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ENERGY TRANSFER

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September 10, 2019

Mr. Matt Schilling
Director, Office of Public Affairs
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: Comments on proposed gas pipeline safety rules

Mr. Schilling:

Introduction

Energy Transfer LP (ET or Company) would like to thank the Public Utilities Commission of Ohio (Commission) for the opportunity to comment on the proposed revisions of the Commission's Pipeline Safety Regulations in Chapter 4901:1-16 of the Ohio Administrative Code, Gas Pipeline Safety, Case No.:19-47-GA-ORD

ET (NYSE: ET) owns and operates one of the largest and most diversified portfolios of energy assets in the United States, with a strategic footprint in all of the major domestic production basins. ET is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, natural gas liquids (NGL) and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets.

On August 14, 2019, the Commission released a draft of proposed amendments to the pipeline safety regulations in 14901:1-16 of the Administrative Code as part of its regular five-year review and has posted for public comment.

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General Comments

ET shares the Commission's commitment to pipeline safety; however, the Company takes exception to some of the Commission's proposed amendments to the safety standards for gas pipelines.

The following are ET's specific comments on the Commission's proposed amendments:

ET takes exception to proposed requirements for telephone notice of incidents and service failures.

Proposed Section 4901:1-16-05 of the Administrative Code, requires operators make telephonic notification within thirty minutes of discovery unless notification within that time is impracticable under the circumstances. ET recommends following Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements as stated in 49 CFR § 191.5(a)(1&2), to report at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery. Based on operating experience, and managing emergency situations, a 30 minute reporting deadline is not practicable in many situations, especially for those that are difficult to discern whether or not reporting criterion has been met, i.e., it is very difficult to determine the amount of gas loss, property damage and the impact to employees or the public with regard to injuries within a 30 minute time frame. ET would be interested in the rationale or basis for this reporting requirement that differs significantly from Federal pipeline safety standards.

ET would like a definition of service line and service failure for clarification.

The terms "service line" and "service failure" are mentioned several times throughout the proposed rule; ET respectfully requests that these terms be clearly defined. If these terms are intended to be defined in accordance with distribution lines as defined in 49 CFR § 192.3, please state this in the proposed language.

ET takes exception to extending new construction report requirement

The proposed section § 4901:1-16-06 would expand the reporting criteria for each important addition to include projects with expenditure greater than five hundred thousand dollars and the submittal of two reports. ET recommends the Commission follow PHMSA's guidelines as prescribed in 49 CFR § 191.22(c) (1) or provide a basis for a requirement that differs significantly from Federal pipeline safety standards.

ET would like more clarification on construction reports

The proposed reporting window in 4901:1-16-06 (B) (1) requires operators submit two reports, with the first report due no later than 14 days and not sooner than 60 days before construction work will start and the second report due no later than seven days after construction work has been completed. This new requirement (notifications not sooner than 60 days before construction work begins) conflicts with the existing federal reporting language, and as written, could lead to confusion. ET recommends adding a reporting threshold and window that aligns with the current federal requirement, as noted in 49 CFR §191.22.

ET takes exception to additional requirements for low-stress gas gathering pipelines and processing plant stub pipelines.

Section 4901:1-16-15 of the proposed new rule requires that all “gas gathering/processing plant pipeline operators” shall comply with the applicable pipe design requirements of 49 CFR Part 192. While ET supports the Commission’s proposal to regulate high-stress, large-diameter gathering lines, low-stress pipes (less than 20% SMYS or operating pressure less than 125 psig) “are less likely to impact property, health, safety, and the environment.” Therefore, the Company suggest a cost-benefit analysis be performed using incident data on low-stress pipelines prior to any regulation. The Company recommends using the same criteria PHMSA is proposing in Phase 3 of the Gas Mega Rule. The Company suggests waiting for PHMSA’s proposed new rule publication to promote regulatory consistency, prevent misalignment, and ensure adherence to the same guidelines.

Conclusion

ET shares the Commission’s commitment to Pipeline safety and appreciates the opportunity to submit comments on the proposed Pipeline Safety Regulations in 4901:1-16 of the Administrative Code. Should you have any questions or need further information, please contact us using the information below.

Sincerely,



Danny A. Nichols
Sr. Director of Regulatory Compliance

cc: Eric Amundsen
Mark Milliken