The Gas and Liquid Mega Rules
What is coming and When
September 20, 2016
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Outline

A. The Gas Mega Rule (PHMSA-2011-0023)
   • Things that will not
   • Things that will change

B. The Liquid Mega Rule (PHMSA-2010-0229)
   • Things that will not change
   • Things that will change

C. PIPES Act of 2016

D. Questions
Gas - things that will not change

A. Class Locations will not go away – yet

B. Data – Reliable, Traceable, Verifiable & Complete mentioned 30 times!!

C. Risk Models – the thrust is risk-based but no new models are proposed

D. Valve Spacing – not changed
Gas - things that will not change

E. Underground storage – will be a separate rulemaking

F. NPMS Reporting – not changed in terms of what has to be reported

G. Management of Change – no significant changes

H. Quality Management Systems – will morph into a separate rulemaking for Pipeline Safety Management (PSM – API RP 1173)
Gas – BIG Changes!!

- §192.624 – MAOP Verification (new section)

- Subpart O Gas Transmission Pipeline Integrity Management (Major Changes)

- §192.607 Verification of Pipeline Material (new section)

- DOCUMENTATION!!
The phrase “reliable, traceable, verifiable, and complete” appears 30 times in the NOPR.

Nowhere in the NOPR (or in the current Part 192) are any of these words defined.

PHMSA should provide a reasonable definition of these words.
Documentation

• The phrase “for the life of the pipeline” appears 19 times in the body of the NOPR.

• A new Appendix A to Part 192 is titled “Records Retention Schedule for Transmission Pipelines.”

• Over 80 code sections or subsections are listed in the proposed Appendix A.

• The overwhelming majority are “for the life of the pipeline.”
§192.13 General Requirements

New §192.13(e):

- Keep records for the retention period specified in (new) Appendix A
- Records must be reliable, traceable, verifiable, and complete
- No or inadequate records – must develop using (new) §192.607
§192.67 Records: Materials

New

Operators of transmission pipelines must acquire and retain for the life of the pipeline the original steel pipe manufacturing records that document tests, inspections, and attributes required by the manufacturing specification in effect at the time the pipe was manufactured, including, but not limited to, yield strength, ultimate tensile strength, and chemical composition of materials for pipe in accordance with §192.55.
Transmission Lines Only
Manufacturing standard and pressure rating to which each valve and tested. Flanges, fittings, branch connections, extruded outlets, anchor forgings, and other components with material yield strength grades of X42 or greater must have records documenting the mfg. spec. in effect at the time of mfg., including, but not limited to, yield strength, ultimate tensile strength, and chemical composition of materials.
PHMSA is serious about requiring good solid records regarding compliance!
§192.8 Gas Gathering

• Type A gathering lines 8 inches or greater in diameter in Class 1 locations may be regulated.

• Requirements would include damage prevention, corrosion control (for metallic pipe), public education program, maximum allowable operating pressure limits, line markers, and emergency planning (same as for Type B gathering in Class 3 and 4 locations).

HINT: It is likely that the diameter will be increased.
§192.9 Gas Gathering

New §192.9(f):

If a change in class location or increase in dwelling density causes an onshore gathering line to be a regulated onshore gathering line, the operator has one year for Type A, Area 2 and Type B lines and two years for Type A, Area 1 lines after the line becomes a regulated onshore gathering line to comply with this section.
§192.3 Gathering Definition

- Gathering Lines (Onshore) will be pipelines, and equipment used to collect gas from the endpoint of a production facility/operation and transport it to the furthest point downstream of a number of endpoints. Incidental gathering would still be recognized but limited.
The “Grandfather Clause”

Any segment for which MAOP was established in accordance with §192.619(c) prior to the effective date of the new rule will have to have its pressure verified under the new §192.624.

Applicability

Onshore transmission lines in §192.903 HCAs, or in Class 3 or Class 4 Locations or in a Moderate Consequence Areas (if the line is piggable in the MCA)
Moderate Consequence Area

- 5 or more buildings intended for human occupancy within PIR; or
- An *occupied site* within PIR; or
- a right-of-way for a designated interstate, freeway, expressway, and other principal 4-lane arterial roadway within PIR; and
- does not meet the definition of a §192.903 high consequence area.
Other Definitions (§192.3)

• *Transmission line* definition essentially unchanged

• *Distribution line (Onshore)* definition unchanged

• MISSING: Definition of “in-plant piping” and meaningful definitions of *distribution line* and *distribution system*. 
Other Definitions (§192.3)

- Distribution Center
- Dry gas or dry natural gas
- In-line inspection (ILI)
- In-line inspection tool or instrumented internal inspection device
- Legacy construction techniques
- Legacy pipe
- Modern pipe
- Significant Seam Cracking
- Significant Stress Corrosion Cracking
- Wrinkle bend
§192.5 Class Locations

Definitions unchanged

BUT

Records for transmission pipelines documenting class locations and demonstrating how an operator determined class locations in accordance with this section must be retained for the life of the pipeline.
§192.624 – MAOP Verification

Incredibly Complex!!

Extremely Detailed!!

Segment-by-segment records will be required.

Hypothetically applies only to transmission lines.
Subpart O Gas Transmission Pipeline Integrity Management

Incredibly Complex!!

Extremely Detailed!!

Segment-by-segment records will be required.

Applies only to transmission lines in high consequence areas.
§192.607 Verification of Pipeline Material

Incredibly Complex!!

Extremely Detailed!!

Segment-by-segment records will be required.

Hypothetically applies only to transmission lines.
Gas Mega Rule Schedule

• Comment Period Closed July 7, 2016
• Over 400 comments.
• Mike Israni has retired.
• Pipeline Advisory Committee has not met.
• My guess – final late CY 2017 at earliest
• There will be a grace period.
Liquid Mega Rule

• Almost a non-event compared to gas (only 100+ comments v. 400+ comments)

• Pipeline Advisory Committee has met twice.

• Final rule being drafted.

• Current projected publication date: December 20, 2016. Likely date – 1st or 2nd quarter CY 2017
Liquid Mega Rule
Geospatial Changes

• §195.452(a) - “worst case discharge” must be used when considering effects on HCAs.

• §195.452(d)(2) - HCAs can be defined by “any other source” as opposed to only Census Bureau maps.
Liquid Mega Rule
Geospatial Changes

• §195.452(g) - Information Analysis is completely revised and expanded. Specific attributes are listed in great detail (21 different items including “Other pertinent information derived from operations and maintenance activities and any additional tests, inspections, surveys, patrols or monitoring required under this part”).
PIPPES Act of 2016

PHMSA Reauthorization

Public Law No: 114-183

Signed by the President

June 22, 2016
• PHMSA’s funding and staffing is, for all practical purposes, unchanged.

• Congress is pushing PHMSA to be more accountable and more transparent.

• No less than 15 separate studies, audits and reports are required along with regulatory updates at least every 90 days.
Regulatory Changes

a. PHMSA will be required to conduct post-inspection briefings within 30 days of the inspection and provide (to the extent practicable) written preliminary findings within 90 days.

b. Underground gas storage will be regulated within 2 years.
c. Pipeline operators will be required to provide safety data sheets to emergency responders within 6 hours of the incident.

d. Part 194 Emergency Response Plans will have to specifically consider ice.

e. The Great Lakes are now officially recognized as an Unusually Sensitive Area under Part 195.
f. Annual (every 12 months) ILI will be required for all underwater liquid pipelines that are NOT offshore but that have any portion over 150 feet below the surface of the water.

g. National security must now be considered a factor when locating new LNG facilities.
Questions??

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Thank YOU!!