



West Virginia
Public Service Commission
Gas Pipeline Safety Section

WV 4C

Annual Regulatory Update

Charleston, West Virginia

November 9, 2010

Update from 201 Brooks Street...





What's Happening...

- Staff
- Data / Statistics
- Incidents
- Significant Issues / Current Initiatives
- Rule Changes in the Works



Our Staff...

- Girija Bajpayee
- Ed Clarkson
- Bob Hickman
- Paul Shaffer
- Julie Caton – Office Assistant
- Dave Hippchen

Bill Valentine 1947 - 2010





Pipeline Operators in WV

■ Interstate Transmission	6
■ Intrastate Transmission	5-G 2-L
■ Jurisdictional Gathering	18
■ Local Distribution	17-G 1-LPG
■ Master Meters	79

■ As of 12-31-09



Pipeline Mileage in WV

- Transmission 3955
- Gathering 549
- Distribution 10114
- Hazardous Liquid 145

- Top 3 counties: Kanawha, Marshall,
Wetzel



Incidents - Distribution

Year	No.	Fatalities	Injuries	Damages
2000	1*	0	0	\$107,000*
2001	1	0	1	\$0
2002	1	0	1	\$3,377
2003	1	0	0	\$Not Est.
2004	1	0	1	\$0



Incidents - Distribution

Year	No.	Fatalities	Injuries	Damages
2005	0	0	0	\$0
2006	1	4	1	\$300,000*
2007	1	0	1	\$62,180
2008	0	0	0	\$0
2009	0	0	0	\$0
Totals	7	4	5	\$472,557



Incidents - Transmission

Year	No.	Fatalities	Injuries	Damages
2000	0	0	0	\$ 0
2001	1	0	0	\$ 170,966
2002	1	0	0	\$3,006,895
2003	5	1	1	\$ 696,896
2004	2	1	4	\$ 215,080



Incidents - Transmission

Year	No.	Fatalities	Injuries	Damages
2005	3	0	0	\$1,115,424
2006	1	0	0	\$ 132,982
2007	0	0	0	\$ 0
2008	1*	0	0	\$ 13,500
2009	4	0	1	\$ 856,920
Totals	17	2	6	\$6,208,663



Significant Events Nationally

- Cleburne, TX, June 7
- Lipscomb County, TX, June 10
- Marshall, MI, July 26
- San Bruno, CA, September 9



Cleburne, TX

- Enterprise Products Partners, LP
- 1 fatality, 2 injuries
- Excavation damage
- 36" NPD, transmission
- Line controlled by automatic valves



Lipscomb County, TX

- DCP Midstream Partners, LP and Enterprise Products Partners, LP
- 14" NPD gathering line
- 2 fatalities, 1 injury
- Excavation damage
- Fire burned out in 4 hours



Marshall, MI

- Enbridge Energy, LP
- 30" NPD crude oil and petroleum products
- Discharge into potable water source
- Damages estimated at \$300,000,000



San Bruno, CA

- Pacific Gas & Electric (PG&E)
- 30" NPD transmission line
- 386 PSI at time of failure
- Segment was in HCA
- 8 fatalities, 51 injuries
- 55 homes damaged or destroyed
- Damages not estimated yet





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Source: Bureau of the Census, U.S. Department of Commerce, Bureau of Economic Analysis



Gazette Article

- September 18, 2010
- **San Bruno-type explosion unlikely in W.Va., experts say**
- By [Paul J. Nyden](#)
- CHARLESTON, W.Va. -- After a natural gas pipeline exploded in San Bruno, Calif., earlier this month -- killing seven, injuring nearly 60 and destroying 37 homes -- people across the country began asking whether similar tragedies could occur in their neighborhoods.
- For the past 20 years, Pacific Gas and Electric Co., the company that owned the San Bruno transmission line, failed to spend tens of millions of dollars it promised regulators it would to replace aging gas transmission lines.
- As a very rural state, West Virginia might not be in great danger of experiencing a disaster similar to the one that destroyed the neighborhood in suburban San Francisco, say those who work in the gas industry.
- Mountaineer Gas spokesman Moses Skaff said he believes the chances of a similar disaster occurring in West Virginia are "very remote," in part because the San Bruno explosion involved a transmission line 30 inches in diameter.

Lanham Incident



Lanham Incident



Lanham Incident

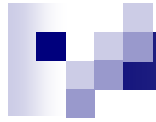


Lost Creek Incident



Lost Creek Incident





Incidents - 2010

- NONE so far



Legislative Agenda

- Congress has been holding hearings on DOT funding reauthorization
- Then the series of incidents occurred
- Currently 5 bills introduced, including Lautenberg-Rockefeller (Pipeline Transportation Safety Improvement Act of 2010)



Prior Legislation

- Pipeline Safety Improvement Act of 2002
- Followed Bellingham, WA and Carlsbad, NM
- Transmission IMP



Prior Legislation

- Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006
- Control Room Management
- Damage Prevention: 9 Elements of a Successful Program
- Public Awareness Programs
- Enforcement Transparency



Legislative Agenda Changes

- What will new Congress do?
- What does the lame duck session pass?
- New committee chairs in House
- Oberstar (D-MN) is ousted from House
- Rahall will be ranking minority member



Some of the Proposals...

- Actual notice to property owners (within 2000') of exact location
- File facility operation information standards with PHMSA or states
- Pigging high pressure lines every 5 years
- Automatic or remote controlled valves
- Industry standards available to public



More Proposals...

- Leak detection systems on HL lines
- Expanding HCAs
- Assessment of public education programs
- Raise civil penalties to 250K / 2.5MM
- Require 1 hour reporting time for incidents
- Eliminate exemptions in one-call laws
- Provide for reasonable and effective enforcement of one-call laws



Standards Made Available

- API released 160 standards/recommended practices
- October 28; available to public
- Free
- Read only; no downloads
- Includes 5L, 1104, RP-80, and more



Regulatory Agenda

- Gathering Lines
- Storage Fields
- Public Awareness Programs
- Damage Prevention Initiatives
- Distribution Integrity Management (DIMP)



Gathering Line Rules

- 192.8 and 192.9 are under further review by PHMSA
- NAPSRR Resolution 2006-3 AC-1
(Requiring leakage surveys on Type B lines)
- NAPSRR Resolution 2010-2 AC-2
(Requiring one-call participation and line markers for Type A lines in Class 1 areas)



Gathering Lines

- Prospective legislation to regulate Type A and B lines in Class 1 areas for damage prevention issues



Storage Field Resolution

- NAPSR Resolution 2010-03 AC-2 (Urging PHMSA to adopt safety regulations for wellbores and geologic formations)
- Incidents in KS, TX, and CO
- Based on decision in *Colorado Interstate Gas Company v. Thomas E. Wright*



Public Awareness Programs

- Ongoing inspections since 2006, starting with Clearinghouse review
- Focus has been on:
 - Did the operator have a written program?
 - Was it tailored to specific pipeline assets?
 - Was the program being implemented?
- June 2010: Operators' initial four-year evaluation of effectiveness due



Public Awareness Programs

- Public awareness inspection in the fall of 2010 may primarily focus on program effectiveness evaluations:
 - How operator evaluated program for effectiveness?
 - What were the evaluation results? Documented?
 - What improvements were identified? Implemented?
- Emphasis placed on continuous improvement
- May verify operator implemented according to their written program or probe deeper
- Operator must demonstrate compliance with current regulations



Public Awareness Inspections

- PHMSA working with States to develop policy and guidance material (formed an Ad Hoc Team)
 - Enforcement and Inspection Guidance Document
 - Inspection Questions/Forms
 - Frequently Asked Questions
- Still vetting policy and guidance material internally



Damage Prevention

- ANPRM dated October 29, 2009
- PHMSA to develop rules to determine adequacy of state enforcement efforts
- PHMSA to develop rules to allow for federal damage enforcement for intrastate lines
- NPRM is next step



DP Characterization Tool

- Initial results are from interviews with pipeline safety and one-call representatives only
- PHMSA seeking feedback on results from other damage prevention stakeholders
- Feedback will be routed to PHMSA and will be distributed to states
- Characterization Tool results on website subject to change based on feedback and discussion



DP Characterization Tool - WV

- Not Implemented – Dispute Resolution Process, Enforcement and Penalties
- No Information – Training
- Other 6 Elements Implemented or Substantially Implemented



Damage Prevention - WV

- Possible legislation for universal membership (that is, minimize exemptions)
- Parallel to proposed Federal legislation
- Damage Report for 2010 due 3-15-11



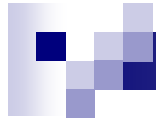
Distribution Integrity Management Program

- NPRM June 25, 2008
- Comment Period
- Final Rule Published December 4, 2009
- Effective Date February 2, 2010
- Program Implementation Date
August 2, 2011



Contact Us

- Main PSC Number 304-340-0300
- Pipeline Safety Section 304-340-0395
- Incident Reports 304-552-1053 primary
- Incident Reports 304-340-0393
- www.psc.state.wv.us
- www.phmsa.dot.gov



Finally...

Enjoy Your Thanksgiving Holiday!