

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :  
Commission's Review of :  
its Rules in Chapter :  
4901:1-16, Ohio : Case No. 13-2237-GA-ORD  
Administrative Code, :  
Regarding Gas Pipeline :  
Safety. :

- - -

PROCEEDINGS

before Ms. Greta See, Hearing Examiner, at the Public  
Utilities Commission of Ohio, 180 East Broad Street,  
Room 11-B, Columbus, Ohio, called at 10:00 a.m. on  
Thursday, January 16, 2014.

- - -

ARMSTRONG & OKEY, INC.  
222 East Town Street, 2nd Floor  
Columbus, Ohio 43215  
(614) 224-9481 - (800) 223-9481  
Fax - (614) 224-5724

- - -

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Thursday Morning Session,  
January 16, 2014.

- - -

EXAMINER SEE: Good morning. Just to make sure that everyone is in the right place, this is the workshop for gas pipeline safety. The workshop for transportation rules is next door.

We're here for the workshop today at this time in Case No. 12-2237-GA-ORD captioned In the Matter of the Commission's Review of its Rules in Chapter 4901:1-16, Ohio Administrative Code, Regarding Gas Pipeline Safety.

My name is Greta See, and I am the attorney examiner assigned to this case by the Commission.

Joining me today are staff members from the Service Monitoring and Enforcement Department, in the back of the room there's John Williams, the director, Robert Fadley, chief, Facilities and Operations Field Division, Peter Chase, Gas Pipeline Safety Program manager, and Chris Rhodes, staff attorney for the Service Monitoring and Enforcement Division. Together we'll be moderating and providing any necessary technical support for the workshop as well as taking notes of the comments that are offered

1 today for the Commission's consideration.

2 Before we get started I'd just like to  
3 give a brief overview of why this workshop is being  
4 held and what staff hopes to accomplish today.

5 The workshop is being held in response to  
6 the issuance of the governor's Common Sense  
7 Initiative as well as updates to sections 121.82 of  
8 the Revised Code which require the Commission to  
9 evaluation its rules against a business impact  
10 analysis and to provide such analysis to the Common  
11 Sense Initiative Office.

12 The Commission has determined that as a  
13 part of incorporating the Common Sense Initiative  
14 requirements into our rule review process it is  
15 appropriate for staff to hold a workshop with any  
16 interested stakeholders.

17 I emphasize that the purpose of this  
18 workshop is to get your input on the gas pipeline  
19 safety rules and any recommendations on how those  
20 rules could be improved, updated, or clarified.

21 This workshop is merely your initial  
22 opportunity to offer recommendations. It is not  
23 intended to serve as a substitute for a formal  
24 comment process.

25 After this workshop the Commission will,

1 as it has in past rule review proceedings, issue  
2 proposed rules for comments. Any interested  
3 stakeholder may submit comments and reply comments to  
4 the rule revisions proposed.

5 You'll note that this workshop is being  
6 transcribed by a court reporter, however, nothing  
7 said today in this workshop will be considered  
8 binding on any interested stakeholder.

9 To assist the clarity of the record, if  
10 you have a comment or concern regarding gas pipeline  
11 safety, please come to the podium and speak clearly  
12 into the microphone. Before you commence your  
13 comments, state your name and the organization you  
14 represent each time you offer comments.

15 First, are there any questions about the  
16 procedure here today?

17 (No response.)

18 EXAMINER SEE: Good. So, next question,  
19 who wants to be the first to step up? Oh, come on.

20 MR. SPINKS: I will.

21 EXAMINER SEE: Please come forward.

22 MR. SPINKS: I'm John Spinks with  
23 Vectren.

24 Under 4901:1 through 16-04, under subpart  
25 (I), "Upon discovery of the corresponding leak(s)

1 from above, take the following actions." In the  
 2 subpart (1) underneath (I), for a class 1 leak it  
 3 reads: "If the hazardous condition associated with  
 4 the leaks classified as grade one is eliminated, such  
 5 as by venting, temporary repair, et cetera, but the  
 6 possibility of the hazardous condition returning  
 7 exists, the condition must be monitored as frequently  
 8 as necessary, but at least every eight hours, to  
 9 protect life and property until the possibility of  
 10 the hazardous condition returning no longer exists."

11 I'm just asking that it be considered  
 12 that instead of once every eight hours that may be  
 13 changed to daily, and that's what I have.

14 EXAMINER SEE: Okay. Thank you very  
 15 much.

16 MR. SPINKS: Thank you.

17 EXAMINER SEE: Anyone else? Please step  
 18 forward.

19 MR. SMITH: My name is Rob Smith. I work  
 20 for NiSource, but I am the Operations Compliance  
 21 Manager for Columbia Gas of Ohio.

22 In 4901:1-16-5(A)(1) and (A)(2) this  
 23 deals with reporting service failures and incidents.  
 24 Columbia would like to ask for consideration to allow  
 25 for, you know, time for an operator to make a

1 determination and confirmation that there's actually  
2 a service failure or we've actually had an incident.

3 We get called on numerous fires,  
4 explosions, you know, sometimes they're boilers,  
5 oxygen tanks, propane tanks, et cetera, you know,  
6 we'd just like something in there to allow us time to  
7 determine and confirm.

8 Second change we'd like to request, under  
9 4901:1-16-6(A), this is in regards to reporting  
10 important additions, Columbia believes that the  
11 \$200,000 criteria has been in place for almost 20  
12 years and we'd like to see that increased to  
13 \$500,000 and be specific to mains only.

14 So the costs associated with replacing  
15 service, meter settings, et cetera, other  
16 jurisdictional facilities, you know, may be outside  
17 that number that drives the reporting of additions.

18 That's all I have.

19 EXAMINER SEE: Thank you.

20 MR. SMITH: Thank you.

21 EXAMINER SEE: Next commenter. I'm sure  
22 this group is not that bashful.

23 Mr. Petricoff.

24 MR. PETRICOFF: Thank you. Howard  
25 Petricoff, and I'm here for the Ohio Oil & Gas

1 Association. And this is really sort of a, since we  
2 have the safety community here and particularly the  
3 pipeline safety group from the Commission here, I did  
4 want to bring an issue to the attention of the  
5 Commission, and technically this rule is not before  
6 the Commission yet, it's 4901:01-16-15, which is  
7 still at JCARR at the moment.

8 But one of the provisions of that rule  
9 has to do with the materials that can be used for  
10 gathering lines, and in the references made to Part  
11 192 of the federal code, and there is some question  
12 here about the interpretation of 192 and whether that  
13 includes not only those that are on the current list  
14 but those for which waivers have been obtained or  
15 could be obtained.

16 And the reason that the association would  
17 like to bring this to the Commission's attention is  
18 that at the end of the day I think there is probably  
19 agreement in theory that the rule should make sure  
20 that we have safe materials and that also I think  
21 there's probably a general agreement that the latest  
22 materials, particularly some of the advances that are  
23 made in composite materials, ought to be available  
24 for Ohio. In other words, that the Ohio statute and  
25 the Ohio rules wouldn't be precluding the best

1 materials possible.

2 So this is an issue I think that's just  
3 beginning, but we did want to bring it to the  
4 Commission's attention. Thank you.

5 EXAMINER SEE: Thanks.

6 MR. MASON: Thank you. My name is Donald  
7 Mason, I'm with Roetzel and Andress representing  
8 FlexSteel Pipeline. I'll make it clear there are  
9 other alternative pipeline manufacturers probably  
10 also in the audience but doing business in Ohio, very  
11 much supportive of what Howard Petricoff stated.

12 We want to make sure the rules, the  
13 existing rule as filed at JCARR as well as subsequent  
14 rules that are under rule review now and ongoing  
15 basically do not preclude the use of science and  
16 technology to develop pipe that withstands corrosion  
17 and degradation and so, therefore, we want to  
18 continue to work to make sure the waiver process  
19 stays in place for all pipeline as regulated by 49  
20 CFR and also the Ohio Revised and Administrative  
21 Codes.

22 EXAMINER SEE: Thank you.

23 Anyone else?

24 Mr. Mason.

25 MR. MASON: Greta, would you like any of



1 us to discuss some of our concerns with the existing  
2 rule that is pending before JCARR and why it's  
3 appropriate at this time perhaps to be discussing  
4 that matter?

5 EXAMINER SEE: Sure. Go ahead.

6 MR. MASON: There is a concern by many of  
7 the manufacturers of pipe that is an alternative to  
8 steel that perhaps the rule that was filed in  
9 accordance with Senate Bill 315 and presently  
10 pending, I think scheduled for February 24th before  
11 JCARR, there's a concern that the flexibility that  
12 the federal law presently allows with the waiver  
13 process, I believe it's under 6011(a) of the CFR,  
14 that is where the local FEMSA office can have a  
15 waiver, there is a concern that perhaps those waiver  
16 proceedings are not clear that they are still allowed  
17 under the rule that's pending.

18 Part of what we want to make sure is that  
19 the FEMSA office has, the local FEMSA office, which  
20 would be the PUCO GPS, has the flexibility, again, of  
21 making sure that new technology such as FlexSteel and  
22 I'm assuming other competitors out there would like  
23 to make sure their product can be scientifically  
24 reviewed and accepted as being an alternative that is  
25 safe, practical, and perhaps more economic for use in

1 Ohio.

2 And, again, that's a rule that's  
3 presently pending, but just the way the entire JCARR  
4 process works, our five-year rule review here, we  
5 want to make sure it doesn't slip through the cracks.

6  
7 EXAMINER SEE: Just to be clear,  
8 although there are recent changes in Commission Case  
9 No. 12-2040 that added rule 15, that will be part of  
10 this rule review.

11 MR. MASON: Okay.

12 EXAMINER SEE: Yes. Yes.

13 MR. MASON: Just so you know, there was  
14 concern that since it was still pending it was not a  
15 part; so that's very good news.

16 EXAMINER SEE: Everything that was  
17 incorporated as a part of that case will be included  
18 in the chapter for review in this proceeding.

19 Yes.

20 MR. BURDEAUX: Yes, Dewitt Burdeaux with  
21 FlexSteel Pipeline. I do regulatory compliance work  
22 for FlexSteel. As part of -- in tagging on to what  
23 Mr. Mason said on our behalf, and we do have some of  
24 our other manufacturers here in the room and I'll  
25 turn to them afterwards, one of the things that we

1 want to make sure that the Commission, both staff and  
2 the Commissioners themselves, understand is that when  
3 the Senate Bill 315 was transpiring, actually I was a  
4 FEMSA employee so I was watching that action very  
5 closely but with a different perspective at the time.

6 What has come to light is the language in  
7 Senate 315 at the Ohio level, there is not  
8 necessarily that clear reading of the waiver process  
9 and whether it is still applicable to these materials  
10 as 315 was written because it clearly states that you  
11 must follow 49 CFR part 192 subpart (C) for design,  
12 which is where the federal provisions would list the  
13 materials that are acceptable.

14 One of the things that the federal level  
15 has been doing in conjunction and in concert with the  
16 manufacturers over the past three years, working very  
17 diligently to develop a consensus standard under the  
18 auspices of the American Petroleum Institute, API 15S  
19 is the publication number for the standard. It is  
20 currently in the internal review process at API,  
21 their counsel is making sure that the working group  
22 put all the dots on all the correct Is and crossed  
23 all the Ts and so forth.

24 It will be forthcoming very shortly into  
25 the balloting process per ANSI standard, expectation

1 for that is within the next three to four weeks it  
2 will be out for ballot and comment from the industry  
3 and public, finalization sometime around the  
4 June-July time frame depending on the level of  
5 comments, and what's necessary to resolve those will  
6 dictate the finalization it.

7 The other point that I wanted to make is  
8 looking at FEMSA data, the 20,000 or so miles of  
9 gas-gathering lines that they regulate across the  
10 country, that the latest numbers I had access to were  
11 2011 and it's clear within the annual reports that  
12 the gathering community reports to FEMSA national  
13 level that the occurrence of leaks caused by internal  
14 corrosion are three-fold over what's caused by  
15 internal corrosion -- I mean external corrosion.

16 And with these composite materials that's  
17 one of the things that I feel like Ohio has possibly  
18 missed on this is as it is written now it's  
19 interpreted to exclude our materials which basically  
20 are inherently designed to remove that failure  
21 mechanism.

22 And so in the best interest of the  
23 citizenry of Ohio it just makes sense, in our  
24 opinion, to allow the option at least for these  
25 operators to have these materials available to them

1 to address that particular risk and threat in the  
2 rural areas just as they could in the higher  
3 consequence areas that are currently regulated by  
4 FEMSA.

5 So that's what -- with that I do know  
6 that we have another pipe manufacturer here --  
7 Mr. Weller -- who'd like to say a word or two also.  
8 Thank you.

9 MR. WELLER: Blaine Weller with Flexpipe  
10 Systems, a manufacturer of composite pipelines. I  
11 don't have anything unique to add. I think Mr. Mason  
12 and Mr. Petricoff and Mr. Burdeaux have explained  
13 themselves and their position very well, and I just  
14 wanted to state that I support those comments from  
15 those gentlemen. Thank you.

16 MR. KNAPP: Good morning. My name is  
17 Randy Knapp with the Plastics Pipe Institute and I'm  
18 here representing the more than 135 members of PPI,  
19 and I want to add to the comments that were made by  
20 Mr. Mason and Mr. Burdeaux as well as Mr. Weller.

21 From a trade association perspective PPI  
22 represents fitting manufacturers, pipe manufacturers,  
23 resin suppliers, and equipment manufacturers across  
24 North America. Our Energy Piping System division is  
25 one of our largest divisions. That division alone

1 represents more than 40 companies directly related or  
2 directly involved in oil and gas gathering and gas  
3 distribution activities such as FlexSteel and  
4 Flexpipe that are here today and numerous others.

5 I think it's important to point out that  
6 energy applications, and this is just for the current  
7 PPI members, account for more than 750 million pounds  
8 of resin annually into the stream and that number is  
9 growing all the time.

10 Our composite manufacturers have been  
11 excellent product stewards and working to develop  
12 industry standards, as Dewitt mentioned. And I think  
13 this rulemaking would essentially eliminate the use  
14 of composite pipe products that have proven to  
15 provide safe and sustainable solutions for gas  
16 gathering.

17 And, again, I think I would add that it  
18 would also deter the use of these high performance  
19 materials in many of the energy applications in Ohio  
20 and potentially even go more broadly than that.

21 It limits the operator's ability to  
22 utilize and improve new technologies that allow for  
23 these safer systems and the introduction of new and  
24 improved pipe technologies by making this very  
25 onerous for manufacturers to comply with. So I urge

1 the Commission to allow the waiver process to remain  
2 in place. Thank you.

3 EXAMINER SEE: Any other commenters?  
4 Does staff have anything to add?

5 MR. FADLEY: No.

6 EXAMINER SEE: Come on. No? Okay.

7 With that, the Commission appreciates you  
8 taking time out of your morning to come here today,  
9 and you should look forward to the Commission's  
10 proposed rules being issued in the near future.  
11 Thank you all.

12 (The workshop concluded at 10:21 a.m.)

13 - - -

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Thursday, January 16, 2014, and carefully compared with my original stenographic notes.

\_\_\_\_\_  
Maria DiPaolo Jones, Registered  
Diplomate Reporter and CRR and  
Notary Public in and for the  
State of Ohio.

My commission expires June 19, 2016.  
(74360-MDJ)

- - -



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/31/2014 3:43:20 PM**

**in**

**Case No(s). 13-2237-GA-ORD**

Summary: Transcript in the matter of Commission's Review of its Rules in Chapter 4901:1-16 hearing held on 01/16/14 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.