

2023 Alabama Pipeline Safety Program updates



**Jonathan M. Kimbril
Gas Pipeline Safety
Acting Director**

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Program Overview for 2023

Staff Count – 11 total employees

Natural Gas Operators – 119

Hazardous Liquid – 7

LNG – 2 – with 5 facilities

Staffing breakdown

► Office Staff

- Director – Jonathan Kimbril
- Administrative Assistant (The Boss) – Felisa Webster

► Northern Section

- Supervisor – Greg Meadows
- Senior Engineer Graduate – Asia Skillman
- Engineer Graduate – Jamar Robinson

► Central Section

- Supervisor – Daniel Trapp
- Senior Investigator – Randy Hammond

► Southern Section

- Acting Supervisor – Shawn Emmons
- Investigator – Brett Cochran
- Investigator – Kyle Childs

► Training Coordinator

- Senior Investigator – Randall Hand



Natural Gas Operator breakdown

► Distribution – 74

Mile of Main 33,253.7 Number of services 1,056,116
Miles of Services 25,357.0

► Transmission – 27

Miles of Main 2,068.8

► Gas Gathering – 4

Miles of Type A 15.94 Mile of Offshore 57.53

► Master Meter – 18

Number of services 2,291



Hazardous Liquid Operator breakdown

- ▶ **Refined Products – 4**

 - Miles of Transmission Main 60.5

- ▶ **Crude Oil -5**

 - Miles of Transmission main 86.7 Miles of Gathering Mains 39.3

- ▶ **HVL / Flammable – 0**

- ▶ **Carbon Dioxide – 0**

- ▶ **Biofuel – 0**

Liquefied Natural Gas breakdown

► Operator – 2

- **Plants – 5**

 - 2 peak shaving plants

 - 2 satellite Plants 1

 - Other

- **Tanks – 7**

 - Total barrels of LNG able to be held 643,824.0



2022 Program Accomplishments

- Our program was able to maintain an adequate on damage prevention.
- Scored 95 out of 100 on the natural gas program
- Scored 95 out of 96 on the liquids program.
- Obtained funding through One Call Grant.



Damage Prevention findings

Although we were found adequate the findings also expressed areas of concern that must be addressed moving forward. PHMSA noted that in CY 2022, Alabama's gas distribution operators reported a total of 3,624 excavation damages to their pipeline facilities in the annual reports submitted to PHMSA, of which, 1,127 of were attributed to pipeline operators for not having complied with their responsibilities in accordance with Alabama's excavation damage prevention law, found in AL Code § 37-15. Though APSC received 202 complaints for violations of the one-call law, and appropriately issued 60 civil penalties, none of the enforcement actions taken were against pipeline operators. These areas are as follows

- Adequate enforcement of the law
- Enforcement of regulated operators



Damage Prevention findings

Gas Pipeline Safety in efforts to improve compliance with damage prevention requirements proposes the following actions that could be taken in the order listed:

- 1. **Presentation of Data at Pipeline Safety Conference:** A good starting point is to present data on damages versus filed complaints during the Pipeline Safety Conference. Requesting operators to report all violations, both against and by them, to ALUDPA. However, the effectiveness of this action depends on operator cooperation and may not lead to immediate improvements. Monitoring its impact will be crucial.



Damage Prevention findings

- ▶ 2. **State Rule Requirement for Operator Reporting:** Implementing a state rule that mandates operators to submit violations of the state's one-call law to ALUDPA is a logical progression. It ensures that violations are documented and consideration for fines would be required, not just submitted for informational purposes only. It's important to ensure that this rule is well-defined, fair, and efficiently enforced. However, this action might be seen as somewhat biased against operators only under our authority.
- ▶ 3. **Requesting Legislative Amendment:** Requesting the Alabama Public Service Commission to push for legislative changes that require all utilities, not just operators under our authority, to submit violations to ALUDPA is the most comprehensive and safety-focused step. Yet, it's also the most complex and uncertain, as it may face resistance and delays in the legislative process. It would be crucial to have a backup plan if this action does not progress as expected.



Gas program findings

The gas program lost a total of 5 points for the following items:

- ▶ 1 Point loss for the Gas Program for failure to notify company officer if the operator is a private corporation or to the chief executive officer of a locality (e.g. – mayor of a municipality, chairman of the board of a quasi-governmental unit such as a utility district). Copies may be sent to additional operations personnel as the appropriate officer designates).
- ▶ 1 Point loss occurred on question C-1. This question assesses if state inspectors conducting inspections have met the training requirements set forth in State Guidelines 4.3. A review of records found that an APSC inspector conducted a distribution integrity management inspection in June 2022 without having completed all the requisite PHMSA training courses.



Gas program Findings Continued

- ▶ 1 Point loss occurred on question C-2, for the Gas program, which assesses if the program manager has demonstrated adequate knowledge of the PHMSA pipeline safety program and associated regulations. It's PHMSA's practice to deduct points on this evaluation question if the program manager has been in the position for less than a year. Jonathan Kimbril has been Acting Director since October 2022, following the retirement of the previous program manager, thus in the position for less than a year.
- ▶ 2 points were lost for the Gas Pipeline Safety Program on question D-7. Question D-7 examines if the state followed compliance procedures (from discovery to resolution) and adequately documented all probable violations, including what resolution or further course of action was needed to gain compliance. State Guidelines 5.1.5., states, in part, "...a written compliance action detailing the probable violations shall be sent with the program manager's signature (or higher-level state agency official) to a company officer



Liquid Program findings

The liquid program lost one point for the following item:

- ▶ 1 point loss occurred on question C-2, for the HL programs, which assesses if the program manager has demonstrated adequate knowledge of the PHMSA pipeline safety program and associated regulations. It's PHMSA's practice to deduct points on this evaluation question if the program manager has been in the position for less than a year. Jonathan Kimbril has been Acting Director since October 2022, following the retirement of the previous program manager, thus in the position for less than a year.



Top 6 Pipeline Enforcement Issues

192.605 – 25 Separate violations issued in 2023.

It has come to our attention that there are significant inadequacies within operators' Operations and Maintenance (O&M) plans regarding compliance with code requirements. These deficiencies have been exacerbated by personnel turnovers, resulting in the loss of critical plans and sub-plans such as Integrity Management Plans (IMP), Operator Qualification (OQ), and others.

This situation poses potential operational risks and compliance challenges that need immediate attention. To address this:

- Develop robust processes and procedures for knowledge transfer during personnel turnovers. This should involve comprehensive documentation and training programs to ensure seamless transitions.
- Foster a culture of continuous improvement, encouraging feedback and implementing enhancements to bolster the effectiveness of O&M plans.
- b



Top 6 Pipeline Enforcement Issues

192.615 – 15 Separate violation issued in 2023.

It has been observed that operators are not strictly adhering to their emergency plans, which lack detailed instructions on the necessary actions and procedures during emergencies. Additionally, deficiencies in training of the required personnel has been observed.

To address these critical issues effectively:

- **Plan Review:** Conduct a thorough review of existing emergency plans to identify gaps in detailing the necessary steps and protocols during various emergency scenarios.
- **Training Programs:** Develop and implement robust training programs focused on the emergency plans. Ensure timely and thorough training for all required personnel. This should encompass protocol familiarization, simulated drills, and clear guidance on their roles during emergencies.
- **Continuous Improvement:** Encourage feedback from personnel involved in drills and emergency responses. Utilize this feedback to continuously refine and update the emergency plans.



Top 6 Pipeline Enforcement Issues

192.465 – 13 Separate violation issued in 2023.

It has come to our attention that operators are not meeting the requirements outlined in their plans for monitoring and addressing corrosion. Specifically, corrosion surveys - both pipe-to-soil and rectifier surveys - are not being conducted within the necessary timeframes. Furthermore, timely correction of identified deficiencies is lacking.

To effectively address these concerns:

- **Revise Monitoring Schedules:** Review and potentially revise the schedules for corrosion surveys to ensure alignment with industry standards and regulations. Clearly define deadlines for conducting pipe-to-soil and rectifier surveys.
- **Prompt Corrective Actions:** Establish protocols for immediate corrective actions upon identifying corrosion deficiencies. Specify timelines and procedures for addressing identified issues promptly.



Top 6 Pipeline Enforcement Issues

192.479- 81 – 13 Separate violation issued in 2023.

It has been observed that operators are not adequately monitoring all above-ground piping or addressing corrosion issues promptly when identified. During inspections, it is crucial for operators to give specific attention to critical areas, such as pipe-soil-air interfaces, sections under thermal insulation, those under disbanded coatings, and around pipe supports.

To address this:

- **Enhanced Inspection Protocols:** Develop detailed inspection protocols outlining the necessary steps for thorough examination of these critical areas during routine inspections.
- **Prompt Remediation Procedures:** Establish clear procedures for immediate remediation upon detecting corrosion in these vulnerable areas, setting explicit guidelines and timelines for addressing identified issues promptly.
- **Comprehensive Documentation:** Implement a system for documenting inspection findings, especially related to identified corrosion in critical areas, ensuring detailed reports for subsequent remedial actions.



Top 6 Pipeline Enforcement Issues

192.805 – 11 Separate violation issued in 2023.

It has been noted that operators are facing challenges in adhering to the Operator Qualification (OQ) plan due to insufficiently detailed processes within the plan itself. The plans lack comprehensive coverage regarding standards and methods for both initial qualification and requalification. Additionally, the records and supporting documentation fail to convincingly demonstrate employees' possession of the necessary knowledge and skills required for their assigned tasks. Although training details are present within the plans, the documentation and validation of qualification appear inadequate.

- Detailed Process Enhancement: Conduct a thorough review and enhancement of the OQ plan to ensure it contains explicit, comprehensive processes that align with industry standards and regulatory requirements for both initial and requalification.
- Documentation Validation: Review records and supporting documentation rigorously to ensure they accurately reflect employees' qualifications. Establish clear guidelines for documentation that convincingly demonstrates employees' knowledge and skills for their assigned tasks.
- OQ frequently asked questions - 14 through 20



Top 6 Pipeline Enforcement Issues

192.625 – 10 Separate violation issued in 2023.

It has been noted that operators are facing challenges in substantiating, through records, the presence of odorant at concentrations that render it readily detectable in the air, particularly at levels one-fifth of the lower explosion limit. Furthermore, inconsistencies in the introduction of odorant have led to variations in its concentration. To ensure compliance with regulations regarding odorant concentration:

- ▶ To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable
- ▶ Operators of master meter systems may comply with this requirement by-
 - (1) Receiving written verification from their gas source that the gas has the proper concentration of odorant; and
 - (2) Conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.



Enforcement Issues Honorable Mention

192.747 – 8 Separate violation issued in 2023.

It has been found that operators have encountered difficulties in either conducting the required annual maintenance on critical valves or promptly addressing deficiencies that require prompt actions. In cases where prompt remedial maintenance couldn't be completed, documentation should explicitly indicate whether an alternative valve was used as a substitute.

To address these challenges effectively:

- **Emphasis on Annual Maintenance:** Reinforce the importance of adhering to the schedule for annual maintenance of critical valves, highlighting its significance in maintaining operational integrity.
- **Prompt Remedial Actions Protocol:** Establish clear procedures for promptly addressing deficiencies that require immediate attention, providing specific guidelines on timelines and necessary actions to rectify issues promptly.



Enforcement and Violations totals 2023

Gas Pipeline Safety has in the first 10 months have taken the following actions:

- ▶ 55 Enforcement letters (violation letters)
- ▶ 193 Noncompliance items noted
- ▶ 199 Corrections issued

Gas Pipeline Safety put forth to Legal 5 operators for show cause hearings.

- ▶ All hearings had findings of noncompliance.
- ▶ Operators were fined \$50,000 that can be waived with full compliance with 90 days. If compliance is not met by 90 days a subsequent fine of \$1,000 a day for each day past the 90days. If at 180 days full compliance is not met the system will be shut in at the source.



Concerns driving new Gas Pipeline Safety Rules

Despite Alabama's update to its one call law, operators have shown limited utilization of the updated system. Although complaints regarding violations persist, operators are not submitting reports on these violations as expected. Data indicates a decrease in submitted violations, dropping from approximately 60 per quarter in year one to about 50 per quarter in year two under the new law. Additionally, it's concerning that no enforcement actions have been taken by either the damage prevention authority or gas pipeline safety against operators known to have violated the damage prevention law.

- **Promoting Awareness and Compliance:** Highlight the importance of strict adherence to the updated one call law among operators. Provide clear guidance and support to ensure proper understanding and compliance with damage prevention regulations.
- **Enhanced Collaboration:** Foster better communication and collaboration between the damage prevention authority, gas pipeline safety, and operators. This collaboration can help adapt the reporting processes and enhance enforcement efforts.



Concerns driving new Gas Pipeline Safety Rules

Operator Qualification (OQ) plans lack specificity, making it challenging to adequately demonstrate if qualifications have been met. These plans primarily outline methods that can be used without detailing the specific requirements for the method chosen. Additionally, a significant number of plans do not explicitly state which positions are responsible for specific tasks, leading to ambiguity in job roles. Furthermore, the evaluation processes lack clear criteria defining what qualifies as an acceptable evaluation standard.

- ▶ **Enhanced Evaluation Procedures:** Improve the evaluation processes by incorporating clear criteria that define acceptable evaluation standards. This should establish specific benchmarks or standards for evaluators.
- ▶ **Training and Guidance:** Provide clear approved methods and requirements to operators so OQ plans adequately address conducting evaluations for initial qualification and requalification.
- ▶ **Establish Continued Education:** Operators should put forth equal effort to continuously learn current code requirements along with updated or changed code on a reoccurring biases.



Concerns driving proposal to modify state laws

- ▶ Alabama Damage prevention law. During the seminar, there's considerable emphasis on meeting the requirements outlined for state programs under 192.198. PHMSA has expressed dissatisfaction with the absence of mandatory reporting for violations and the allowance to submit complaints solely for informational purposes. Their concerns highlight the need for a more robust reporting framework and a clearer purpose for complaint submissions. There are ongoing discussions regarding potential solutions to address these concerns and enhance compliance.
- ▶ The Public Service Commission had a sunset audit perform to determine if the agency was still viable, needed, or needing to be expanded. Anonymous surveys were done, and the main responses were:
 - That there were too many regulations, but it was not clarified if it was the PHMSA regulations or the 15 GPS rules.
 - Gas Pipeline needs to hire better qualified inspectors.



Concerns driving proposal to modify state laws

- ▶ There's been a developing financial strain within the Gas Pipeline Safety program. The burden has been falling solely on distribution for funding Gas Pipeline Safety. The fee remained the same for over four decades at 50 cents per service riser. The current proposals aim to address this imbalance by raising the fee to \$1.00 per service riser and establishing minimum fees for gas distribution, gas transmission, gas gathering, and hazardous liquid lines. Additionally, a plan to introduce mileage-based fees across these sectors other than distribution mains. There have been discussions regarding the potential implications of these proposed fee adjustments on the operational aspects and regulatory efficiency of the Gas Pipeline Safety program.



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Bipartisan Infrastructure Law AKA Cast Iron replacement Grant

I was a part of the review team with PHMSA for this year applications. Documentation and records are a major part of the project approval process. If records don't match statements being provided it will draw a much closer inspection of the materials submitted. If you state that materials in your system are a high safety concern but your DIMP plan does not even rank the material in the risk rankings there is already a problem. If it is listed and you plan states it need no enhance actions are not needed, there is problem. If figures do not match annual report figures there is a problem. If detailed quotes are not provided there is a problem. If the cost figures are extremely above standard industry prices, there is a problem.



Questions?