

2013 NAPS R SOUTHERN REGION MEETING

MYRTLE BEACH, SC

April 22 - 26, 2013

“State of the State”

Report for

ALABAMA

State Program General

- Number of operators
 - ✓ 2012 year end total - *144*
 - ✓ Number of additions since 2011 - *5*
 - ✓ Number of deletions since 2011 - *2*
 - Transmission Operators - *30*
 - Distribution Operators - *74*
 - LNG Operators - *1*
 - Master Meters - *30*
 - Gathering Lines - *2*
 - Offshore Facilities - *3*
 - Hazardous Liquids - *8*

State Program General

- Number of inspectors
 - ✓ 2012 year end total – 7 *Full-Time*
 - ✓ 1 *Part-Time (Retiree)*
 - ✓ 1 *Training Coordinator*
 - ✓ Change from year end 2011 – **-1**
 - ✓ *Two inspector positions to be filled later this year*

Program Operational Overview

- **Description:** *Gas Pipeline Safety Section of the Alabama Public Service Commission established by legislative act (Acts 1969, Ex. Sess., No. 204, p.273, § 6)*
- **Mission:** *To ensure a regulatory balance between regulated companies and consumers in order to provide consumers with safe, adequate and reliable services at rates that are equitable and economical.*

Program Operational Overview

- **Purpose:** *Gas Pipeline Safety - inspects all gas and hazardous liquid pipeline systems operating in Alabama, including offshore in state waters, for safety purposes under the U.S. Department of Transportation's gas pipeline safety rules.*

Enforcement Statistics 2012

- Number of non-compliance items found in 2012: **74**
- Number of non-compliance items resolved in 2012: **25**
- Number of 2012 issues carried over: **55**

Top Enforcement Issues in 2012

1. O & M and Emergency Plans not being updated or reviewed on an annual basis
2. Insufficient DIMP plans
3. Public Awareness Plans not updated or evaluated
4. Not following normal inspection cycles – late with regulator and valve inspections
5. Cathodic Protection readings not corrected in a timely manner

2012 Pipeline Asset Statistics

➤ Intrastate Gas

✓ Transmission mileage - 2515.7

✓ Distribution mileage - 30,481

✓ Gathering mileage - 81.1

✓ Off-shore mileage - 123.7

✓ Number of services - 1,062,344

➤ Intrastate Hazardous Liquids

➤ Mileage - 234.5

Incidents

- Total number of incidents during CY 2012: **5**
 - ✓ 2012 year end total reportable to state: **5**
 - ✓ 2012 year end total reportable to PHMSA: **0**
 - ✓ Total incidents change from 2011: *down 2*
 - ✓ Comments: *Numbers include only those reportable to Alabama or PHMSA*
- Number of Serious incidents during CY 2012 year: **0**
 - ✓ Change from CY 2011: *down 1*

Safety Issues

- Top safety issues in your State
 - ✓ # 1 priority: *Unqualified personnel working on natural gas systems*
 - ✓ # 1 action to address: *More detailed monitoring by GPS personnel during field inspections*
 - ✓ # 2 priority: *Third party and other damage to facilities*
 - ✓ # 2 action to address: *Continue to stress DP best practices; review DP efforts by Operators; continue to stress membership in Alabama Damage Prevention Alliance; continue to work toward improvement of Alabama Damage Prevention Law*

Safety Issues

- ✓ # 3 priority: *Jurisdictional systems not recognized and included in inspection rotation (due to sales of systems and incorporation of entirely new systems)*
- ✓ # 3 action to address: *Continue to monitor activities in every section of state to ensure all jurisdictional operators are being included in inspection rotation*

- ✓ #4 priority: *Inclusion of formerly non-jurisdictional gathering lines into state's control*
- ✓ #4 action to address: *Ensure that all gathering lines are accounted for if change in definitions bring them under jurisdictional authority of Alabama Public Service Commission*

Major Construction Activity

- Construction Activity #1: *Denbury Offshore*
 - ✓ Description: *Installation of CO₂ pipeline from Alabama Power Company's Plant Barry in Mobile to Citronelle (injection of CO₂ into saline aquifers)*
 - ✓ Comments: *Completed*
- Construction Activity #2: *Alabama Gas Corporation & several other systems*
 - ✓ Description: *Cast Iron replacement*
 - ✓ Comments: *On-going*

Damage Prevention Update

- Will your state's one call exemptions, if any, affect your state's one call grant funding? *Yes, from DOT letter to Alabama Governor Bentley -- Governmental entity (includes ALDOT), municipal or public corporations operating water and sewer boards*
- Changes to statutes: *None anticipated*
- Other: *Strong lobbyist efforts on keeping exemptions; current law changed once since 1994, but not a significant change; law used only one time in 19 years*

Workload Issues

- Are there any external factors that are impacting your ability to accomplish your inspection work-plan? *Not at this time; will lose an inspection supervisor in October 2013 to retirement; will have 4 inspectors with less than 2 years experience at that time.*

Special Permits Requested / Granted

- Special Permits: *None*
- Guided Wave Ultrasonic Technology as “Other Technology”
 - ✓ Description: *Request to use GWUT during Integrity Management Inspections*
 - ✓ Operator: *Alabama Gas Corporation**
 - ✓ Comments: *Permission granted by PHMSA and Gas Pipeline Safety Section after review process*

**Gas Pipeline Safety on-site during performance of GWUT*

Other State Program Concerns

- Implementation of the Inspector Assistant
- Loss of damage prevention funds due to exemptions
- Loss of “base grant” funding due to lack of damage prevention enforcement
- Lack of experienced inspectors over the next 2-3 years
- Inclusion of gathering lines into inspection rotations

Compendium

- Compendium link:
<http://phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Pipeline/Compendium.pdf>
- **Alabama Key Stats**
- **State Agency** **Alabama Public Service Commission**
- **Division** **Energy Division**
- **Department** **Gas Pipeline Safety Section**
- **Web**
http://www.psc.state.al.us/Energy/gps/gas_pipeline_safety_section.htm

- **Regulated Intrastate Pipeline Systems** **99**
- **Regulated Master Meter Operators** **34**
- **Regulated LNG Systems** **5**
- **Regulated Hazardous Liquid Systems** **7**
- **Regulated LPG Operators** **1**
- Quantity of State Pipeline Safety Initiatives that exceed CFR 190-199
5
- Information from 2011 Compendium, page 21

Comments on your state's Compendium page

- Accuracy of the 2011 data – *Yes*
- Needed updates – *Additional GPS rules adopted during 2012 regarding reporting*
- Most significant areas (2 or 3) where your state exceeds Part 192. (Please discuss)
 - ✓ Requires filing of updated O&M and Emergency Plans with PSC
 - ✓ Requires reporting of construction activity in excess of 1,000 feet in length
 - ✓ Report gas incidents same as PHMSA thresholds except for \$5,000 trigger
- Are those areas important and have they been helpful in improving safety? *No specific performance type measurements, but opinion is yes*

Compendium Comments Continued

- Are other areas being studied for additional state rulemaking? *None at this time*
- Need for an accelerated CI (or other high risk pipelines) replacement program in your state? *No, at this time. GPS is monitoring cast iron replacement efforts and ensuring that DIMP plans are addressing this threat.*

Compendium Comments Continued

(2)

- Besides civil penalties, what (if any) enforcement activities has your state formalized that are:
 - ✓ substantial and measureable – *None*
 - ✓ formal commission action and/or well-documented settlements – *GPS can initiate “Show Cause” proceedings against operators, if safety issues are not properly addressed*
 - ✓ cost or penalty born by the shareholder not ratepayer – *N/A*

Data Collection and/or Program Metrics

- What data are you collecting that you find useful? *Mileage by material, number of services, number of locate tickets by operator, unaccounted for gas by operator, leaks by cause code, miles of HP mains, miles of HCAs, and geography of service area*
- What metrics are you using to measure your pipeline safety program? *Numbers of violations and type, component problems, personnel experience levels, % coated steel, % unprotected steel, leaks per mile of main, leaks per service*
- Show program metrics data. *Available upon request*

2012 Highlights

- One inspector retired – one brought back part-time from retirement to train new inspectors
- Continued to involve inspectors in multiple training classes at T&Q
- Evaluated and revised Pipeline Safety Program procedures
- Refined annual report review procedures to ensure all submitted system operators are on inspection rotation list
- Included inspectors in NAPSRS task groups

2013 Outlook

- Continue Staff training to meet PHMSA requirements for Natural Gas and Hazardous Liquids
- Continue to evaluate Program performance to identify areas needing improvements or change in focus
- Hire two qualified persons to fill current vacancies
- Work to eliminate exemptions in the current Damage Prevention Law
- Work with stakeholders throughout the state to improve damage prevention enforcement to reduce the possibility of losing “base grant” funding

QUESTIONS?

