Subcommittee on Energy
Hearing on
"Legislative Solutions to Make Our Nation's Pipelines Safer"
June 19, 2019

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The Honorable Robert E. Latta (R-OH):

1. What are the main elements of good quality state programs, and what is the industry doing to provide technical training and support?

RESPONSE: Some of the main elements of a good quality state programs include -

- Well trained inspectors - Having inspectors that are well trained, understand natural gas operations and the challenges of operating buried infrastructure, and want to work with operators to improve pipeline safety. A state program that encourages transparency, rather than creating a punative environment, is key to moving Pipeline Safety Management System (PSMS) implementation beyond the operator forward.
- Transparent Non-punative Communication - An encouragement for operators to openly share challenges they are facing (e.g., inability to obtain specialized contractors or materials), near misses, issues they find and the actions they are taking to address the issues, and do not fine or penalize an operator for these open sharings unless it is determined that a discovered issue was due to egregious actions.
- Fair Leadership - Having leaders that are tough but fair.
- Effective Public Communication - Having a culture of open communication with the public is a key component to pipeline safety. With third party damage still a leading cause of distribution incidents, its important that state programs provide more information and a better understanding of the potential risks of not calling before digging.

Examples industry actions to provide technical training and support include –

- Trade associations like AGA have a multitude of technical committees and discussion groups that share leading practices, develop technical publications to advance operational excellence, and create opportunities to discuss challenges and seek solutions. Workshops on technical issues deepen attendee understanding of emerging issues and conferences cover a wide range of current topics. Exhibitions showcase existing and new technologies and products. AGA has a robust SOS program that allows an operator to obtain solutions to problems and a Best Practices Program that allows operators to benchmark themselves against other operators and the industry and to learn from those that are leading in a particular area.
- The industry's technical vendors regularly conduct training on their products and the science behind their product. In addition, vendors seek improvement ideas from operators

to advance their products to make them more effective.

- Regional gas associations have training modules and programs for everyone from field workers through operational leaders. They also hold conferences and workshops, have technical committees, and create publications.
- The industry has also partnered with trade schools and community colleges to create training programs specific to our industry, have created gas "boot camps" to educate new employees in specific areas, and a number of gas utilities have created "gas cities" where they can train employees on leak detection, excavation, gas operations, emergency response, and many other areas. Many utilities share their "gas cities" with local fire fighters and emergency responders so that they can conduct training of their personnel on responding to a gas incident.

2. Is there anything that Congress, or PHMSA, could do to support cooperation and collaboration among State regulators and the industry?

RESPONSE: Yes.

- Congress can encourage PHMSA to change how state programs are evaluated. State programs should not be evaluated exclusively on how many non-compliance orders were issued. Instead, there should be incentives for the number of issues brought to the states' attention outside of an audit and credit for transparent conversations between state regulators and the industry of how the operator is approaching safety and the actions they are taking to address identified issues.
- Congress and PHMSA can encourage states to promote the adoption of PSMS, which embraces cooperation and collaboration, and provides a better understanding to the public of how PSMS will advance safety beyond regulations.
- Congress can encourage PHMSA and state regulatory agencies to also adopt PSMS since the concepts of Plan-Do-Check-Act are not specific to just the industry and includes increased emphasis on cooperation and collaboration.
- PHMSA can continue and engage stakeholders to share their progress. PSMS is aimed to continuously review an operators system and learn from findings, observations, and near misses. Encouraging the sharing of findings without that sharing resulting in punative actions helps advances safety and creates an environment where others within the industry can take proactive measures.

The Honorable Cathy McMorris Rodgers (R-WA):

1. As you know, PHMSA is currently undertaking significant rulemakings for both gas and liquid pipelines.

    a. I would like for you to put these rulemakings in context for us. How significant of a change are you expecting from the current regulatory framework?

RESPONSE: The pending and recently completed rulemakings are very significant. They include:

- Testing and confirming maximum allowable operating pressure of various transmission lines that were previously untested or do not have adequate records.
- Creation on moderate consequence areas (MCAs) and expansion of transmission integrity assessments for pipelines in these areas.
- Installation of automated and remotely controlled valves on new and fully replaced transmission pipelines and enhanced emergency response.
- Regulations for underground storage facilities.
- New repair criteria for transmission lines inside and outside of high consequence areas (HCAs), new pipeline inspection requirements following extreme events, requiring safety features on in-line inspection tool launchers and receivers, new pipeline corrosion control, codifying management of change, and strengthening integrity management assessment.
- Requirements for operators to incorporate seismicity into their risk analysis and data integration, retaining welder qualification records, and reporting of maximum allowable operating pressure exceedances.
- There are also a number of hazardous liquid pipeline rulemakings including changes to the definition of Unusually Sensitive Areas, and new regulations for natural gas gathering lines.

b. Given the pending regulations at PHMSA, what are your member's priorities for pipeline safety reauthorization?

RESPONSE: AGA's members priorities reauthorizaton include a final bill that:

- Remains focused on pipeline safety and is not simply a "facade" (may sound good to the general public but will not advance pipeline safety).
- Provides flexibility to address potential safety issues, including the use of alternate technologies, practices or methods that have demonstrated an equivilant level of safety.
- Does not weigh down the regulatory process but rather focuses on collaboration of stakeholders from the public and industry to evaluate and come to consensus on key regulatory issues.
- Continues to bring all stakeholders to the table.

2. I know your pipeline companies are serious about improving their safety records and incorporating lessons-learned from prior accidents.

a. Can you provide some recent examples of lessons-learned, or recommendations made by PHMSA or NTSB that have been implemented?

RESPONSE:

- Following the Merrimack Valley incident, AGA provided various opportunities for operators to share lessons learned as well as guidance documents aimed are aiding operators in reviewing their low pressure distribution systems. Many AGA members not only

participated in the creation of these guidance documents but used these tools to review their own system and, as needed, implemented changes. Additionally, AGA members reviewed their existing distribution risk models to ensure that low frequency events, such as the Merrimack Valley Incident, are being appropriately considered.

- Both the NTSB and PHMSA have encouraged operators to adopt a PSMS. Shortly after the PSMS recommended practice was released, AGA's Board encouraged all AGA members to consider adoption of PSMS. Last year, the Board asked members to commit to implementing PSMS within three years. This includes adoption of the standard, conducting a gap analysis and beginning to take actions to address identified gas. Based on an annual PSMS survey, operators are well underway to meet this commitment. In addition, in October 2020. the Board approved three additional actions to advance PSMS – 1) the creation of a PSMS Executive Steering Committee to advance PSMS, increase the sharing of incidents and near misses, and guide industry actions, 2) piloting a Virtual Assessment Program that will allow operators to be assessed by other operators on a specific PSMS element and 3) the creation of an Operational Risk Data Committee (ORDC) that will conduct an in-depth analysis of PHMSA's incident database in an attempt to identify trends and issues and better inform operator risk analysis. The PSMS Executive Committee will have their first meeting in January and the pilot of the Virtual Assessment Program begins the week of December 7, 2020.
- The NTSB encourages the sharing of incidents and near misses. This sharing occurs in numerous venues, including AGA's annual Safety Summit, and through teleconferences following a major event.
- While not recent, AGA's Peer Review Program which allows operators to be reviewed, by their peers, on topics such as safety culture, pipeline safety risk management, technical training and worker procedures, excavation damage, quality management in gas operations, contractor construction relationships, emergency management & public safety, damage prevention, workforce development and succession planning, systems records management, safety at customer touch points, and key performance indicators for gas operations is a direct result of the NTSB suggestion that industry look at how other industry's were advancing safety. The program officially started in 2015.