposed to arbitrarily developing additional, more stringent standards. Additionally, PHMSA is in the process of publishing updates to both the natural gas and hazardous liquid pipeline regulations which have gone through over three years of robust review, discussion and consensus through the technical advisory committee process. In the case of the natural gas and hazardous liquid pipeline final rules, both are at the Office of Management and Budget waiting on publication. These updated rules reflect significant changes and advances to safety that the pipeline industry is supportive of, and we would recommend that the PA PUC not make any changes to regulations that would conflict with what is being considered within these two final rules. However, in addition, we felt it was important to provide comments in several key areas to emphasize industry concerns.

II. Summary of Potential Changes and Comments

A. Construction

Pipeline Material and Specification - The Commission seeks comment regarding the treatment of hazardous liquid public utility pipelines constructed with materials other than coated steel, including bare steel and vintage materials. The Commission also seeks comment regarding the material and specification requirements for the installation of new pipe and used pipe, including reductions in operating pressures for used pipe.

- The Commission should defer to standards that are incorporated by reference in 49 CFR 195.3 such as API Spec 5L – Specification for Line Pipe.

Cover Over Buried Pipelines – The Commission seeks comment regarding the appropriate amount of cover for hazardous liquid public utility pipelines, including whether additional cover should be required at installation and how cover is to be maintained.

- API does not believe depth of cover requirement changes are necessary. Current requirements are adequate and adopting additional depth of coverage (DOC) regulatory requirements that are over-and-above what is already required in 49 CFR 195.248(b) is unnecessary (e.g., coverage other than burial). If there is interest in updating regulations in response to the recent incidents of exposed piping, we believe that would be more appropriately addressed at the federal level by reviewing what's already in place and asking PHMSA to assess whether the existing DOC provisions are adequate, and potentially modifying those regulations as needed. Having PHMSA potentially address DOC through rulemaking offers far more opportunity to work in collaboration with PHMSA to come up with regulations that are reasonable and sensible – i.e., more risk based and performance standards. Additionally, industry practices such as API RP 1133,

Managing Hydrotechnical Hazards for Pipelines Located Onshore or Within Coastal Zone Areas, allow an operator to use engineering analysis to determine where scour may present an integrity threat. When considering minimum depth requirements, operators consider other factors such as engineering assessments and solutions that resolve depth of cover by means other than burying.

Valves – The Commission seeks comments on the location of valves on hazardous liquid public utility pipelines, particularly as it pertains to valves on each mainline at locations along the pipeline system that will minimize damage or pollution from accidental hazardous liquid discharge as appropriate for the terrain, as required by 49 CFR § 195.260(c). Interested parties should also discuss valve spacing for highly volatile liquid pipelines as well as the timeframe needed for installation of additional valves.

- While we agree that valves should be strategically placed along the hazardous liquid pipeline, the Commission should take caution in the specificity of such requirements. Operators should have full discretion in determining valve locations and spacing, as long as the locations and spacing are consistent with the requirements in 49 CFR 195.258 & 195.260. In liquid pipelines, as opposed to gas, if a valve is misplaced and unintentionally closes or malfunctions, the pipeline may be exposed to hydraulic shock – a pressure surge that is caused when a fluid in motion is suddenly stopped. This pressure wave can result in severe consequences such as pipe collapse. Thus, the Commission should not create prescriptive regulations that specify valve placement, but rather allow operators (like integrity management), the flexibility to determine type and placement of valves based on their expertise and knowledge of the case-specific scenarios.

B. Operation and Maintenance

Pipeline Conversion – The Commission seeks comment on the procedure used to bring hazardous liquid public utility pipelines into compliance with the requirements of Part 195 and whether enhancements are needed. The Commission further seeks comment on a repair schedule to comply with Part 195, taking into account items requiring immediate correction.

- The Commission should consider API RP 1181 – Pipeline Operational Status Determination. This consensus standard creates four pipeline operational statuses: Pre-Commissioned, Active/In-Service, Idle, and Abandoned. This document describes the maintenance and ROW activities required for each status and, further, describes a return to service that requires a risk assessment, an integrity verification, a review of cathodic protection records, and a schedule to resume deferred inspection and maintenance activities. The Commission should consider adopting these new pipeline operational statuses, as well as their respective requirements as described in API RP 1181.
- One area of PHMSA regulations for hazardous liquid pipelines that needs to be updated is around repair criteria for cracks, corrosion and dents. Current requirements for repair are outdated and overly prescriptive not accounting for decades of significant advances in technology and engineering leading practices that provides operators the ability to more effectively assess pipeline anomalies. Operators need more flexibility and should be allowed to perform engineering critical assessments to defer the remediation of all repairs, including dents, and not just crack or crack-like defects. That said, PHMSA is

currently addressing hazardous liquid repair criteria and the Commission should defer to the federal rulemaking process including discussion within the technical advisory committees. Any change to repair criteria should be modified to avoid subjecting the industry to unsubstantiated constraints and excessive costs. Standards for addressing seam anomalies other than selective seam weld corrosion should also be addressed.

Line Markers – The Commission seeks comment regarding the adequacy of line marker requirements for hazardous liquid public utilities. We also seek comment on the use of markers for assets attached to mains, such as valves.

- The Commission should not extend line marker requirements to assets attached to mains, such as valves. An unmarked valve is not a pipeline safety issue so long as the operator can locate the valve. This may become an issue, however, if the Commission requires operators to mark, making publicly available, the location of their valves. The operator should be the only one operating this equipment. Members of the public unlawfully operating this equipment can result in severe consequences to the pipeline, the public, and the environment.

Emergency Flow Restricting Devices – The Commission seeks comment regarding installation of remote-control valves on hazardous liquid public utility pipelines, including valve location, the number of valves and valve spacing in high consequence areas.

- The regulations that currently require operators to evaluate the need to install emergency flow restricting devices, like remote-controlled valves, are sufficient to protect areas where people or the environment could be harmed. As part of the existing requirements, there is already a rigorous process that accounts for the many factors that need to be considered when installing a shutoff valve on a liquid line. For example, damage could occur if a valve accidentally closes causing a “hammer” effect that damages the pipeline by having the flow suddenly stop.

Leak Detection – The Commission seeks comment on the leak survey requirements for hazardous liquid public utility pipelines as well as a discussion of whether minimum threshold requirements can be established for leak detection systems in all pipelines and what leak detection technologies are appropriate for use.

- The one area that PHMSA recognized as a potential gap in leak detection was in non-High Consequence Areas (non-HCA areas). In the text published by PHMSA in its original Notice of Proposed Rulemaking in 2017 and what we believe remains in the final rule at OMB for hazardous liquid pipelines, there are industry-approved leak detection provisions for non-High Consequence Areas (Non-HCA areas). What PHMSA put forward is a great example of performance-based regulations, recognizing that the objective for an operator is to have an “effective system for detecting leaks,” and its capability is based on how it protects “the public, property, and the environment.” Through this, PHMSA shows that leak detection programs must be modified based on the asset.

Additionally, proactively developed with industry and regulator input, API RP 1175, Pipeline Leak Detection - Program Management, outlines how to use multiple leak detection tools -- such as aerial overflights, ground patrols, and computational pipeline

monitoring -- to create a robust and holistic program to identify a leak as soon as it occurs. In addition, the RP encourages senior leaders within companies to enforce a leak detection culture that promotes safety.

C. Additional Subject Areas for Public Comment

The Commission seeks public comment on the following additional areas for potential regulation:

1. Utility interactions with local government officials, including but not limited to such topics as emergency planning and emergency response coordination, periodic drills with utility/municipal coordination.
 - Any requirements for this should be aligned with API RP 1162, Public Awareness Programs for Pipeline Operators. Also, they should utilize Local Emergency Planning Committees (LEPCs) or the State Emergency Response Coordinator (ERC) or the Emergency Management Agency (EMA) as the body through which this occurs. Any requirements should consider that not all LEPCs are as active as the state might desire, so flexibility is key.
2. Requiring periodic public awareness meetings with municipal officials and the public.
 - API believes public awareness meetings with municipal officials and the public should align with the requirements outlined in API RP 1162, Public Awareness Programs for Pipeline Operators. The third edition of this recommended Practice is currently being updated, and the PA PUC's public awareness requirements should align with those outlined in the RP, developed in coordination with emergency officials, federal and state pipeline regulators and pipeline operators, rather than prescribe additional, arbitrary requirements.
4. Pennsylvania-specific enhancements for operator qualification.
 - The Commission should provide further clarity as to its specific enhancements. The Commission should not, however, apply requirements that would alter or destroy the 4-part test in 49 CFR 195.501. For instance, expanding operator qualifications to cover new construction, would destroy the 4-part test. Any modifications should be separated from the operations and maintenance qualification criteria.
5. Enhancing transparency while protecting confidential infrastructure security information.
 - The state would need to be very careful on this. Emergency plans (redacted) getting into the correct hands would be the easiest route for transparency. Other information is not useful to the majority of the public and dissemination of any integrity, flow, or design information creates security concerns.
12. Land agents and eminent domain (see 52 Pa. Code § 57.91).

- Through eminent domain, government is granted the power to take private property and convert it into public use so long as just compensation is awarded to the property owners. The periodic use of eminent domain has been essential in building our nation's extensive infrastructure network. Easements, at times, have been utilized to construct highways, dams, airports, railroads, telephone and electric transmission lines as well as energy pipelines. These projects have become the integrated infrastructure system we rely on to conduct our daily lives – such as communicating with distant relatives, heating our homes and traveling to work. For pipeline projects, prior to the project's commencement, operators meet with landowners and community stakeholders to discuss the proposed route to hear and, wherever feasible, address considerations or concerns. The vast majority of the time, agreements over a right-of-way are reached between the landowner and the pipeline company, and the landowner is compensated according to the contractual agreement. However, in the rare instance where an agreement cannot be reached, eminent domain may be exercised by a government entity with appropriate jurisdiction. Pipeline operators prefer to reach agreements with landowners along the route and to seek an eminent domain determination only as a last resort. And when eminent domain is used, the owner must be compensated appropriately. At this time, API does not support changes to Pennsylvania's eminent domain laws.