November 10, 2014

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: CASE 14-G-0357 – Proposed Rulemaking with regard to Revising 16 NYCRR Gas Safety Regulations

Via Email

Dear Secretary Burgess:

The Northeast Gas Association\(^1\) (NGA) has reviewed the above referenced notice (Notice)\(^2\) and appreciates the opportunity to submit these comments.

NGA commends the New York State Public Service Commission (Commission) for its efforts to develop and propose changes to the 16 NYCRR Gas Safety Regulations in order to meet or exceed the requirements set forth in the correlating federal regulations. NGA fully supports many of the changes. NGA respectfully submits the following comments regarding the proposed changes.

**Comments**

I. Service Line Definition (Section 255.3 paragraph 29)

NGA, in collaboration with its NY LDC members, has developed a report titled, *NY Service Line Definition Transition*, addressing the implications of the proposed change to the NYS service line definition. This report also provides our recommendations for transitioning to sound policies and procedures that are designed to ensure public safety,

\(^1\) NGA is a regional trade association that focuses on education and training, technology research and development, operations, planning, and increasing public awareness of natural gas in the Northeast U.S. NGA represents natural gas distribution companies, transmission companies, liquefied natural gas importers and associate member companies. Its member companies provide natural gas service to 10 million customers in 8 states (CT, ME, MA, NH, NJ, NY, RI, VT).

\(^2\) CASE 14-G-0357 – Notice of Proposed Rulemaking with regard to Revising 16 NYCRR Gas Safety Regulations for Consistent Application of More Stringent Federal Gas Safety Standards in 49 CFR ("NOPR")
Northeast Gas Association Comments
Case 14-G-0357
November 10, 2014
Page 2

and are based on scientific data and research. The report is supported by an
engineering study developed by the Gas Technology Institute ("GTI") that was
sponsored by NY LDC's through their membership in Operations Technology
Development, NFP. Both reports are provided as appendices to these submitted
comments.

The NGA report examines the technical and policy implications of a proposed change to
the New York Public Service Commission’s ("NYPSC" or "Commission") regulations that
would modify the existing New York State definition of a gas "service line" as set forth in
16 NYCRR Part 255.3 to "align" it with the Federal definition in 49 CFR 192.3. The
essential change would be to extend the service line to include customer-owned inside
piping that connects to the outlet of the meter where a meter is installed within a
building. This change brings with it a wide range of potential impacts including: utility
operators' assumption of operational responsibility for existing customer-installed and
owned piping; significant changes to professional plumber (and related trades, e.g.,
HVAC contractors) training and certification requirements; a requirement for drug and
alcohol testing of privately contracted plumbers; and a new requirement for utilities to
conduct mandatory programs of leakage surveys and atmospheric corrosion inspections
on piping inside customers' premises. In response to the proposed regulations, utility
operators in New York State along with NGA sought to develop a prudent and cost-
effective strategy for responding to the proposed changes in regulations in the interest of
promoting public safety.

The NGA collaborative engaged GTI, a well-established and well-known industry
research organization, to assess operator inside inspection data to better understand the
safety condition of inside customer piping. The ultimate goal of the study was to provide
a sound engineering basis for evaluating and ranking threats and risk with these facilities
in accordance with the requirements of 49 CFR 192 Subpart P – Gas Distribution
Pipeline Integrity Management ("DIMP"). More specifically, the study was aimed at
providing a technical basis, in combination with other risk mitigation factors, for
determining inspection intervals for inside piping that are appropriate and proportional to
the aforementioned risk as a practical approach to achieving compliance with the
proposed regulations. Operators' DIMP programs can be structured to provide an overall
level of safety at least equal to the Federal minimum standards with a reduced frequency
of periodic inspections that is fully justified by the available technical data. This approach
is permitted under 49 CFR 192.1013 Subpart P and may be approved by the appropriate
State agency for intrastate pipelines, including New York State's local gas distribution
utilities.

Operators in New York State are currently subject to a series of state safety regulations
that go beyond and are more stringent than Federal code with regard to inside facilities.
Examples include the obligations contained in 16 NYCRR Parts 255 (Transmission and
Distribution of Gas) and 261 (Piping Beyond the Meter), which require operators to: (i)
perform safety related inspections of inside customer-owned piping and appliance safety
customer-owned piping; (iii) report safety-related emergency response metrics that require operators to address gas-related odor complaints in rapid fashion; and (iv) provide gas odorization that is designed to ensure detection by a person with an average sense of smell at half the gas concentration specified by Federal rules. In addition to these requirements, customer-owned piping throughout the State is subject to rigorous safety requirements under local building codes, particularly in New York City, where numerous construction, maintenance and qualification rules exist to ensure work is inspected and performed by properly qualified, skilled licensed trade professionals.

In the aggregate, the above-described “layers of protection” result in a robust pipeline safety regulatory scheme that is more rigorous and fully compatible with the existing Federal pipeline safety standards. More significantly, the findings in the attached engineering study, viewed in the context of the overall framework of pipeline safety regulation in New York, provide a reasonable basis to clarify the manner in which the Federal “service line” definition should be implemented in New York to provide a high level of safety protection to New York’s citizens.

Regulations must be practicable. The NYPSC regulations have long recognized that the manner in which indoor meter sets and piping have been installed in New York restricts the ability to conduct leakage survey and atmospheric corrosion inspections, especially in buildings where piping between the “point of entry” (“POE”) and meter assembly is concealed.

In an effort to achieve practical implementation of regulations of inside piping upstream of a customer’s meter, NGA offers the following proposals:

**Extension of Time for Full Compliance**
Assuming that the NYPSC adopts the revised service line definition, we would recommend that it extend the time for full compliance with the NOPR for three years, to afford utilities reasonable time to develop systems and processes to comply with the revised regulations and conduct additional engineering studies to assess the need to perform programmatic inspections of individual room set meters.

**Atmospheric Corrosion and Leak Survey Inspections**
We would recommend that the NYPSC, in its order adopting the revised service line definition, grant an extension of the timeframes for atmospheric corrosion inspections and leak surveys inside buildings in accordance with 49 CFR 192.1013, affecting compliance with 49 CFR 192.481, 16 NYCRR Part 255.481, and 255.723. Based upon the findings of GTI in its 2014 Analysis, it is reasonable to conclude that gas piping inside buildings corrodes at a rate that is orders of magnitude slower than outside exposed piping. Accordingly, for this reason and for other reasons, we would recommend that the NYPSC would order:
• Concealed inside piping (e.g., in chases; conduits, walls, ceilings, floors) need not be included in corrosion inspections or leak surveys.
• Operators would be given up to nine years to complete initial atmospheric corrosion and leakage surveys of inside service piping that is not concealed.
• A look-back of prior inspections of up to three years would be permitted.
• Operators would be required to continue to perform routine atmospheric corrosion and leakage checks in the course of other work within premises when qualified personnel are working in a building, and use data acquired therefrom in assessing the periodic program under their DIMP policies.
• Where actionable levels of atmospheric corrosion are found, the maximum time to the next inspection and survey would be no more than during the 12th calendar year following the initial inspection.
• Where atmospheric corrosion is no more than a light oxidation, the maximum time to the next inspection and survey would be no more than during the 21st calendar year following the initial inspection.
• Where a building has meters in individual units (room sets), further engineering analysis will be completed during the phase-in period using statistical sampling methods to assess the need for on-going programmatic inspections. Operators will develop the engineering study and review with Staff and, if the results demonstrate that no programmatic testing is warranted, apply for a special permit to modify the inspection cycle to provide for inspections in cases where access is granted to the room set during other routine work by the utility.
• Data from routine checks and programmatic inspections would be used to inform operators' DIMP programs.
• A leakage survey within a customer's building would be conducted using a properly calibrated combustible gas indicator or other approved equivalent device.
• Additional information concerning the framework is attached as Appendix B.

Operator Qualifications
We would recommend that the Commission would confirm in its order concerning the NOPR that utilities' responsibility with respect to Operator Qualification (i) extends only to utility employees, utility contractors and their employees and (ii) does not apply to isolated, non-energized customer-owned piping that is repaired by customer-retained plumbers, so long as repaired piping is inspected by operator-qualified utility personnel prior to re-energizing the pipe.

Drug and Alcohol Programs
We would recommend that the Commission would confirm in its order concerning the NOPR that utilities' responsibility with respect to drug and alcohol programs extends only to utility employees, utility contractors and their employees.

II. Pressure tests for Short Sections of Pipe and Tie-in Sections (Section 255.507(f))
The Commission proposes to eliminate this provision that allows for soap testing of short sections of pipe less than 100 feet in length, including small tie-in sections of pipe using natural gas at line pressure as the medium. NGA proposes adding as an option that operators be able to utilize pre-tested straight pipe segments prior to installation, provided that the actual tie-in joint may be soap tested and/or tested for leakage at line pressure in accordance with an Operator's test procedure. This proposal is designed to ensure discovery of all potentially hazardous leaks at the tie-in joint. While it appears that it was not the intention of Staff to eliminate the aforementioned soap-testing of pipe segment joints, the proposed descriptive language included in the NOPR could be read that soap testing of tie-in joints as an effective means of leak checking of the joint would also be eliminated. Eliminating the ability to test tie-ins of fittings and joints at line pressure using natural gas while employing a soap test would severely hamper the ability to efficiently and effectively repair or replace risk-prone pipe segments. The soap test method is an effective tool to verify the soundness of joints and fittings, after they are joined using proper procedures by qualified employees. NY operators would be at a loss to determine practical alternative procedures to safely and efficiently test the soundness of joints and fittings. NGA recommends that the Commission clarify that the soap test option for testing tie-ins of fittings and joints will continue to be permitted under the regulations.

III. Maximum Allowable Operating Pressure (MAOP) Test (Section 255.619 (a) and (e))

The Commission proposes to amend the referenced section that provides an alternative to establish MAOP as follows:

The highest actual operating pressure to which the segment was subjected during the 5 years preceding July 1, 1970, [DELETE: or during any successive five year period thereafter,] unless the segment was tested in accordance with sections 255.505 or 255.507 during the five year period or the segment was upgraded in accordance with sections 255.555 or 255.557.

The Commission would then add to paragraph (3):

The maximum allowable operating pressure must not exceed the maximum allowable operating pressure on the effective date of the rule if the maximum allowable operating pressure is determined using the method described in 255.507(b).

Also, section 255.519 (e), which allows operators to maintain MAOP by bringing line pressure up to MAOP using natural gas once every five years, along with a leak survey, would be repealed.

In recent years, engineering studies have indicated that repeated short duration increases in pressure, "spike testing", may increase integrity risk. Based on discussions with New York State Department of Public Service staff, it appears that the intent of the
changes is to eliminate the 5 year "spike tests" from normal operating pressure as a means to maintain an established MAOP and eliminate risk of unintentional pipe "derating". NGA fully supports this goal and agrees with the repeal of 255.619(e) and the implementation of an immediate moratorium on employing this procedure. However, repeal of this section should not prejudice the MAOP of a line that had its MAOP reconfirmed under this process. NGA suggests, as part of the rule change implementation plan, that the Commission allow an operator to retain the highest documented operating pressure (at or below MAOP) observed during the most recent 2 cycles or ten-year period.

Also, the purpose of adding the additional language to paragraph 3 is unclear. NGA recommends that this language not be added.

IV. Amendment to Regulation related to providing Adequate Odorant of High Pressure Lines

NGA supports the changes proposed by the Commission.

V. Leak Surveys of Business Districts

NGA supports adding the requirement that leak detector equipment be utilized during surveys, as long as it is understood that such equipment includes the use of a properly calibrated gas detector or other approved equivalent device. We are also concerned with the removal of the term "accessible" with regard to conducting atmospheric tests of non-gas utility manholes. Manholes with covers that deploy vent holes allow for access to the immediate atmosphere within the manholes. If such covers do not have vent holes, operators cannot be expected to remove them. NGA suggests that if the term "accessible" is eliminated that the Commission make it clear as part of rule change implementation that the expectation is that the operator will employ reasonable judgment in accessing survey locations or alternate locations for the purpose of determining locations "providing an opportunity for finding gas leaks." NGA believes this is the intent of the existing Federal code section in 192.723(b) (1).

Conclusion

NGA appreciates the opportunity to present these comments. We hope that our efforts will help the Commission in achieving concrete improvements in the state’s gas safety regulations. Please contact us if you have any questions.
Respectfully submitted,

[Signature]

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