

East Goshen Township
Pipeline Task Force
Meeting Agenda
Thursday, June 27, 2019
5:00 PM

1. Call to Order
2. Pledge of Allegiance
3. Moment of Silence
4. Ask if anyone is recording the meeting
5. Approval of Minutes
 - a. May 23, 2019
6. Chairman's Report
7. Reports
 - a. Legislative Update
 - b. Current Pipeline Events Impacting East Goshen
8. Old Business
 - a. Review Pipeline legislation - Bills: 40, 257, 259, 261, 262
9. New Business
 - a. Discuss PUC rulemaking proposals seeking public comment on:
 - Safety regulations
 - Periodic Financing Reporting by pipeline utilities
10. Correspondence
 - a. Review Pipeline Safety Bulletin – 2019
 - b. Pipelines welcome advancement of stalled safety rule to OMB review
 - c. May 2019 Pipeline & Gas Journal Article
 - d. PSATS 19-31 Resolution
 - e. PHMSA Public Meeting
11. Public Comment
12. Adjournment

**EAST GOSHEN TOWNSHIP
PIPELINE TASK FORCE WORKSHOP MEETING
1580 PAOLI PIKE
THURSDAY, May 23, 2019
DRAFT MINUTES**

Present: Chair Caroline Hughes; Vice Chair Bill Wegemann; Members: Judi DiFonzo, Karen Miller, Christina Morley, Gerald Sexton; Rick Smith, Township Manager

Call to Order & Pledge of Allegiance

Caroline called the meeting to order at 5:00 p.m. and led the pledge of allegiance.

Moment of Silence

Caroline called for a moment of silence to honor our first responders and troops.

Recording

Caroline asked if anyone was recording the meeting. No one was recording.

Approval of Minutes

The minutes from April 25, 2019, were approved unanimously.

Chairman's Report

- Carolyn reported that within the last 10 days there were 2 inadvertent returns and 1 loss of circulation at the Boot Road and Wilson Drive intersection. Christina asked Rick how the Township is informed regarding these incidents. Rick stated that Sunoco contacts DEP and the Township.
- Carolyn reported that in East Rockhill Adelphia wrote a letter stating they will comply with the noise ordinance but not with the zoning setback ordinance.
- Caroline would like to review the Pipeline Safety Bulletin at the next meeting.

Reporting

1. Legislative Update

- Bill reported that there has been no movement with the current legislation.
- Bill gave an update on the recent election results. He welcomed John Hertzog who was in attendance.
- Caroline suggested that the TF and individuals send a thank you email to Senator Killion for his support and for calling a moratorium regarding the current pipeline issues.

2. Current Events Impacting East Goshen

- Bill stated he noticed that some of the pipes in the neighborhood are gone. Rick reported that one of the pipes has been placed in the ground.
- Sunoco did not request to operate on a 24 x 7 schedule.

Old Business

1 1. Pipeline Coating Degradation

2 Gerry summarized his research regarding pipeline coating degradation. He will
3 further refine the points of interest and further inquiry.
4

5 2. Review Pipeline Legislation

- 6 a. Christina provided a summary on Bill 40, Printer No. 17. The TF discussed
7 her comments and suggestions.
8 b. Karen provided a summary on Bill 257, Printer No. 228. The TF discussed
9 her comments and suggestions.
10 c. Christina and Karen will summarize the TF comments.
11

12 **Action Items for TF**

- 13 • Member will continue to review their assigned bills and provide summaries
14 and comments.
15

16 **Public Comment**

17 John Hertzog, 940A Cornwallis Drive, stated that he lives near the Adelphia pipeline.
18 He thanked the TF for their hard work.
19

20 The next regular meeting is Thursday, June 27, 2019, at 5:00 pm.
21

22 **Adjournment**

23 The meeting was adjourned at 7:05 pm.
24

25 Respectfully submitted,

26 *Susan D'Amore*
27

28 *F:\Data\Shared Data\Minutes\Pipeline Task Force\2019\Pipeline TF Mins 05-23-19 DRAFT.docx*



PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Press Releases

PUC Seeks Comment on Potential Enhancements to Pipeline Safety Regulations; Also Considers Additional Financial Reporting on Pipelines

June 13, 2019

HARRISBURG – The Pennsylvania Public Utility Commission (PUC) today considered two separate rulemaking proposals related to pipeline operations in Pennsylvania – seeking comment on issues addressing both pipeline safety regulations and periodic financial reporting by pipeline public utilities.

The Commission voted 5-0 to seek broad-based public input on an **Advance Notice of Proposed Rulemaking Order** (ANOPR), to help guide discussions about potential changes to Commission safety regulations that would more comprehensively regulate public utilities transporting petroleum products and other hazardous liquids in intrastate commerce.

Additionally, the Commission voted 5-0 to seek comment on a separate **Notice of Proposed Rulemaking** (NOPR), which proposes that crude oil, gasoline, and petroleum products transportation pipeline public utilities would be required to file annual depreciation reports, service life study reports, and capital investment plan reports.

The ANOPR related to pipeline safety regulations notes that Pennsylvania has adopted the minimum Federal pipeline safety standards, as part of participation in safety programs administered by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), but also adds that states may pass more stringent regulations.

Today's action by the Commission seeks comments on possible amendments and enhancements to Chapter 59 of the Pennsylvania Public Utility Commission's regulations (52 Pa.Code) "to more comprehensively regulate the design, construction, operations and maintenance of public utilities transporting petroleum products and other hazardous liquids under the jurisdiction of the Commission."

The Commission's ANOPR offered several possible subject areas that commenters may wish to address, including:

- Pipeline material and specification.
- Cover over buried pipelines.
- Underground clearances.
- Valves.
- Pipeline conversion.
- Construction compliance.
- Pressure testing and maximum operating pressure.
- Line markers.
- Inspections of pipeline rights of way.
- Emergency flow restricting devices.
- Leak detection.
- Corrosion control and cathodic protection.
- Utility interactions with local government officials.
- Requirements for periodic public awareness meetings.
- Pennsylvania specific enhancements to utility public awareness programs.
- Regulation of construction techniques such as horizontal directional drilling.
- Accident and incident reporting criteria.
- Protection of public and private water wells and supplies.

- Land agents and eminent domain.
- Background investigations of employees and contractors.
- Integration of new regulations on existing facilities.

While the Commission offered those subject areas for possible comment, it also emphasized that the scope of comments is not limited to just those areas and concerned parties may wish to raise additional matters.

Written comments referencing Docket No. L-2019-3010267 should be submitted within 60 days of publication in the **Pennsylvania Bulletin**. Comments may be filed electronically through **the Commission's e-File System** or sent to:

Pennsylvania Public Utility Commission
Attn: Secretary Rosemary Chiavetta
400 North Street
Harrisburg, PA 17120

Also today, the Commission sought comment on the expansion of existing regulations included in Chapter 73 of the Public Utility Commission's regulations (52 Pa.Code), which would require periodic depreciation reporting, service life study reporting, and capital investment reporting for public utilities providing pipeline transportation of crude oil, gasoline and petroleum products. Currently, those reporting requirements only apply to electric service, gas service, and water service public utilities.

As noted by the Commission during development of the Chapter 73 regulations, the regular reporting of a public utility's depreciation practices and capital planning is an important tool in helping to determine whether a public utility is capable (now and in the future) of providing safe, efficient, and adequate service.

Written comments referencing Docket No. L-2019-3010270 should be submitted within 30 days of publication in the **Pennsylvania Bulletin**. Comments may be filed electronically through **the Commission's e-File System** or sent to:

Pennsylvania Public Utility Commission
Attn: Secretary Rosemary Chiavetta
400 North Street
Harrisburg, PA 17120

The proposed regulations included in today's NOPR will also be submitted to the Office of Attorney General for review and approval; the Governor's Budget Office for review for fiscal impact; the Independent Regulatory Review Commission for review and comment; and the Legislative Standing Committees.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

Visit the PUC's website at www.puc.pa.gov for recent news releases and video of select proceedings. You can also follow us on Twitter, Facebook, LinkedIn, Instagram and YouTube. Search for the "Pennsylvania Public Utility Commission" or "PA PUC" on your favorite social media channel for updates on utility issues and other helpful consumer information.

###

Docket Nos.:

L-2019-3010267

L-2019-3010270

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Pennsylvania Public Utility Commission

Press Office

6/13/2019

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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held June 13, 2019

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
David W. Sweet, Vice Chairman
Norman J. Kennard
Andrew G. Place
John F. Coleman, Jr.

Advance Notice of Proposed Rulemaking
Regarding Hazardous Liquid Public Utility Safety
Standards at 52 Pa. Code Chapter 59

L-2019-3010267

ADVANCE NOTICE OF PROPOSED RULEMAKING ORDER

BY THE COMMISSION:

At present, Chapter 59 of the Public Utility Commission's (Commission) regulations is titled "Gas Service" with its primary focus on the regulation of natural gas distribution service, safety and facilities. See 52 Pa. Code Ch. 59. The Commission seeks comments from interested persons regarding the amendment and enhancement of Chapter 59 to enable the Commission to more comprehensively regulate public utilities which transport petroleum products and other hazardous liquids in intrastate commerce.

BACKGROUND

Under Section 501(b) of the Public Utility Code, the Commission has the general administrative power and authority to supervise and regulate all public utilities doing business within the Commonwealth and to make such regulations as may be necessary or proper in the exercise of its powers or for the performance of its duties. 66 Pa.C.S. § 501(b). Section 102, in pertinent part, defines a public utility as:

(1) Any person or corporations now or hereafter owning or operating in this Commonwealth equipment or facilities for:

...

(v) Transporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or oxygen or nitrogen, or other fluid substance, by pipeline or conduit, for the public for compensation.

66 Pa.C.S. § 102, definition of public utility (1)(v). Accordingly, the Commission has jurisdiction over and authority to regulate, *inter alia*, petroleum products transported via pipeline or conduit for the public for compensation. 66 Pa.C.S. §§ 501(b), 102(1)(v). See also 66 Pa.C.S. § 506 (inspection of facilities and records). The term “petroleum products” includes refined petroleum products such as fuel oil and diesel as well as natural gas liquids such as ethane, benzene and propane. *See e.g., Petition of Granger Energy of Honey Brook, LLC*, Docket No. P-00032043 (Order entered August 19, 2004) (“petroleum products” as used in Section 102 of the Code, has a broad meaning as a “catch all phrase” to include what would otherwise be an exhaustive list of products); *see also* 49 C.F.R. § 195.2 (defining a petroleum product as “flammable, toxic, or corrosive products obtained from distilling and processing of crude oil, unfinished oils, natural gas liquids, blend stocks and other miscellaneous hydrocarbon compounds”).

Consistent with that authority, effective September 22, 2012, the Commission amended its regulations in Chapter 59 to regulate the safety of petroleum products pipelines by incorporating the federal pipeline safety laws at 49 CFR Part 195, relating to Transportation of Hazardous Liquids by Pipeline. *See* 42 Pa.B. 5967; *Rulemaking Re Liquid Fuels Pipeline Regulations*, Docket No. L-2008-2034622 (Order entered March 1, 2012).

The Commission participates in the pipeline safety program administered by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) and is certified under 49 U.S.C. § 60105(a).¹ The Commission incorporated 49 CFR Part 195 in its regulations, in part, to comport with the requirements of PHMSA's pipeline safety program. Participating states must adopt the minimum Federal pipeline safety standards, although they may pass more stringent regulations. As explained in Appendix A to Part 195:

For the remainder of pipeline facilities, denominated "intrastate pipeline facilities," the [Hazardous Liquids Pipeline Safety Act] provides that the same Federal regulation and enforcement will apply unless a State certifies that it will assume those responsibilities. A certified State must adopt the same minimal standards but may adopt additional more stringent standards so long as they are compatible.

49 CFR Part 195, *Appendix A to Part 195 – Delineation Between Federal and State Jurisdiction – Statement of Agency Policy and Interpretation*. As such, the Commission may adopt standards beyond the minimum federal pipeline safety standards.

Part 195 prescribes safety standards and reporting requirements for pipeline facilities used in the transportation of hazardous liquids. 49 CFR § 195.0 (Scope). Under Part 195, hazardous liquids include "petroleum, petroleum products, anhydrous ammonia, or ethanol." 49 CFR § 195.2. In sequence, Part 195 addresses the following: General; Annual, Accident, and Safety-Related Condition Reporting; Design Requirements; Construction; Pressure Testing; Operation and Maintenance; Qualification of Pipeline Personnel; and Corrosion Control. *See* 49 CFR Subparts A-H.

¹ *See* Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, *Appendix F – State Program Certification/Agreement Status* (Dec. 2016) available at <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/about-phmsa/working-phmsa/state-programs/56591/2017-appendix-f-state-program-certification-agreement-status.pdf>.

At present, Section 59.33 of the Commission's regulations, incorporating Part 195, provides in relevant part, as follows:

(b) *Safety code.* The minimum safety standards for all natural gas and hazardous liquid public utilities in the Commonwealth shall be those included under the pipeline safety laws as found in 49 U.S.C.A. §§ 60101–60503 and as implemented at 49 CFR Parts 191–193, 195 and 199, including all subsequent amendments thereto. Future Federal amendments to 49 CFR Parts 191–193, 195 and 199, as amended or modified by the Federal government, shall have the effect of amending or modifying the Commission's regulations with regard to the minimum safety standards for all natural gas and hazardous liquid public utilities. The amendment or modification shall take effect 60 days after the effective date of the Federal amendment or modification, unless the Commission publishes a notice in the *Pennsylvania Bulletin* stating that the amendment or modification may not take effect.

(c) *Definition.* For the purposes of this section, "hazardous liquid public utility" means a person or corporation now or hereafter owning or operating in this Commonwealth equipment or facilities for transporting or conveying crude oil, gasoline, petroleum or petroleum products by pipeline or conduit, for the public for compensation.

52 Pa. Code §§ 59.33(b)-(c). The purpose of this Advance Notice of Proposed Rulemaking Order is for the Commission to seek comments from hazardous liquids public utilities and the public on amendments and enhancements to Chapter 59 to more comprehensively regulate the design, construction, operations and maintenance of public utilities transporting petroleum products and other hazardous liquids under the jurisdiction of the Commission.

DISCUSSION

I. Introduction

By describing certain subject areas for potential regulations later in this Order, the Commission does not intend to limit the scope of comments to these subject areas. We intend that the identified subject areas be used as starting points for detailed comments. While we encourage comments on any and all topics, we must note that the General Assembly enacted the Public Utility Code (Code) as the touchstone for the Commission's regulation of public utilities. The Commission's promulgation of regulations must also comply with the Commonwealth Documents Law, the Commonwealth Attorneys' Act and the Regulatory Review Act. Lastly, in light of the federal standards at 49 CFR Part 195, commenters must be mindful of the federal requirement for compatibility between PHMSA's regulations and any regulations the Commission may promulgate.

In addition, in enacting the Code, the General Assembly made certain legislative decisions that cannot be changed by a Commission regulation. For example, the Code's definition of public utility as "[a]ny person or corporation now or hereafter owning or operating in this Commonwealth equipment or facilities for ... [t]ransporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or oxygen or nitrogen, or other fluid substance, by pipeline or conduit, for the public for compensation" is binding upon the Commission. Similarly, the General Assembly granted the power of eminent domain to certain public utility corporations. *See* 15 Pa.C.S. §§ 1103, 1511. The General Assembly also restricted the Commission's role in eminent domain matters. *See* 15 Pa.C.S. § 1511(c) (requiring Commission preapproval of a public utility's exercise of eminent domain for certain aerial line

construction). Commentators are forewarned that the Commission will not promulgate regulations inconsistent with these, and other, legislative requirements.²

With these guiding principles set forth, we will now address some of the subject areas where we believe additional regulations would be in the public interest.

II. Subject Areas

A. Construction

Below, the Commission provides an overview of the present minimum construction and design standards and seeks comment specifically on the areas of pipeline material and specification, cover over buried pipelines, underground clearances, and valves. We again note that comments are not limited to these areas. Interested parties may comment on other provisions of Part 195 relating to the construction and design of hazardous liquid public utilities that they believe the Commission should consider building upon through this rulemaking.

1. Pipeline Material and Specification

Section 195.8 provides that hazardous liquids must be transported in pipelines constructed with steel pipe. Specifically, Section 195.8 states, “No person may transport any hazardous liquid...through a pipe that is constructed after October 1, 1970...of material other than steel.”³ 49 CFR § 195.8. Requirements as to the appropriate external coatings for steel pipelines are discussed below. *See infra*, Section II.B.8.

² For example, the Commission is required to comply with the Public Utility Confidential Security Information Disclosure Protection Act, Act 156 of 2006 (Act 156). The Commission and Commission staff are required to maintain confidential infrastructure information and are prohibited from releasing such information.

³ An exception exists where the person has notified PHMSA of the following in writing at least 90 days before transportation is to begin: (1) whether a hazardous liquid...will be transported, (2) the chemical name, common name, properties, and characteristics of the hazardous liquid, and (3) the material used to construct the pipeline. 49 CFR § 195.8. If PHMSA determines that transportation in the proposed manner would be unduly hazardous, however, it will order the person not to do so until further notice. 49 CFR § 195.8.

Any new pipe installed in a pipeline system must “be made of steel of the carbon, low alloy-high strength, or alloy type that is able to withstand the internal pressures and external loads and pressures anticipated for the pipeline system.” 49 CFR § 195.112(a). In addition, the pipe must be made according to “a written pipe specification that sets forth the chemical requirements for the pipe steel and mechanical tests for the pipe to provide pipe suitable for the use intended.” 49 CFR § 195.112(a).

When used pipe is installed in a pipeline system, the specification of the pipe must be known. 49 CFR § 195.114(a). In addition, the seam joint factor and the minimum yield strength or thickness must be determined in accordance with the relevant provisions of Section 195.106, relating to internal design pressure. 49 CFR § 195.114(a); *see* 49 CFR §§ 195.106(b)-(c), (e). Moreover, there may not be any buckles, cracks, grooves, gouges, dents, or other surface defects that exceed the maximum depth allowed by the specification to which the pipe was manufactured and corroded areas with remaining wall thickness less than the minimum required by the specification to which the pipe was manufactured. 49 CFR §§ 195.114(b)(1)-(3). If the pipe does not meet these requirements, it may still be used provided that the operating pressure is reduced according to the remaining wall thickness. 49 CFR § 195.114. Additional requirements regarding operating pressure are discussed below. *See infra*, Section II.B.3.

The Commission seeks comment regarding the treatment of hazardous liquid public utility pipelines constructed with materials other than coated steel, including bare steel and vintage materials. The Commission also seeks comment regarding the material and specification requirements for the installation of new pipe and used pipe, including reductions in operating pressures for used pipe. *See infra*, Section II.B.3.

2. Cover Over Buried Pipelines

Section 195.248 requires all pipe to be buried so that it is below the level of cultivation. 49 CFR § 195.248. For normal excavation, there must be at least: 36 inches in industrial, commercial, and residential areas; 48 inches in inland bodies of water with a width of at least 100 feet; 36 inches of cover in drainage ditches at public roads and railroads; 48 inches in deepwater port safety zones; 36 inches in offshore areas under water less than 12 feet deep; and 30 inches in any other area. 49 CFR § 195.248(a). For rock excavation, meaning any excavation that requires blasting or removal by equivalent means, there must be at least: 30 inches in industrial, commercial, and residential areas; 18 inches in inland bodies of water with a width of at least 100 feet; 36 inches of cover in drainage ditches at public roads and railroads; 24 inches in deepwater port safety zones; 18 inches in offshore areas under water less than 12 feet deep; and 18 inches in any other area. 49 CFR § 195.428(a).

The Commission seeks comment regarding the appropriate amount of cover for hazardous liquid public utility pipelines, including whether additional cover should be required at installation and how cover is to be maintained.

3. Underground Clearances

Section 195.250 provides that pipe installed underground must have at least a 12-inch clearance between the outside of the pipe and the extremity of any other underground structure. 49 CFR § 195.250. Where a 12-inch clearance is impracticable, the clearance may be reduced provided that adequate provisions are made for corrosion control. 49 CFR § 195.250.

The Commission seeks comment regarding the proper minimum amount of clearance between hazardous liquid public utility pipelines and underground structures,

including other pipelines. Interested parties should also address pipeline stacking and the number of pipelines that may reasonably be stacked.

4. Valves

Section 195.258 requires valves be installed at a location that is accessible to authorized employees and protected from damage or tampering. 49 CFR § 195.258(a). Valves must be installed on: (1) the suction end and discharge end of a pump station to permit isolation of the pump station equipment in an emergency, (2) each line entering or leaving a breakout storage tank area to permit isolation of the tank area from other facilities, (3) each mainline at locations along the pipeline system that will minimize damage or pollution from accidental hazardous liquid discharge as appropriate for the terrain, (4) each lateral takeoff from a trunk line to permit shutting off the lateral without interrupting the flow in the trunk line, (5) each side of a water crossing over 100 feet wide, unless PHMSA finds that valves are not justified, and (6) each side of a reservoir holding water for human consumption. 49 CFR §§ 195.260(a)-(f).

The Commission seeks comments on the location of valves on hazardous liquid public utility pipelines, particularly as it pertains the third requirement above. *See* 49 CFR § 195.260(c). Interested parties should also discuss valve spacing for highly volatile liquid⁴ pipelines as well as the timeframe needed for installation of additional valves.

⁴ A highly volatile liquid is a “hazardous liquid which will form a vapor cloud when released to the atmosphere and which has a vapor pressure exceeding 276 kPa (40 psia) at 37.8 °C (100 °F).” 49 CFR § 195.2.

B. Operation and Maintenance

Below, the Commission provides an overview of the current minimum operation and maintenance standards and highlights the following areas for comment: pipeline conversion, construction compliance, pressure testing and maximum operating pressure, line markers, inspection of pipeline rights-of-ways, emergency flow restricting devices, leak detection, and corrosion control and cathodic protection.

We note that comments are not limited to these areas. Interested parties may comment on other provisions of Part 195 relating to the operation and maintenance of hazardous liquid public utilities that they believe the Commission should consider strengthening through this rulemaking.

1. Pipeline Conversion

Section 195.5 provides a procedure for converting pipelines not used in service under Part 195 to service subject to Part 195. Specifically, “a steel pipeline previously used in service not subject to this part qualifies for use under this part if the operator prepares and follows a written procedure.” 49 CFR § 195.5(a). The procedure must include: (1) a review of the design, construction, operation, and maintenance history of the pipeline, including appropriate tests where sufficient historical record are not available; (2) visual inspection of the pipeline right-of-way, all aboveground pipeline segments, and appropriately selected underground pipeline segments for physical defects and operating conditions that could reasonably be expected to impart the strength or tightness of the pipeline; (3) correction of all known defects in accordance with Part 195, and (4) testing to substantiate the maximum operating pressure under Section 195.406. 49 CFR §§ 195.5(a)(1)-(4). Further, a pipeline that qualifies under Section 195.5 must comply with the corrosion control requirements of Part 195 twelve months after it is placed into service. 49 CFR § 195.5(b).

The Commission seeks comment on the procedure used to bring hazardous liquid public utility pipelines into compliance with the requirements of Part 195 and whether enhancements are needed. The Commission further seeks comment on a repair schedule to comply with Part 195, taking into account items requiring immediate correction.

2. Construction Compliance

Section 195.401(c) provides that certain pipelines constructed after specified dates may not be operated, unless constructed in accordance with Part 195. 49 CFR § 195.401(c). These pipelines include: (1) interstate pipelines that transport hazardous liquids, other than low-stress pipelines, on which construction began after March 31, 1970; (2) interstate offshore gathering lines that transport hazardous liquids, on which construction began after July 31, 1977; (3) intrastate pipelines that transport hazardous liquids, on which construction began after October 20, 1985; and (4) low-stress pipelines on which construction began after August 10, 1994. 49 CFR §§ 195.401(c)(1)-(5).

The Commission seeks comment regarding the operation and maintenance of hazardous liquid public utility pipelines constructed prior to the dates contained in Section 195.401(c), including additional cathodic protection requirements for bare steel pipelines and other vintage pipelines.

3. Pressure Testing and Maximum Operating Pressure

Subpart E sets forth minimum requirements for the pressure testing of steel pipelines. 49 CFR § 195.300. Under Section 195.302, a pipeline may not be operated, unless it has been pressure tested without leakage and no segment of a pipeline that has been replaced, relocated, or otherwise changed may be returned to service until it has been pressure tested without leakage. 49 CFR § 195.302(a). The following hazardous liquid pipelines may be operated without pressure testing, if the maximum operating

pressure is established under Section 195.406(a)(5), discussed below: interstate pipelines constructed before January 8, 1971, interstate offshore gathering lines constructed before August 1, 1977, intrastate pipelines constructed before October 21, 1985, and low-stress pipelines constructed before August 11, 1994, that transport highly volatile liquids.

49 CFR §§ 195.302(b)(1). In addition, any low-stress pipeline constructed before August 11, 1994, that does not transport highly volatile liquids need not be pressure tested. 49 CFR § 195.302(b)(3). Further, pressure testing is not required for segments of older hazardous liquid pipelines subject to the risk-based criteria program under Section 195.303 that do not need to be tested based on that program. 49 CFR § 195.302(b)(4).

Section 195.303 provides that, for older hazardous liquid pipelines, operators may use a risk-based criteria program as an alternative to the pressure testing set forth in in Section 195.302. 49 CFR § 195.303(a). Operators must assign a risk classification for each pipeline segment using a location indicator, product and volume indicators, and a probability of failure indicator. 49 CFR §§ 195.303(a)(1)-(3). The program provides for pressure testing for pipe segments constructed of electric resistance-welded pipe and lapwelded pipe manufactured before 1970 that are susceptible to longitudinal seam failures based on risk classification. 49 CFR § 195.303(c). For other segments, magnetic flux leakage or ultrasonic internal inspection surveys may be used. 49 CFR § 195.303(c).

Section 195.310 requires that a record be made of each pressure test and that the record of the latest test be retained as long as the facility is in use. 49 CFR § 195.310(a). Each record must include the following: (1) pressure recording charts; (2) test instrument calibration data; (3) the name of the operator, person responsible for making the test, and test company used; (4) the date and time of the test; (5) the minimum test pressure; (6) the test medium; (7) a description of the facility tested and apparatus; (8) an explanation of pressure discontinuities, (9) a profile showing elevation and test sites where elevation

differences are greater than 100 feet in a section; and (10) the temperature of the test medium during the test period. 49 CFR §§ 195.310(b)(1)-(10).

Section 195.406 sets the maximum operating pressures, except for surge pressures and other variations from normal operations. 49 CFR § 195.406(a). Under Section 195.406, no operator may operate a pipeline at a pressure that exceeds: (1) the internal design pressure of the pipe under Section 195.106;⁵ (2) the design pressure of any other component of the pipeline; (3) 80 percent of the test pressure for any part of the pipeline pressure tested under Subpart E; (4) 80 percent of the factory test pressure for any individually installed component that is exempt from pressure testing; and (5) for pipelines that may be operated without pressure testing under Section 195.302(b)(1), 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for four or more continuous hours that can be shown by recording charts or logs made when the test was conducted. 49 CFR § 195.406(a).

The Commission seeks comment on pressure testing requirements for all public utility pipelines transporting hazardous liquids, including the frequency at which pressure testing should be conducted. The Commission also seeks comment on pressure testing record requirements and record requirements for maximum operating pressure. Interested parties should discuss industry standards as well as best practices.

4. Line Markers

Section 195.410 requires that operators place and maintain line markers over buried pipeline in certain areas. 49 CFR § 195.410(a). Line markers must be located at

⁵ Section 195.106 sets forth a formula with which to determine the internal design pressure for the pipe in a pipeline, including the yield strength and seam joint factor and their respective standards. *See* 49 CFR § 195.106.

public road crossings, railroad crossings, and “in sufficient numbers along the remainder of each buried line so that its location is accurately known.” 49 CFR § 195.140(a)(1). Line markers must also be located where pipeline is above ground in areas accessible to the public. 49 CFR § 195.410(c). Line markers are not required for pipelines located offshore or at crossings under waterways, or in heavily developed urban areas, such as downtown business centers, where markers are impractical and where the local government maintains current substructure records. 49 CFR § 195.410(b)(2). Line markers must state “Warning,” “Caution,” or “Danger” followed by “Petroleum (or the name of the hazardous liquid transported) Pipeline.” 49 CFR § 195.410(a)(2)(i). This statement must be printed on a background of sharply contrasting color and be at least one inch high with a stroke of one-quarter inch. 49 CFR § 195.410(a)(2)(i). Line markers must also state the name of the operator and a complete telephone number for the operator. 49 CFR § 195.410(a)(2)(ii).

The Commission seeks comment regarding the adequacy of line marker requirements for hazardous liquid public utilities. We also seek comment on the use of markers for assets attached to mains, such as valves.

5. Inspections of Pipeline Right-of-Ways

Pursuant to Section 195.412, operators “shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way.” 49 CFR § 195.412(a). The inspection may be conducted by walking, driving, flying, or other appropriate means. 49 CFR § 195.412(a). In addition, operators must inspect crossings under a navigable waterway, with the exception offshore pipelines, at least once every 5 years. 49 CFR § 195.412(b).

The Commission seeks comment on the appropriate method of inspection and the frequency at which inspections should occur beyond the requirements of Part 195.

6. Emergency Flow Restricting Devices

Emergency flow restricting devices (EFRD) refer to either check valves, which permit flow in one direction and contain a mechanism to automatically prevent flow in the other direction, or remote-control valves, which are operated from a remote location and linked to a pipeline control center by fiber optics, microwave, telephone lines, or satellite. 49 CFR § 195.450. EFRDs are to be installed as a preventative measure for pipelines that could affect high consequence areas, which include commercially navigable waterways, high population areas,⁶ other populated areas,⁷ and unusually sensitive areas.⁸ 49 CFR §§ 195.450, 195.452(i)(1). Pursuant to Section 195.452(i)(4), “If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD.” 49 CFR § 195.452(i)(4).

The Commission seeks comment regarding installation of remote-control valves on hazardous liquid public utility pipelines, including valve location, the number of valves and valve spacing in high consequence areas.

7. Leak Detection

Operators are required to have a means to detect leaks on pipeline systems. 49 CFR § 195.452(i)(3). For pipelines that could affect high consequence areas, operators must evaluate their leak detection means and modify those means to protect the high consequence area. 49 CFR § 195.452(i)(3). In doing so, operators consider the length and size of the pipeline, type of product carried, proximity to the high consequence

⁶ A high population area is “an urbanized area, as defined and delineated by the Census Bureau, that contains 50,000 or more people and has a population density of at least 1,000 people per square mile.” 49 CFR § 195.450.

⁷ A populated area is “a place, as defined and delineated by the Census Bureau, that contains a concentrated population, such as an incorporated or unincorporated city, town, village, or other designated residential or commercial area.” 49 CFR § 195.450.

⁸ An unusually sensitive area is “a drinking water or ecological resource area that is unusually sensitive to environmental damage from a hazardous liquid pipeline release.” 49 CFR § 195.6.

area, swiftness of the leak detection, location of the nearest response personnel, leak history, and risk assessment results. 49 CFR § 195.452(i)(3).

The Commission seeks comment on the leak survey requirements for hazardous liquid public utility pipelines as well as a discussion of whether minimum threshold requirements can be established for leak detection systems in all pipelines and what leak detection technologies are appropriate for use.

8. Corrosion Control and Cathodic Protection

Subpart H of Part 195 addresses corrosion control and cathodic protection for steel pipelines. 49 CFR § 195.551. With regard to external corrosion, Section 195.557 provides that buried or submerged pipelines must have an external coating for corrosion control if the pipeline is constructed, relocated, replaced, or otherwise changed after the Section 195.401(c) dates, or converted under Section 195.5 and has a coating that meets Section 195.559 requirements before it is placed in service or is a segment that is relocated, replaced, or substantially altered. 49 CFR § 195.557(a)-(b). Under Section 195.559, coatings for external corrosion control must be designed to mitigate corrosion, allow sufficient adhesion to metal surfaces to prevent the migration of moisture, resist cracking, resist damage due to handling and soil stress, support supplemental cathodic protection, and provide low moisture absorption and high electrical resistance, if the coating is of an insulating type. 49 CFR § 195.559(a)(f).

Similarly, Section 195.563 provides that buried or submerged pipelines must have cathodic protection (CP) if the pipeline is constructed, relocated, replaced, or changed after the dates in Section 195.401(c) or converted under Section 195.5 and has cathodic protection that meets Section 195.571 requirements before it is placed in service or is a segment that is relocated, replaced, or substantially altered. 49 CFR § 195.563(a)-(b). Section 195.563 also requires that all other buried or submerged pipelines that have an

effective external coating must also have cathodic protection, noting that an external coating is not effective if the current required to cathodically protect the pipeline is substantially the same as if the pipeline were bare. 49 CFR §§ 195.563(c), n. 1.

Additionally, bare pipelines, breakout tank areas, and buried pumping stations must have cathodic protection in places where prior regulations required cathodic protection as part of electrical inspections. 49 CFR § 195.563(d). Unprotected pipe must be cathodically protected if required by Section 195.573(b), discussed below. 49 CFR § 195.563(e).

Section 195.573 sets forth standards for determining whether cathodic protection is adequate. 49 CFR § 195.573(a). For protected pipelines, tests must be conducted at least once a year with intervals not exceeding 15 months. 49 CFR § 195.573(a)(1).

Where testing once a year is not practical for separately protected short sections of bare or ineffectively coated pipelines, tests should be conducted at least once every three years with intervals not exceeding 39 months. 49 CFR § 195.573(a)(1). Additionally, within two years after installing cathodic protection, the circumstances in which a close-interval survey (CIS) is practicable and necessary to comply with NACE SP0169-2007, *Standard Practice, Control of Erosion on Underground or Submerged Metallic Piping Systems*, NACE International (Mar. 15, 2007), should be determined.⁹ 49 CFR § 195.573(a)(2).

⁹ As referenced in Part 195, Paragraph 10.1.1.3 of SP0196, provides:

When practicable and determined necessary by sound engineering practice, a detailed (close-interval) potential survey should be conducted to:

- (a) assess the effectiveness of the CP system;
- (b) provide base line operating data;
- (c) locate areas of inadequate protection levels;
- (d) identify locations likely to be adversely affected by construction, stray currents, or other unusual environmental conditions; or
- (e) select areas to be monitored periodically.

NACE SP0169-2007, *Standard Practice, Control of Erosion on Underground or Submerged Metallic Piping Systems*, NACE International (Mar. 15, 2007); *see also* 49 CFR 195.3(g)(1).

For unprotected pipelines, reevaluation for cathodic protection in areas in which active corrosion is found should occur at least once every three years with intervals not exceeding 39 months. 49 CFR § 195.573(b)(2).

The internal effect of hazardous liquids being transported on the pipeline must also be investigated and mitigated. 49 CFR § 195.579(a). Section 195.579 requires that adequate steps must be taken to mitigate internal corrosion, including the use of inhibitors to protect the entire part of the pipeline system that they are designed to protect, the use of coupons or other monitoring equipment to determine the effectiveness of the inhibitors, and the examination of the coupons or other monitoring equipment at least twice a year with intervals not exceeding 7.5 months. 49 CFR § 195.579(b)(1)-(3). Pipe must be inspected for internal corrosion upon removing it from a pipeline; if there is internal corrosion requiring corrective action under Section 195.585, discussed below, a circumferential and longitudinal inspection must be undertaken to determine whether additional corrosion exists near the removed segment. 49 CFR § 195.579(c).

Operators conducting in-line inspections must comply with API Standard 1163, *In-Line Inspection Systems Qualification*, American Petroleum Institute, 2nd ed. (April 2013), as well as NACE SP0102-2010, *Standard Practice, Inline Inspection of Pipelines*, NACE International (Mar. 13, 2010). 49 CFR § 195.591; *see also* 49 CFR 195.3(g)(3). In-line inspection refers to the inspection of a pipeline from the interior using an in-line inspection tool, or a device that uses non-destructive techniques to inspect the pipeline; in-line inspection is also known as “intelligent or smart pigging.” 49 CFR § 195.2.

In terms of corrective action for corrosion, Section 195.585 provides that, if pipe is so corroded that the remaining wall thickness is less than required for the maximum operation pressure of the pipelines, the pipe must be replaced. 49 CFR § 195.585(a). However, replacing the pipe can be avoided by reducing the maximum operating pressure

commensurate with the strength of the pipe needed based on the actual wall thickness or by repairing the pipe using a reliable method shown by engineering tests and analyses to permanently restore the pipe. 49 CFR § 195.585(a)(1)-(2).

The Commission seeks comment on the measures necessary to protect hazardous liquid public utility pipelines against both external and internal corrosion. In addition, the Commission seeks comment on what constitutes adequate cathodic protection. Interested parties should discuss tests to assess the adequacy of cathodic protection, including close-interval surveys, and the frequency at which tests should be conducted. Interested parties should also discuss the use of hydrostatic testing, or pipeline pigging, as it pertains to corrosion control and cathodic protection. Moreover, interested parties should discuss the use of in-line inspection and the appropriate frequency of in-line inspection. Comments on these areas should identify industry standards and implementation timeframe for an appropriate inspection program, as well as best practices.

C. Additional Subject Areas for Public Comment

The Commission seeks public comment on the following additional areas for potential regulation:

1. Utility interactions with local government officials, including but not limited to such topics as emergency planning and emergency response coordination, periodic drills with utility/municipal coordination.
2. Requiring periodic public awareness meetings with municipal officials and the public.
3. Pennsylvania specific enhancements to public utility's public awareness programs pursuant to 49 CFR § 195.440 and API Recommended Practice 1162.
4. Pennsylvania specific enhancements for operator qualification.

5. Enhancing transparency while protecting confidential infrastructure security information.
6. Regulation of construction techniques such as horizontal directional drilling.
7. Accident and incident reporting criteria, notification criteria for reporting incidents or unusual events to local emergency officials.
8. Advance notification and/or Commission preapproval of major construction activities.
9. Odorant utilization.
10. Geophysical testing and baselining.
11. Protection of public and private water wells and supplies.
12. Land agents and eminent domain (see 52 Pa.Code § 57.91).
13. Background investigations of employees and contractors.
14. Integration of new regulations on existing facilities.

CONCLUSION

The Commission will consider extensively the safety standards applicable to hazardous liquid public utilities. The time is ripe to move forward with specific proposals to enhance pipeline safety in Pennsylvania. We must proceed expeditiously, but cautiously, acknowledging that our actions must be compatible with the federal pipeline safety laws at 49 CFR Part 195. Significant improvements to hazardous liquid public utility safety standards can be accomplished by building upon the federal pipeline safety laws. Through this order we invite comment on various issues to carefully begin the process of crafting new rules aimed at improving the safety of construction, operation, maintenance, and other functions of hazardous liquid public utilities.

Interested parties should comment on all matters discussed in this Order and on any other related matter they believe we should address. We urge interested parties to submit, along with their comments, any available data to support their position. This includes cost data, along with data for any alternatives proposed. Interested parties may also submit specific regulations for consideration by the Commission.

Due to the comprehensive nature of this proposed rulemaking and the complexity of the subject matter, interested parties will be given 60 days from the date of publication in the *Pennsylvania Bulletin* to submit comments. The Commission is nonetheless committed to moving this rulemaking forward in a timely fashion.

Upon careful review and consideration of the comments received in response to this Advanced Notice of Proposed Rulemaking, the Commission intends to issue a formal Notice of Proposed Rulemaking with proposed regulations; **THEREFORE,**

IT IS ORDERED:

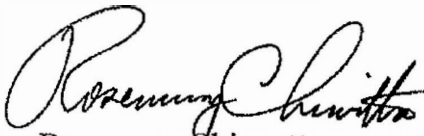
1. That the Law Bureau shall duly deposit this Order with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.
2. That written comments referencing Docket No. L-2019- 3010267 be submitted within 60 days of publication in the *Pennsylvania Bulletin* to the Pennsylvania Public Utility Commission, Attn: Secretary, 400 North Street, Harrisburg, PA 17120. Comments may also be filed electronically through the Commission's e-File System.
3. That this Order proposing to revise the regulations appearing in Title 52 of the Pennsylvania Code Chapter 59 (relating to Safety), be served on all jurisdictional

hazardous liquid public utilities, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate.

4. That a copy of this Order shall be posted on the Commission's website, www.pa.puc.gov, at the web page for *Pipeline Safety*.

5. The contact persons for this matter are Colin W. Scott, (717) 787-5949, colinscott@pa.gov; Hayley E. Dunn, (717) 214-9594, haydunn@pa.gov; and Erin N. Tate, (717) 214-1956, etate@pa.gov in the Law Bureau.

BY THE COMMISSION


Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: June 13, 2019

ORDER ENTERED: June 13, 2019

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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held June 13, 2019

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
David W. Sweet, Vice Chairman
Norman J. Kennard
Andrew G. Place
John F. Coleman, Jr.

Rulemaking Regarding Depreciation
Reporting and Capital Planning for
Crude Oil, Gasoline, or Petroleum Products
Transportation Pipelines
52 Pa. Code Chapter 73

L-2019-3010270

NOTICE OF PROPOSED RULEMAKING ORDER

BY THE COMMISSION:

The Pennsylvania Public Utility Commission (Commission) adopts this Notice of Proposed Rulemaking Order (Order) to seek comments on proposed amendments to our public utility reporting regulations at 52 Pa. Code §§ 73.1, 73.3, 73.5, and 73.7 providing for annual depreciation reporting, service life study reporting, and capital investment reporting. The existing regulations at 52 Pa. Code §§ 73.1–73.9 currently apply to electric service, gas service, and water service public utilities. The Commission proposes to require crude oil, gasoline, and petroleum products transportation pipeline public utilities to file annual depreciation reports, service life study reports, and capital investment plan reports in accordance with the provisions established in 52 Pa. Code Chapter 73.

The Public Utility Code gives the Commission broad authority and responsibility to ensure that the rates charged by public utilities are just and reasonable and that the

service provided by public utilities to their customers and the public is safe, efficient, and adequate. 66 Pa. C.S. §§ 1301 and 1501. To accomplish these objectives, Section 501(b) grants the Commission the administrative authority to supervise and regulate all public utilities doing business within the Commonwealth of Pennsylvania and to make regulations necessary to exercise its powers. 66 Pa. C.S. § 501(b). Additionally, the Commission may require a public utility “to file periodical reports at such times, and in such form, and of such content” as the Commission may prescribe, including information concerning the valuation of its property. 66 Pa. C.S. §§ 504–506. The Public Utility Code, in pertinent part, defines a “public utility” as:

Any person or corporations now or hereafter owning or operating in this Commonwealth equipment or facilities for... [t]ransporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or oxygen or nitrogen, or other fluid substance, by pipeline or conduit, for the public for compensation.

66 Pa. C.S. § 102. Consequently, the Commission has the authority under the Public Utility Code to require crude oil, gasoline, and petroleum products transportation pipeline public utilities to comply with the reporting provisions of Chapter 73.

In stating its purpose for promulgating the Chapter 73 regulations, the Commission determined that regular reporting of a public utility’s depreciation practices and capital planning is necessary to determine whether a public utility will be capable of providing safe, efficient, and adequate service currently and in the future. *See* 38 Pa.B. 4685 (Sept. 17, 1994); *Rulemaking Re Public Utility Depreciation Practices and Capital Planning*, Docket L-00920062 (Order entered July 22, 1994). The Commission also reasoned that it could not properly evaluate the justness and reasonableness of a public utility’s rates and rate structure without examining a company’s earnings and depreciation practices. However, the original rulemaking did not address the rationale for excluding petroleum transportation pipeline companies from the reporting requirements. At this time, the industry’s growth within the Commonwealth justifies including crude oil, gasoline, and

petroleum products transportation pipeline public utilities in the list of entities required to comply with the depreciation and capital planning reporting provisions of Chapter 73. Submission of these reports ensures the Commission receives the information necessary to fulfill the duties imposed upon it by the Public Utility Code.

Accordingly, under the authority granted the Commission in Sections 501, 504–506, 1301, and 1501 of the Public Utility Code, 66 Pa. C.S. §§ 501, 504–506, 1301, and 1501; the Commonwealth Documents Law, 45 P.S. § 1204; the Regulatory Review Act, 71 P.S. §§ 745.1 *et seq.*; the Commonwealth Attorneys Act, 71 P.S. §§ 732–204; and the regulations promulgated at 1 Pa. Code § 7.4, the Commission proposes the amendments to regulations at 52 Pa. Code §§ 73.1, 73.3, 73.5, and 73.7, as set forth in Annex A;
THEREFORE,

IT IS ORDERED:

1. That a proposed rulemaking be opened to consider the regulations set forth in Annex A.
2. That the Law Bureau shall submit this Order and Annex A to the Office of Attorney General for review and approval and to the Governor’s Budget Office for review for fiscal impact.
3. That the Law Bureau shall submit this Order and Annex A for review and comment to the Independent Regulatory Review Commission and the Legislative Standing Committees.

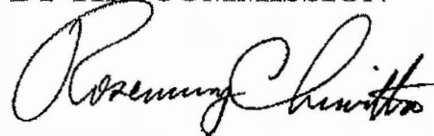
4. That the Law Bureau shall deposit this Notice of Proposed Rulemaking Order and Annex A with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.

5. That interested parties may submit written comments referencing Docket No. L-2019-3010270 within 30 days of publication in the *Pennsylvania Bulletin* to the Pennsylvania Public Utility Commission, Attn: Secretary Rosemary Chiavetta, Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania 17120. Comments may also be filed electronically through the Commission's e-File System.

6. That the Secretary shall serve this Order and Annex A upon all transportation pipeline public utilities. The Order and Annex A shall be posted and made available electronically on the Commission's website.

7. The contact persons for this matter are Darren Gill in the Bureau of Technical Utility Services, 717-787-5244, dgill@pa.gov, and Colin W. Scott in the Law Bureau, 717-783-5949, colinscott@pa.gov.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta", written over a horizontal line.

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: June 13, 2019

ORDER ENTERED: June 13, 2019

Annex A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 73. ANNUAL DEPRECIATION REPORTS, SERVICE LIFE STUDIES AND CAPITAL INVESTMENT PLANS

§ 73.1. Purpose.

The purpose of this chapter is to establish uniform and industry-wide reporting requirements designed to improve the Commission's ability to monitor on a regular basis the depreciation practices and capital planning of electric, telephone, gas, [and] water and crude oil, gasoline or petroleum products transportation pipeline public utilities subject to Commission jurisdiction.

§ 73.3. Annual depreciation report [reports].

(a) A public utility providing electric service, gas service, [or] water service or crude oil, gasoline or petroleum products transportation pipeline service which has gross intrastate [intraState] revenues in excess of \$20 million per year, except telecommunications interexchange carriers [and gas and petroleum transportation pipeline companies], shall file an annual depreciation report with the Bureau of Technical [Fixed] Utility Services under this chapter. The first annual depreciation report of a crude oil, gasoline or petroleum products transportation pipeline public utility shall be filed with the Office of Special Assistants by June 30, 2019.

(b) The due dates for the annual depreciation report are as follows:

(1) Electric, water, [and] gas and crude oil, gasoline or petroleum products transportation pipeline public utilities reports are due on or before June 30.

(2) When a public utility is also required to file a service life study report in the same year, the public utility shall notify the Secretary in writing, on or before the date its annual depreciation report would be due, stating that both the service life study and the annual depreciation report will be filed on or before August 31.

(3) When a public utility is required to file a depreciation report in response to a Commission Order, the report shall be prepared consistent with formats and filing deadlines specified in this chapter.

(c) The public utility shall file a copy of its annual depreciation report required by this chapter with the Office of Consumer Advocate and the Office of Small Business Advocate at the same time that it files the report with the Office of Special Assistants.

§ 73.5. Service life study report.

(a) A public utility with gross intrastate revenues in excess of \$20 million per year providing electric service, gas service, [or] water service or crude oil, gasoline or petroleum products pipeline transportation service[, except gas and petroleum transportation pipeline companies,] shall file a service life study report every 5 years. The first service life study report shall be filed with the Office of Special Assistants by August 31, 2000. The first service life study report of a crude oil, gasoline or petroleum products pipeline transportation public utility shall be filed with the Office of Special Assistants by August 31, 2019.

(b) The due dates for the service life study report are as follows:

(1) Electric, water, [and] gas and crude oil, gasoline or petroleum products transportation pipeline public utilities are due on or before August 31.

(2) If a public utility is required to file a service life study report by an existing Commission Order or other directive, the study period shall commence on January 1 of the year in which the last report was filed.

(3) When a public utility is required to file a service life study in response to a Commission Order, the report shall be prepared consistent with formats and filing deadlines specified in this chapter.

(4) Service life studies shall be based upon the same body of historic data used in the annual depreciation reports.

(5) The public utility shall file a copy of the service life study report required under this chapter with the Office of Consumer Advocate and the Office of Small Business Advocate at the same time that it files the report with the Office of Special Assistants.

§ 73.7. Capital investment plan report.

(a) A public utility with gross intrastate revenues in excess of \$20 million per year providing electric service, gas service, [or] water service or crude oil, gasoline or petroleum products transportation pipeline companies[, except gas and petroleum transportation pipeline companies,] shall file a capital investment plan report every 5 years. The first capital investment plan report shall be filed with the Office of Special Assistants by August 31, 2000. The first capital investment plan report of a crude oil,

gasoline or petroleum products pipeline transportation public utility shall be filed with the Office of Special Assistants by August 31, 2019.

(b) Thereafter, the capital investment plan report for electric, water, [and] gas and crude oil, gasoline or petroleum products transportation pipeline public utilities shall be filed with the Office of Special Assistants on or before August 31 of the year in which the report is due.

(c) The public utility shall file a copy of its capital investment plan report required under this chapter with the Office of Consumer Advocate and the Office of Small Business Advocate at the same time that it files the report with the Office of Special Assistants.

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Sponsors & Emergency Numbers

Bluestone Pipeline Company of PA, LLC	800-363-9541
Buckeye Partners L.P.	800-331-4115
Chambersburg Gas Department	717-263-4111
Chartiers Natural Gas Company, Inc.	724-745-6342
Chesapeake Energy	888-460-0003
CNX Midstream Partners	844-700-2663
CNX Resources Corporation	800-583-3755
Columbia Gas of Pennsylvania, Inc.	888-460-4332
Delaware Pipeline Company	855-887-9768
Dominion Energy Transmission, Inc.	888-264-8240
Eastern Shore Natural Gas	877-650-1257
Energy Transfer	800-375-5702
Enterprise Products	888-883-6308
Interstate Energy Company	800-747-3375
Keystone Cooperative Association	888-784-6160
Knox Energy Cooperative Association	888-784-6160
National Fuel Gas	800-444-3130
Paulsboro Natural Gas Pipeline Company	877-662-4575
PECO, An Exelon Company	800-841-4141
Peoples Gas Company LLC	800-400-4271
Philadelphia Gas Works	215-235-1212
Stagecoach Gas Services	866-234-7473
Sunoco Pipeline	800-786-7440
Texas Eastern Transmission, LP	800-231-7794
Transcontinental Gas Pipe Line Co. LLC	800-440-8475
UGI Utilities, Inc.	800-276-2722
United States Gypsum Company	877-258-2901
United States Steel Corporation	800-992-2262



Color Code for Temporary Markings

Call Before You Dig

- Statistics indicate that damage from excavation related activities is a leading cause of pipeline accidents. If you are a homeowner, farmer, excavator, or developer, we need your help in preventing pipeline emergencies.
- Call Pennsylvania One Call System, Inc. (POCS) at least three business days before you dig at 8-1-1 or 800-242-1776.
- It is your responsibility under the law to provide exact and specific work site information.
- Pennsylvania One Call System, Inc. does not locate underground facility lines.**
- POCS automated response system will notify you of the member facility owner's status on your dig notification at the end of the second business day for routine notifications and 2 hours for emergency notifications.
- Maintain a safe clearance between any subsurface facility and the cutting edge or point of powered equipment. The law requires use of prudent techniques inside 18" of the outside edge of an underground facility.
- Marking indicates **only** the approximate location of buried lines. After obtaining facility owner's permission, hand dig test holes in a careful and prudent manner to determine the precise location of underground facility lines. Upon hand digging, if you are still unable to determine the exact location of the lines, call POCS or the facility owner for assistance prior to any excavation.
- If you must expose a line, the state law requires you to protect and support the underground facility line while working on the site. Ask the facility owner's locator for help and advice when you are near underground lines.
- The excavator must renotify POCS for new markings if the facility owner markings are destroyed or removed before excavation commences.
- The excavator must also renotify POCS if the job is delayed more than 10 business days from the original start date.**

PIPELINE SAFETY BULLETIN 2019

Important Safety Guidelines



*Pennsylvania One Call: The Keystone of
Damage Prevention*



Sponsored by
Pennsylvania One Call System, Inc.,
Your Local Gas Distribution
and Pipeline Companies
www.paonecall.org
(for additional Pipeline Safety Bulletins)

www.puc.pa.gov
www.osha.gov
<http://phmsa.dot.gov>
www.commongroundalliance.com
www.pipelineawareness.org
www.pennsylvaniapipeline.com/Pipeline-Safety.html

Printed March 2019

NATURAL GAS — 24 May 2019 | 18:58 UTC — Washington

Pipelines welcome advancement of stalled safety rule to OMB review

Author [Maya Weber](#) 
Editor [Pankti Mehta](#) 
Commodity [Natural Gas](#)

Washington — A long-stalled rule on safety of natural gas transmission pipelines is showing signs of movement within the administration. The rule, proposed by the Pipeline and Hazardous Materials Safety Administration, has moved to the White House Office of Management and Budget for review.

With Pipeline Safety Act reauthorization once again pending in Congress, PHMSA has come under criticism from lawmakers for falling behind on previously congressional mandated regulations on hazardous liquids, gas transmission and valve rupture detection.

A May 22 notice stating that the gas transmission rule is now undergoing OMB review was welcomed by the Interstate Natural Gas Association of America, which had participated in a stakeholders' forum to develop the rule and has pushed for action from the agency.

"When finalized, this rule will constitute the most significant enhancement to PHMSA natural gas transmission pipeline safety regulations since the federal code was promulgated in 1970," INGAA President Don Santa said in an emailed statement.

"Our industry is committed to transporting natural gas in a safe, reliable and environmentally responsible manner, and we are proud to have worked for several years with a broad array of stakeholders, including safety and environmental advocates, to achieve consensus on this important rule," he said.

INGAA said the rule is now in the final stages and the office of the secretary of transportation has completed its review.

INGAA and other oil and gas groups joined with pipeline safety advocates to write to Transportation Secretary Elaine Chao in February, encouraging her to advance the regulation. The rule will help promote the use of modern pipeline inspection technologies and set requirements for operators to test certain existing pipelines to ensure they meet current standards, they said.

-- Maya Weber, maya.weber@spglobal.com

-- Edited by Pankti Mehta, newsdesk@spglobal.com



Congress Begins to Consider Changes to Pipeline Safety Law

Congress had its first hearings in April in both the House and Senate on reauthorization of the Pipeline Safety Act, which loses its current authority Sept. 30, 2019.

There will perhaps be some new safety requirements passed given that both Democrats and Republicans are unhappy with the continuing rash of accidents. But the industry may get some new leeway to use some new engineering technologies, which the Interstate Natural Gas Association of America (INGAA) has been pushing for.

The good news is that Rep. Daniel Lipinski (D-IL), chairman of the House Transportation and Infrastructure Committee's railroads, pipelines and hazardous materials subcommittee seems open to industry-requested changes.

"It is important to listen to the reasonable requests of industry stakeholders," he said. But he also noted that according to the PHMSA there have been 11,992 incidents, 317 deaths, 1,302 injuries and \$8.1 billion in damage from pipeline accidents between 1999 and 2018. "That shows there is much work to be done to insure the safety of our pipeline system."

The new pipeline bill almost surely to emerge from Congress by September will probably be a mild one, light on new safety or environmental requirements and light on new transmission company mandates. That is because the Pipeline and Hazardous Materials Safety Administration (PHMSA) has failed to complete a number of significant rulemakings mandated by the last two pipeline reauthorizations, on in 2011 the other in 2016.

That failure has drawn the most fire from both Democrats and Republicans at hearings so far. One of the biggest pending rulemakings, this one mandated by the 2011 law, is a gas transmission rule which would lay down procedures for how pipelines expand their integrity management programs beyond high consequence areas and how they retest maximum allowable operating pressure (MAOP) for pre-1970 pipelines. "Our top objective is getting that rulemaking published in final form," said C.J. Osman, director of Operations, Safety and Integrity at INGAA.

Robin Rorick, vice president, Midstream and Industry Operations, American Petroleum Institute, who testified at the House subcommittee hearings on April 2, pressed the subcommittee to allow pipeline companies to simplify the "burden-

some approval process" companies must go through to be able to use alternative safety technology.

"Establishing clear parameters and deadlines associated with PHMSA's review, notification, and approvals of alternative technology will help provide more certainty in the process and allow operators to utilize the latest cutting-edge technologies to further pipeline safety," he stated.

"With this in mind, 50-year old regulations that only allow for new technologies to be used one rulemaking at a time must be updated." He also pushed for changes to current regulations which say pipeline operators must report pipeline incidents if they meet certain conditions, including a clean-up cost of \$50,000 or higher.

INGAA, too, supports those kinds of changes. But pipeline companies may be in somewhat of a defensive crouch given likely efforts by environmentalists and public interest groups to advocate for restrictions on methane releases and changes to the agency's risk-benefit analysis requirements, which some view as an impediment to faster PHMSA action of the 2011 and 2016 mandates.

Elgie Holstein, senior director for Strategic Planning, Environmental Defense Fund, told the House subcommittee according to EPA's latest greenhouse gas inventory, leaks and routine operations in the transmission and storage lead to 1.3 mtpa of methane.

"The problem is clearly serious enough to merit additional action by PHMSA and by Congress," she stated.

Carl Weimer, executive director of the Pipeline Safety Trust, pointed to "the unique and onerous cost-benefit requirements PHMSA finds itself saddled with."

The PHMSA is the only federal agency which must assess the risk of a new regulation based on a cost-benefit standard. Weimer said that requirement, for example, makes PHMSA unable to regulate the 435,000 miles of natural gas gathering lines because since they are unregulated there is no information available, for the most part, about them. So, the PHMSA would be unable to do a cost-benefit analysis.

Osman says INGAA would oppose the kind of cost-benefit rule changes Weimer suggests.

Local Sewer Grants Targeted for Big, Speculative Increase

There seems to be a pretty good chance

that Congress will pass a reauthorization of the Clean Water State Revolving Fund (CWSRF) this Congress given strong bi-partisan support for the Water Quality Protection and Job Creation Act of 2019 (H.R. 1497).

The bill would authorize \$4 billion for the EPA sewer loan program in each of fiscal years 2020 through 2024. That is nearly four times the \$1.694 billion Congress appropriated in FY19. But one does not have to go too far out on a limb to predict Congress will not appropriate a 300 percent increase annually in fiscal 2020-24.

The bill has a number of other provisions aimed at helping local communities repair aging sewer systems, for example, extending the authorization of Sewer Overflow and Stormwater Reuse Municipal Grants at \$225 million per year through 2024. But the \$4 billion annual funding level for the CWSRF, which, again, must be appropriated separately by Congress, is the marquee provision in the bill, which is being supported by top Democrats and Republicans on the House Transportation and Infrastructure Committee.

The CWSRF is popular with cities and counties around the country because it provides loans at interest rates below 1 percent over 20-30 years, which looks good compared to the 4½-5% municipalities would otherwise have to pay.

But given the huge sewer construction needs in the U.S., witnesses at the hearings in the Transportation and Infrastructure (T&I) Committee in March argued that even \$4 billion a year for the CWSRF won't make much of a dent in the financial needs of wastewater systems nationwide.

"And while we are grateful for the sums of money in this consideration, I think all will agree, these amounts are not enough to address every wastewater infrastructure investment need, so reliance on a more flexible model to improve water quality can be achieved through integrated planning and other potential tools," David Condon, mayor of Spokane, Wash., told the T&I water resources and environment subcommittee.

The EPA has had an "integrated planning" program in place for a decade where the agency tries to ease permitting requirements for cities and counties with effluent contamination by allowing them to use alternative methods such as green infrastructure and projects to reclaim, recycle, or reuse water.

This allows governments to avoid hiking up sewer rates on residents by pocketing savings from rainfall recycling. **PE&GJ**



Memorandum

DATE: May 23, 2019

TO: Township Secretaries
County Association Presidents

FROM: David M. Sanko, Executive Director

SUBJECT: Thank you for your grassroots involvement!

Enclosed please find a copy of the "Fulfilled Resolutions Report," which is a summary of success stories on existing PSATS resolutions since the 2018 Conference.

Additionally, it's a little over a month or so since PSATS' successful Annual Conference in Hershey. I would like to thank those who sent one or more supervisors and/or staff to attend the conference and for your participation in our business session by designating a voting delegate.

More than half of our member townships sent at least one person to the conference this year. If your township did not, we would like to encourage you to send someone next year so they can learn, network with their peers, be active participants in our policy-setting and election process, and bring new ideas and best practices back to your township. Without member participation like this, we could not put on the caliber of conference we do and continue to establish policy and elect officers to guide this association into the future.

Also enclosed are the new resolutions adopted at the 2019 conference. We encourage you to review and keep them on file and ask you to participate in the resolutions process at your county convention where the resolutions process truly begins.

We have sent these resolutions to various legislative members and committee leaders as well as affected state and federal agencies to begin the process of accomplishing your goals as defined in these resolutions.

Thank you for all that you do for townships in the commonwealth!

19-28 RESOLVED, That PSATS oppose legislation that would place increased emphasis on the comprehensive plan relative to the zoning ordinance, AND FURTHER, that would require a municipality to make findings of fact that its ordinances are generally consistent with its comprehensive plan before the municipality could take any action on land use issues. RESOLUTIONS COMMITTEE

19-29 RESOLVED, That PSATS seek legislation to hold municipalities harmless for actions they are required to take regarding the designation of airport hazard areas. RESOLUTIONS COMMITTEE

19-30 RESOLVED, That PSATS seek legislation to amend the Pennsylvania Municipalities Planning Code (*Act 247 of 1968*) to provide that agricultural zoning be recognized as a legislative and zoning classification in Pennsylvania. RESOLUTIONS COMMITTEE

19-31 RESOLVED, that PSATS seek legislation to provide a regulatory environment for siting pipelines not currently administered by the Federal Energy Regulatory Commission or the Pennsylvania Public Utility Commission, including a notification framework that would require pipeline companies to provide written notice to municipalities, counties, easement-holding non-government entities, and property owners where pipeline activities are planned, AND FURTHER, that such written notice shall be provided to these entities before submittal to a regulatory agency for review or approval. RESOLUTIONS COMMITTEE

19-32 RESOLVED, That PSATS seek legislation to require the state Department of Environmental Protection to streamline the stormwater permitting process for local government, taking into consideration existing conditions pertaining to a project, its cost, and the potential negative impact on the public traveling the roads. RESOLUTIONS COMMITTEE

19-33 RESOLVED, That PSATS seek legislation to amend the Second Class Township Code to authorize townships to annually appropriate township funds to recognize township employees and township committee members for their service to the township (*e.g., recognition dinner or party, flowers, plaque, etc.*). RESOLUTIONS COMMITTEE

19-34 RESOLVED that PSATS seek legislation to expand Act 28 of 1984 (*Automobile Lemon Law*) to include defective road equipment purchased by townships. RESOLUTIONS COMMITTEE

19-35 RESOLVED, that PSATS seek legislation to amend the Municipal Records Act (*Title 53 PA C.S.A., Part III, § 1381 – 1389, the “Act”*) to define as a permanent public record any papers, books, maps, photographs or other documentary materials existing in a non-physical secure electronic form, AND FURTHER, that the act be amended to authorize the formal recording and copying of a permanent public record in a non-physical secure electronic form. RESOLUTIONS COMMITTEE

19-36 RESOLVED, That PSATS seek legislation to amend Section 8811(b)(4) of the County Consolidated Assessment Law to authorize counties to assess billboards as taxable real estate. RESOLUTIONS COMMITTEE

U.S.C. 30112(a); 30115(a). A manufacturer cannot certify or manufacture for sale a vehicle it knows to be noncompliant. *Id.* The fact that new vehicle production has been corrected simply informs us that the noncompliance is limited to the affected vehicles described in the petitions. As we noted earlier, the fact that only a small number of vehicles are affected by a noncompliance will not justify our granting an inconsequentiality petition.

IX. NHTSA's Decision

In consideration of the foregoing, NHTSA finds that BMW and Jaguar have not met their burden of persuading the agency that the subject noncompliances with FMVSS Nos. 208 and 209 are inconsequential to motor vehicle safety. Accordingly, NHTSA hereby denies the petitions submitted by BMW and Jaguar. BMW and Jaguar are therefore obligated to provide notification of, and a free remedy for, that noncompliance in accordance with 49 U.S.C. 30118 through 30120.

NHTSA has reviewed Autoliv's petition and based on an email dated February 28, 2017, Autoliv states that while they do sell a relatively small quantity of replacement parts to Autoliv operations in Europe, they do not sell directly to dealerships or the aftermarket. Autoliv says that all of their sales are direct to the OEM's who in turn, manage the distribution of those parts to their dealer networks. Thus, Autoliv has no standing to file for an exemption in accordance with 49 CFR 556, in this case, and therefore, Autoliv's petition is hereby moot.

Authority: 49 U.S.C. 30118, 30120; delegations of authority at 49 CFR 1.95 and 501.8.

Jeffrey Mark Giuseppe,
Associate Administrator for Enforcement.

[FR Doc. 2019-09301 Filed 5-6-19; 8:45 am]

BILLING CODE 4910-59-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No.: PHMSA-2018-0096; Notice No. 2018-16]

Hazardous Materials: Public Meeting Notice for the 2020 Emergency Response Guidebook (ERG2020)

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Notice of public meeting.

SUMMARY: PHMSA's Office of Hazardous Materials Safety (OHMS) will hold a

public meeting to solicit input on the development of the 2020 edition of the Emergency Response Guidebook (ERG2020). The meeting will take place on June 17, 2019, in Washington, DC.

PHMSA developed the United States version of the Emergency Response Guidebook (ERG) for use by emergency services personnel to provide guidance for initial response to hazardous materials transportation incidents. Since 1980, it has been PHMSA's goal that all public emergency response personnel (e.g., fire-fighting, police, and rescue squads) have free and immediate access to the ERG. To date, PHMSA has distributed more than 14.5 million copies of the ERG to emergency service agencies and developed free online resources and downloadable mobile applications to make the ERG more accessible. Since 1996, PHMSA, Transport Canada, and the Secretariat of Mexico have collaborated in development of the ERG, with interested parties from government and industry providing additional assistance, including Argentina's Chemical Information Center for Emergencies (CIQUIME). ERG2020 will be published in English, French, and Spanish and will increase public safety by providing consistent emergency response procedures for hazardous materials transportation incidents throughout North America.

During the meeting, PHMSA will respond to stakeholder requests for a public discussion of the methodology used to determine the appropriate response protective distances for poisonous vapors resulting from spills involving dangerous goods considered toxic by inhalation in the ERG2016 "Green Pages." To pursue our objective of continually improving the ERG, PHMSA will solicit comments related to new methodologies and considerations for future editions of the ERG. Additionally, the meeting will include discussions on the outcomes of field experiments, ongoing research efforts to better understand environmental effects on airborne toxic gas concentrations, and updates to be published in the ERG2020.

Time and Location: The meeting will be held at the U.S. Department of Transportation Conference Center at 1200 New Jersey Ave. SE, Washington, DC 20590 on June 17, 2019, from 8:30 a.m. to 2:30 p.m. Eastern Standard Time.

Registration: DOT requests that attendees pre-register for this meeting by completing the form at <https://www.surveymonkey.com/r/82Z6KYM>.

Conference call-in and "live meeting" capability will be provided. Specific information about conference call-in and live meeting access will be posted, when available, at: <https://www.phmsa.dot.gov/research-and-development/hazmat/rd-meetings-and-events>.

DOT is committed to providing equal access for all Americans and ensuring that information is available in appropriate alternative formats to meet the requirements of persons who have a disability. If you require an alternative version of files provided or alternative accommodations, please contact PHMSA-Accessibility@dot.gov no later than June 3, 2019.

FOR FURTHER INFORMATION CONTACT:

Ryan Vierling or Shante Goodall, Office of Hazardous Materials Safety, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Washington, DC. Telephone: (202) 366-4620 and (202) 366-4545. Email: ryan.vierling@dot.gov or shante.goodall@dot.gov.

Signed in Washington, DC, on May 2, 2019.

William S. Schoonover,

Associate Administrator for Hazardous Materials Safety.

[FR Doc. 2019-09299 Filed 5-6-19; 8:45 am]

BILLING CODE 4909-60-P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Requirement for Information Sharing Between Government Agencies and Financial Institutions

AGENCY: Financial Crimes Enforcement Network ("FinCEN"), Treasury.

ACTION: Notice and request for comments.

SUMMARY: FinCEN invites comment on the renewal without change of an information collection requirement concerning the "Information Sharing Between Government Agencies And Financial Institutions," generally referred to as the 314(a) Program. This request for comment is being made pursuant to the Paperwork Reduction Act ("PRA") of 1995.

DATES: Written comments are welcome and must be received on or before July 8, 2019.

ADDRESSES: Comments may be submitted by any of the following methods: