



PSC Updates, Inspection Observations, Section 114 Updates

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PHMSA Reportable Incident

191.3 “incident” means:

- (i) A death, or personal injury necessitating in-patient hospitalization;
- (ii) Estimated property damage of \$139,700 or more (adjusted annually for inflation)
- (iii) Unintentional estimated gas loss of three million cubic feet or more.

**How many federally reportable incidents
in Wisconsin from 2022-2023?**

0

How many excavation damages to natural gas facilities in Wisconsin from 2022-2023?

2,787

Damage Prevention

- Is your company devoting sufficient resources to damage prevention?
- Rather than treating excavators as adversaries – treat as customers
- Field presence is key - KNOW the excavators in your area
- 20% of excavation damages are “locating” related and fall on the operator
- Consider utilizing the state one-call enforcement when warranted

Excavation damage = failure

- 192.617 – Investigate incidents AND failures for the purpose of determining the causes and contributing factor(s) and minimizing the possibility of reoccurrence
- How is your company investigating excavation damages?
- Who is investigating? Company employee or contract locator?
- Are you assigning the actual root cause?
- What is being done to minimize the possibility of reoccurrence?

Damage Prevention - DIMP

- Is excavation damage a “threat” to gas distribution pipelines that needs to be in DIMP?
- Measures to address the risk of locating issues will be different than excavator issues or one-call notification issues

One Call Enforcement

- Only for natural gas/hazardous liquids facilities
- Complaint may be filed by stakeholder listed in the law
- Complaints go to panel made up of 7 stakeholders
- Panel votes whether to send for education or refer to the PSC for further enforcement (education and/or civil penalties)
- A damage is not needed for a complaint

Things we hear about the complaints

- It takes too long
- It's a lot of work
- It doesn't result in immediate actions
- Can't maintain relationship with excavator if we file them
- We need permits from the municipals damaging us

Why do we need damage prevention enforcement?

- Accountability
- Enforcement \neq fining only
- Education can solve many issues
- Violators who admit fault and show remorse
- Word spreads fast
- Other short-term measures may be needed to reduce risk
- No enforcement = inadequate to PHMSA

Damage Prevention Enforcement

The ultimate goal of damage prevention enforcement is to change behavior

PSC Pipeline Safety Updates

Inspector Assignments

- Andrew Baader – NSPW, City Gas, Cranberry Creek Landfill
- Jake Boebel – MGE, Republic Services, Dane Renewable, Marshfield Utilities
- Bryce Graveline – WEGO, WG, MMSD
- Andrew Lindquist – WG, SWLP, Air Liquide
- Alex Rodriguez – WPL, Marabou, Master Meters
- Evan Uphoff – WEGO, Midwest, La Crosse County, Winnebago County
- Dagmar Vanek – WPSC, Florence, North Shore
- Sam Quon – WEGO, SCVNG, NEW Organic

Inspection Letters

- All inspection results are posted quarterly in electronic records filing system. Letters include:
 - Probable violations found within previous quarter
 - Continuing violations not resolved
 - Acknowledgement for violations resolved
 - No longer attach specialized inspection forms
 - Findings in the letters should not be a surprise – any probable violations should be communicated to you by the inspector either in the exit interview or prior to receiving the letter

Field Inspections

- Construction inspections are random and often no-notice
- We are required to spend at least 20% of our time on construction
- Inspect each “unit” every 5 years for O&M field items
- Have OQs readily accessible
- Consult procedures if necessary
- Provide feedback to operator if procedures unclear/inadequate

Field inspections

- Field inspections will include random O&M tasks
 - Leak surveys/patrols
 - Cathodic Protection
 - Valve maintenance
 - Odorization
 - Regulator station maintenance
 - Fusion/welding qualifications
- Either observing crews performing maintenance or random checks of locations

Annual Reports

- PSC will review for accuracy
- Emphasis on excavation damages
- “Other” excavation damages or “Other” leaks
- Do the numbers make sense?

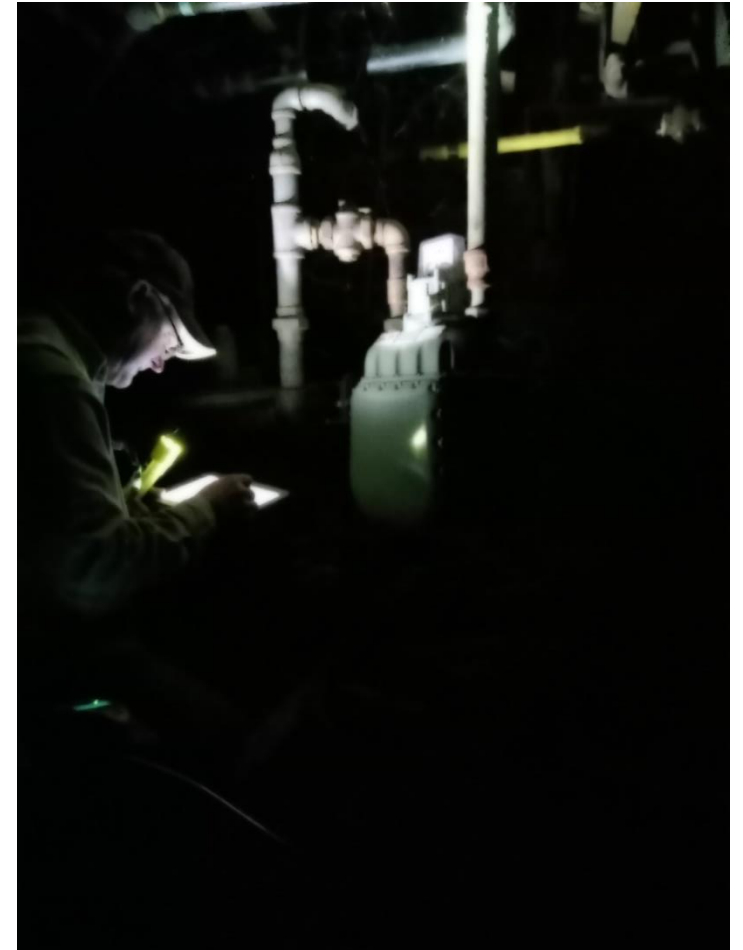
PSC Pipeline Safety Website

- Recently updated website
- Inspection results, statistics, operator information, staff contact info, external links
- <https://psc.wi.gov/Pages/ServiceType/Energy/PipelineSafetyProgram.aspx>

Inspection Observations & Findings

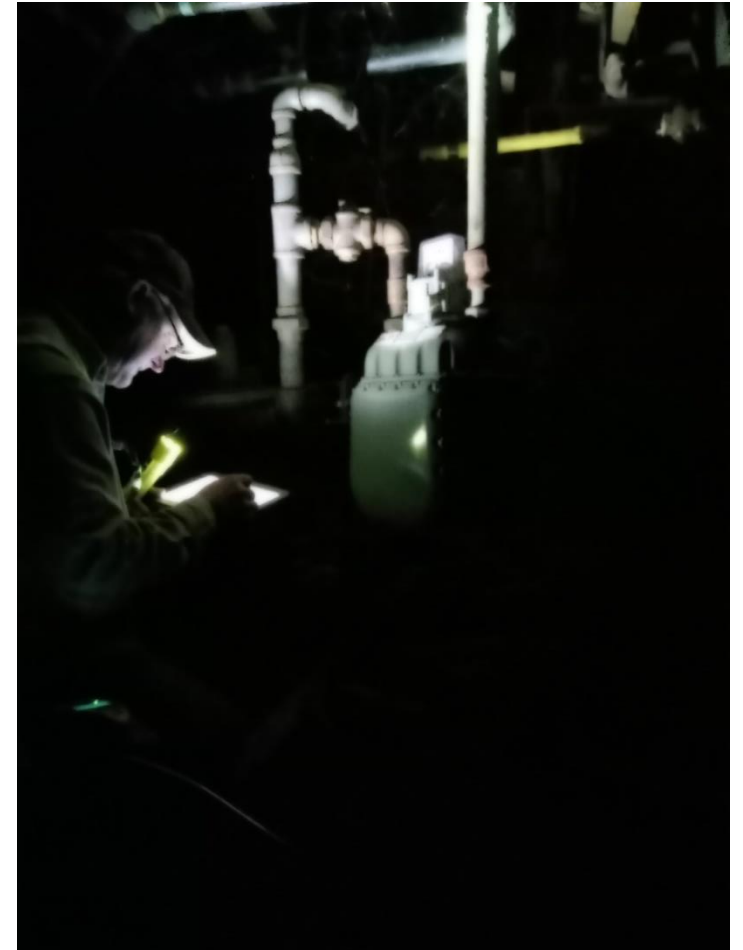
Field findings – Inside meter/regulator access

- Operators must know locations with inside meters/regulators
- See Silver Spring, MD incident
- Leak surveys, atmospheric corrosion, vent terminating outdoors and condition
- 192.355(b)(2) - Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building



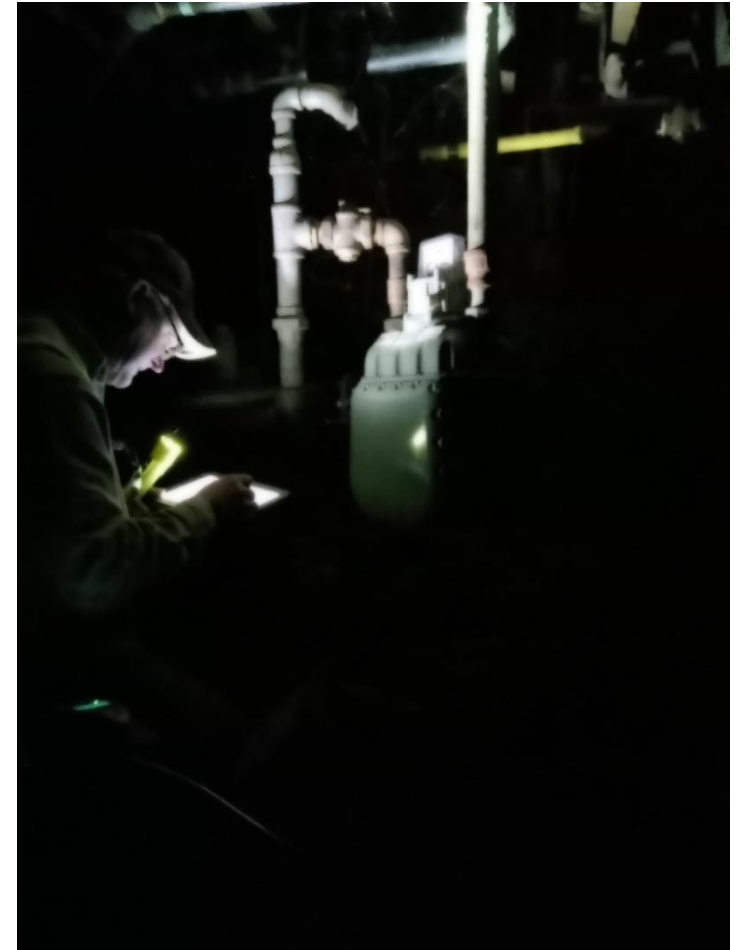
Inside Meter/Regulator surveys

- 192.723/135.723 and 192.481
- Difficulty gaining access
- Follow company procedures for notification
- Best practice to move outside whenever possible



Field findings – Inside meter/regulator access

- PSC 134.062(3) - A public utility may disconnect residential utility service, without notice, where a dangerous condition exists for as long as the condition exists.
- Failure to allow access may constitute a “dangerous condition”





**Possible failure to
gain access?**

Inside Meter/Regulators

- ADB-2020-01
- “...based on the requirements in § 192.1007(a) for operators to know their systems, PHMSA would expect operators to know the location (inside or outside) of all meters and regulators installed on their distribution system.”
- Do you know where your inside meters are? Inside regulators? How about buried vent lines?



Field findings – condition of bridge piping

- Access issues – may need boat/drone/boom truck
- Corrosion issues must be promptly repaired





Field findings – Fusion issues

- Check alignment
- Remember to sign fuse to “accept” the fuse
- Follow procedures
- Cut it out if in doubt
- 192.756 – Fusion equipment maintenance
 - Manufacturer’s recommendation
 - Records



Field findings - Pipe Storage/Handling

- 192.69 – Must have and follow procedures for storage/handling of pipe



Field findings - Clearance

- 192.325(b) – Each main must be installed with enough clearance from any other underground structure to allow proper maintenance and to protect against damage that might result from proximity to other structures.



Field findings - OQ

- Span-of-control
 - Must be able to “direct and observe”
 - Need to be close enough to recognize & react to AOCs
 - Across the street is not sufficient
- OQ interval expirations
- Make sure to have correct qualification for equipment



Contractor Oversight

- Construction inspectors need to be familiar with company procedures
- Contractor procedures and records of OQ and D&A requirements must be reviewed prior to performing work, and periodically afterwards as needed to ensure they are compliant with the operator's plan and pipeline safety code
- See OQ FAQs 2-5 and 49 CFR 199.115/199.245 Q&As
- Ultimately, the operator is responsible for ensuring that their contractors are in compliance with applicable regulations

Emergency Response

- Communication between operator first responders, operator management, & emergency officials is critical
 - 1) Prior to an incident – maintaining liaison
 - 2) During an incident – making the situation safe
 - 3) After an incident – coordinating an incident investigation
- Fire departments cannot be solely relied on to close valves or make a determination on gas involvement
- 192.615(a)(6) – “[Emergency] procedures must provide for the following: Taking necessary actions, including but not limited to, emergency shutdown, valve shut-off, or pressure reduction, in any section of the operator's pipeline system, to minimize hazards of released gas to life, property, or the environment.”

Flange Threads

- 192.147(a) – “Each flange or flange accessory (other than cast iron) must meet the minimum requirements of ASME/ANSI B 16.5 and MSS SP-44...”



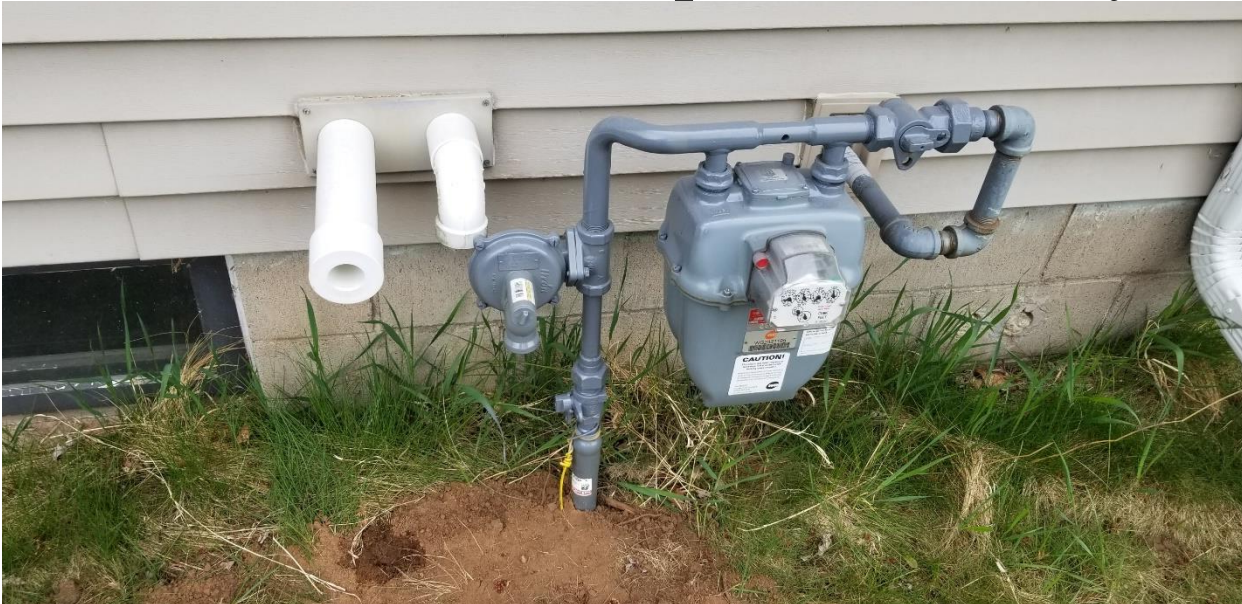
Meter protection from damage

- 192.353(a) – Meters and service regulators must be protected from damage



Regulator clearance to openings

- 192.355(b)(2) Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must:
 - (2) Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building;



Regulator set point – Operator/Monitor

- 192.201(a)(2) describes MAOP + allowable build up
- Relief may be set above MAOP
- Must remain within limits in 192.201 at all times
- July 2021 PHMSA interpretation (PI-19-0019)
 - Cannot exceed MAOP during normal operation
 - 30 days is not an immediate response

Purging

- 135.629(cw) – “No pipeline, main, or service shall be purged into any building or confined space.”



Most field findings come down to...

- Not following procedures
- 192.605(a) – “Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”
- 192.13(c) – “Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

Inspection summary

- In the end we are all here for safety
- Inspections must be constructive
- Inspectors expected to be open and honest
- We strive for transparency – it is a two-way street
- A majority of our field inspections do not have findings

Rulemaking Updates

PSC 135 – Gas Safety

- We must adopt PHMSA's rules, typically every 2-3 years
- State will not allow us to auto-adopt the rules
- Rulemaking docket 1-AC-258
- Currently out for comments on economic impact only
- Comments due Wednesday 2/14
- Hearing on specific rule language will be at a later date

PSC 135 Rulemaking provisions

- Adopt federal code through 8/1/2023
- Adopt 49 CFR 191
- Clarification for gathering lines
- No incidental gathering for steel pipeline leaving operator property
- Prohibit operation of a master meter system
- Move 135.319(cw) to a more logical place (not offshore pipe)
- Move 135.714 to 135.711 due to new transmission repair rule
- 135.375 removed, repetitive to federal code

PSC 135 Rulemaking provisions

- 135.727 modifications suggested
 - Customer complaints due to 10-year inactive service removal requirement
 - Code is confusing with “special efforts” language
- 1967 version of PSC 135 had additional sentence that was removed when combining with federal code
- “Each operating company shall have a plan in its operating and maintenance procedure for sealing off the supply of gas to all distribution facilities for which there is no planned use including service lines, mains, control lines, equipment and appurtenances.”

PSC 135 Rulemaking provisions

- Proposed modifications
 - Add previously removed sentence back in
 - Remove the “special efforts” language
 - Services must be removed after 10 years of not being used unless there is a planned use or it is not feasible to remove, and additional measures are taken
 - (i) Ensuring the service line has a means for locating;
 - (ii) Marking the presence of the service line by line marker or similar means if feasible, and;
 - (iii) Annually notifying the customer in writing of the service line’s presence to determine if there is a planned use for the service line.
- Intent
 - Mains, control lines, etc. would be at operator’s discretion
 - It’s fair to question if a service is needed if it hasn’t been used for 10 years
 - If a customer wants to keep the service and acknowledges its presence, the likelihood of damage appears low

PSC 134 – Gas Service Standards

- Contains requirements for public utilities serving gas
- Billing, disconnections, applying for service, meter testing
- PSC 134 has not been updated since 1989, with some sections dating to the 1950s or 60s
- Complete re-write attempted in 2000s, but was never passed

PSC 134 – Gas Service Standards

- Commission received waiver request from 7 utilities in docket 5-GI-120
- Request asked for a waiver to modify some gas meter testing requirements in PSC 134 and some in a previously granted waiver
- Commission partially granted the request, asked Commission staff to gather more info, and asked staff to start rulemaking
- Data request will be coming in the docket to gather more information related to sample testing of small diaphragm meters

PSC 134 Rulemaking

- Commission directed staff to draft a statement of scope
- Docket 1-AC-260
- Statement of scope within next few months
- **LIMITED** to gas meter testing
- If SoS approved, likely will establish advisory committee
 - Committee will meet ~3 times to discuss rule
 - Potential topics include ultrasonic meters, sample testing requirements, reporting requirements, other test intervals, etc.

PHMSA Maximum Civil Penalties

- State pipeline safety programs are required by federal law to have maximum civil penalties substantially the same as PHMSA
- Wisconsin's maximum civil penalty limit has not been increased since 1989/1994, and is currently \$25,000/\$500,000
- PHMSA's civil penalty limit in statute is increased for inflation each year and for 2024 the limit is \$266,015/\$2,660,135

PHMSA Maximum Civil Penalties

- Our program loses grant funding each year due to this deficiency
- PHMSA has threatened to take over enforcement
- Under this scenario, the PSC would continue inspections, but the results would be forwarded to PHMSA and resulting enforcement (civil penalties, etc.) would be up to them

2023 Senate Bill 812

- Bill introduced in December 2023
- Passed both state assembly and senate
- Awaiting signature by the governor, likely in April

2023 Senate Bill 812

3 SECTION 1. 196.745 (2) (a) of the statutes is amended to read:

1 196.745 (2) (a) Any person violating sub. (1) (a), or any order or rule issued
2 under sub. (1) (a), shall forfeit an amount not exceeding \$25,000. ~~Each day of~~
3 ~~violation is a separate violation of sub. (1) (a). No person may forfeit an amount~~
4 ~~exceeding \$500,000 for a single persisting violation of sub. (1) (a) or any order or any~~
5 ~~rule issued under sub. (1) (a) the maximum applicable penalty under 49 CFR 190.~~
6 The commission shall remit all forfeitures paid under this paragraph to the secretary
7 of administration for deposit in the school fund.

8

PHMSA changes

- 2022 new rules
 - Gathering Rule – 11/2021 & 5/2022
 - Valve installation & Rupture Detection – 4/2022
 - Repair Criteria, IM Improvements, etc. (RIN2) – 8/2022
- Two edits to above rules in 2023, but no new final rules

PHMSA changes

- 2024 and beyond PHMSA rules in the works
 - [PIPES Act Web Chart | PHMSA \(dot.gov\)](#)
 - Rules at the Final Rule step that could be published in 2024
 - Class Location (Alternative requirements for Class 1 to 3 changes)
 - 2 different Standards Updates (API 5L, API 1104, and ASTM D2513 are some notable)
 - Gas Pipeline Leak Detection
 - Safety of Gas Distribution Pipelines
 - Rules waiting for an NPRM to be issued
 - Amendments to Liquefied Natural Gas Facilities (NPRM anticipated 5/30/24)
 - Pipeline Operational Status (NPRM anticipated 6/5/24)

Section 114 Inspections

Section 114

- Self-executing mandate in congressional reauthorization
 1. O&M plans must address the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues)
 2. Pipeline operators must update their plans to minimize, among other things, fugitive emissions and vented emissions from pipeline facilities
 - Fugitive emissions - any unintentional leaks from equipment such as pipelines, flanges, valves, meter sets, or other equipment.
 - Vented emissions - any release of natural gas to the atmosphere due to equipment design or operations and maintenance procedures such as pneumatic device bleeds, blowdowns, incomplete combustion, or overpressure protection venting

Section 114

- The statute requires pipeline operators to complete these updates by December 27, 2021.
- PHMSA and state authorities were required to inspect operators' revised O&M plans in calendar year 2022, and such inspections must have been completed by December 27, 2022.

Section 114 – PSC thoughts and approach

- Completed specialized inspection with ALL operators in 2022
- Takeaways
 - In general, these inspections went very well
 - Some areas that may need improvement for the future
 - No deadlines for repairing Class 3 leaks
 - Considerations for minimizing venting
- REMINDER – Avoiding venting gas does not take priority over safety

RNG



LNG



**Thank you for your attention to
Pipeline Safety!**

Questions?

FREEDOM

