

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review of)
the Gas Pipeline Safety Rules in Chapter) Case No. 19-47-GA-ORD
4901:1-16 of the Ohio Administrative Code.)

INITIAL COMMENTS OF THE OHIO GAS ASSOCIATION

I. INTRODUCTION

The Ohio Gas Association (“OGA”) is a natural gas trade organization which represents over 30 natural gas distribution companies and cooperatives in Ohio.¹ The rules under review in this docket directly impact OGA member companies.² Pursuant to the August 14, 2019 and August 30, 2019 Entries in this docket, the OGA respectfully submits these comments for consideration by the Public Utilities Commission of Ohio (“Commission”). OGA also notes that its decision not to comment on any part of the proposed or retained rules should not be construed as support or opposition of those particular changes or rules.

II. COMMENTS

The proposed rules include the addition of a new subsection (J) to Ohio Admin. Code 4901:1-16-04 related to abandonment of inactive service lines. OGA supports the Commission’s focus on safety for inactive service lines and acknowledges there are threats and risks related to

¹ See <https://www.ohiogasassoc.org/about-oga/mission-statement/>

² OGA member companies are “operators” under Ohio Admin. Code 4901:1-16-01(P).

inactive service lines. Safety, and a safety culture, are foundational commitments of OGA members.³

The American Gas Association, the national trade association of operators,⁴ recently recommended that all of its members adopt a Pipeline Safety Management System (“PSMS”) within 3 years.⁵ PSMS is a comprehensive approach to managing safety, emphasizing continual assessment and improvement and mitigating potential risks. The transportation, nuclear, and aircraft industries also widely employ PSMS to manage risk in their organizations. Some OGA members are voluntarily adopting PSMS, along with other safety advances, to safely and reliably deliver natural gas to customers’ homes and businesses.

One of the hallmarks of PSMS is a commitment to evaluating and acting on threats and risks based on probability and consequence of an incident. PSMS requires a constant evaluation of an operator’s risks to customers, the general public, and employees or contractors. This constant evaluation often takes the form of ranking risks in terms of probability and consequence of an event. The goal of this risk-based approach is to efficiently allocate finite operator resources towards the greatest safety risks identified through this continual evaluation process. OGA recommends the Commission approach a solution to inactive service line abandonment through this risk-based lens.

Viewing the inactive customer service line abandonment through a risk-based lens is also consistent with the principles undergirding OGA member companies’ Distribution Integrity Management Plan (“DIMP”), as well as the regulations requiring integrity management plans. The

³ See https://www.aga.org/sites/default/files/legacy-assets/our-issues/safety/Documents/AGA%20Safety%20Culture%20Statement_Feb%202011.pdf.

⁴ See <https://www.aga.org/globalassets/2019-aga-overview-updated.pdf>.

⁵ See <https://www.aga.org/news/news-releases/ga-board-recommends-holistic-approach-to-improving-pipeline-safety/>. PSMS is also known as the American Petroleum Institute (“API”) Recommended Practice (“RP”) 1173.

DIMP rules make clear that an operator cannot treat all risks alike. As those rules recognize, pipeline risks are relative and must be evaluated and ranked:

An operator must evaluate the risks associated with its distribution pipeline. In this evaluation, the operator must determine the relative importance of each threat and estimate and rank the risks posed to its pipeline. This evaluation must consider each applicable current and potential threat, the likelihood of failure associated with each threat, and the potential consequences of such a failure.⁶

Thus, a risk-based approach is not only consistent with PSMS, but already contemplated and required by the federal pipeline safety rules.

OGA supports the underlying goal of the Staff to clarify and formalize responsibilities to review and abandon inactive service lines. Within that framework, OGA requests the Commission consider an approach that recognizes the different safety risks of inactive service lines dependent on varying circumstances. Additionally, adding a transition period to these new rules would balance safety with an appropriate implementation pace. Although details will be further explained below, the following chart shows OGA's recommended changes to the proposed rules:

⁶ 49 C.F.R. 192.1007(c).

Service Line Recorded	Meter Location	# Months Inactive	Prospect For Reuse	Plastic Service Line With EFV	Time To Abandon/ Review Status*
Yes	Inside	24	No	No	Abandon as soon as practicable but not later than 12 months after determination of no prospect for reuse
Yes	Outside	36	No	No	Abandon as soon as practicable but not later than 12 months after determination of no prospect for reuse
Yes	Either	48	No	Yes	Abandon as soon as practicable but not later than 12 months after determination of no prospect for reuse
Yes	Inside	24	Yes	No	Review every 18 months, at periods not exceeding 24 months
Yes	Outside	36	Yes	No	Review every 18 months, at periods not exceeding 24 months
Yes	Either	48	Yes	Yes	Review every 18 months, at periods not exceeding 24 months
No	Either	Not Applicable; requirements apply upon discovery	Either	Either	If leaking, abandon under 4901:1-16-04(H) but not later than 24 months after discovery; if not leaking, abandon as soon as practicable but not later than 24 months after discovery

* Rule 4901:1-16-04(J), including all of its subparagraphs, will become effective and enforceable five years from the effective date in the Final Filing of the rules at the Joint Committee on Agency Rule Review, as adopted by the Commission in Docket Number 19-47-GA-ORD.

OGA also provides proposed changes to the text of the rules at the end of these comments that mirror the concepts in the chart. OGA suggests the Commission incorporate the proposed chart into the text of adopted Ohio Admin. Code 4901:1-16-04(J) for a concise and complete reference guide if OGA's version of the proposed rules are accepted.

A. The proposed rules should more closely reflect varying risks depending on the circumstances.

As currently proposed, the rule would require an operator to begin assessing prospect for reuse after a service line has been inactive for 24 months. Applying a risk-based approach, OGA recommends changes to the proposed 24 months' inactivity review. The Commission should recognize the distinction between service lines attached to inside and outside meters, as well as the relatively low risks associated with plastic service lines equipped with excess flow valves ("EFV"). The distinctions between inside and outside meters apply equally regardless of whether there is prospect for reuse for the inactive service line.

First, consider the distinction between inside and outside meters on an inactive service line. In OGA's experience, inactive service lines pose significantly greater risks when associated with inside meters, and relatively lesser risks when associated with outside meters. There is an increased risk of gas infiltrating a house or structure when a meter is located inside. The risk of gas infiltrating a house or structure is obviously greatly reduced when the meter is located outside. To address these differences in risk, OGA proposes limiting the initial 24-month prospect for reuse evaluation to premises served by inside meters, with an additional 12 months permitted for premises served by outside meters. A longer, 36-month period for inactive outside-meter service lines will allow greater focus on riskier, inside-meter service lines, while still ensuring regular

review and (if necessary) abandonment of all inactive service lines. The reasonableness of this timeline is confirmed by a review of timelines adopted in other jurisdictions.⁷

Second, the Commission should consider reduced risks associated with plastic service lines equipped with EFVs. The Pipeline and Hazardous Materials Safety Administration (“PHMSA”) recognizes the safety benefits of EFVs to reduce the risk of explosions in natural gas pipelines by shutting off unplanned, excessive gas flows.⁸ Plastic service lines do not present a corrosion risk, and the risks associated with excavation damage are addressed by the installation of the EFV. Other jurisdictions have recognized that longer timelines are appropriate for plastic service lines, with or without EFVs.⁹ The effectiveness of the EFV applies regardless of whether the customer’s meter is inside or outside. For these reasons, the Commission should only require a prospect for reuse review after 48 months of inactivity for this category of service lines.

B. The Commission should also provide adequate time to abandon an inactive service line regardless of the prospect for reuse.

⁷ The reasonableness of this timeline is confirmed by a review of timelines adopted in other jurisdictions. *See* Ariz. Adm. Code, R-14-202, Part H (“An operator of an intrastate pipeline transporting gas that has regulators, meters, or regulation meter sets that have been out of service for 36 months shall disconnect the pipeline from all sources and supplies of gas or hazardous liquids, purge the gas or hazardous liquids from the pipeline being disconnected, and cap all ends within six months after the 36 months have passed.”); 220 Code of Massachusetts Regs. 107.05(3) (requiring abandonment of inactive service lines within five years, unless plastic or cathodically protected, in which case deadline is ten years); 815 R.I. Code of Regs. 20-00-1.10(A)(1) (requiring abandonment of inactive service lines within five years); Wisc. Pub. Serv. Comm. Code 135.727 (“Special efforts shall be made to include services which have not been used for ten years in a way that will remove gas from the customers’ premises”).

⁸ <https://www.federalregister.gov/documents/2016/10/14/2016-24817/pipeline-safety-expanding-the-use-of-excess-flow-valves-in-gas-distribution-systems-to-applications>

⁹ For example, the State of Alabama does not apply the standard abandonment timelines to inactive service lines that are both plastic and equipped with EFVs; such lines need not be abandoned for five years. *See* Alabama GPS Rule 13(4). And a number of states provide longer times lines for abandonment of plastic services, regardless of EFV installation. *See* 815 RICR 20-00-1.10(A)(1) (permitting up to five years for abandonment of plastic or cathodically protected service lines, regardless of EFV installation); N.H. Code of Adm. Rules 506.02(j) (establishing ten-year deadline for abandonment of inactive service lines if plastic or cathodically protected); 220 Code of Mass. Regs. 107.05(3) (establishing ten-year deadline for abandonment of inactive service lines if plastic or cathodically protected).

The proposed rule also sets forth proposed timeframes to abandon an inactive service line if there is no prospect for reuse and timeframes to re-evaluate if there is a prospect for reuse of a service line. The proposed rule suggests abandonment of an inactive service line as soon as practicable, but no later than six months after it has been determined there is no prospect for reuse. And, in the case where a prospect for reuse exists, the proposed rules suggest an annual review not to exceed 15 months for a follow-up reuse determination.

OGA requests 12 months to abandon when an inactive service line has no prospect for reuse. A blanket requirement of six months does not provide enough time to abandon facilities. This includes inactive service lines. There are several factors the Commission should consider. First, there are situations where an Operator cannot obtain the necessary permits and complete the work in just 6 months. The permitting process does not often run as smoothly as expected, which can upend project schedules for long periods of time. Dovetailing with permitting concerns are moratoria prohibiting street excavation. There are some municipalities in Ohio that do not permit tearing up of streets or issue permits during certain times of year, including the winter months and around holidays. Some municipalities will also prohibit the tearing up of freshly installed pavement for a particular time after it is installed. Finally, Ohio's winter weather can also make executing an abandonment very difficult and unsafe for field workers performing the work.

Additionally, the extra time would be consistent with the current rules that extend the time to remedy Grade 2 leaks. Ohio Admin. Code 4901:1-16-04(I)(2) extends the remedy time from 15 months to 24 months for a Grade 2 leak when the pipeline containing the leak is replaced. Similarly, if a replacement project will timely eliminate (within 12 months) an inactive service line risk, then it makes sense to wait to abandon that service line when replacement of service lines in the area will occur. This solution would ease operational burdens on operators, as well as be

friendlier to customers and municipalities, in that syncing up this work would reduce the number of times a street or yard is dug up and needs restored.

When there is a prospect for reuse, OGA recommends a review frequency timeframe of 18 months, not to exceed 24 months. This additional time will allow operators sufficient opportunity to cycle through each ongoing review of these inactive service lines that have a prospect for reuse. The proposed cycle time is reasonable given the line is not leaking, especially in light of the proposed distinctions that would allow a greater focus on inside meters (versus outside meters or plastic service lines with EFVs).

C. OGA supports proposed Subsection (J)(3)

Proposed subsection (J)(3) explicitly states that any service line shall be treated as active for purposes of applying the pipeline safety code until it is abandoned under subsection (J)(1) of the proposed rules. OGA supports this explicit acknowledgment of the continued applicability of the rules while a service line is active. In particular, OGA members will follow the pipeline safety rules for repairs of leaks on inactive service lines regardless of length of inactivity (except as modified in this rulemaking).

D. OGA proposes modifications to proposed Subsection (J)(4) to safely and promptly remedy issues with unrecorded inactive service lines.

Proposed Subsection (J)(4) would govern unrecorded inactive service lines. The proposed rule would require abandonment of an inactive service line immediately if it is leaking. Additionally, the proposed rule would require abandonment as soon as practicable, but not more than 10 days after discovery, when the discovered inactive service line is not leaking.

OGA recommends several changes that OGA believes will accomplish the intent of the rule while also providing operators with sufficient flexibility. First, the rule should be amended to explicitly require recording of a service line in the operator's system. After processing through the

operator's system, and until abandoned the service line would then be locatable for any 8-1-1 tickets and would be walked as part of the required leakage inspections under the PHMSA rules.¹⁰ Thus, from a safety perspective, the line would be on equal footing with a recorded inactive service line as contemplated in Subsections (J)(1) and (2).

Additionally, since the previously unrecorded inactive service line would become recorded, a leaking service line should be abandoned in accordance with the current rules on leaks found in Ohio Admin. Code 4901:1-16-04(I), but not later than 24 months after discovery. Leaks on these now-recorded inactive service lines will pose the same risk as leaks on recorded service lines. Moreover, Grade 2 and Grade 3 leaks are not emergencies that require immediate abandonment (or within 10 days) under any circumstances. Finally, the now-recorded inactive service line that is not leaking should be also abandoned within 24 months.

Requiring abandonment of all previously unrecorded inactive service lines under the leakage rules, but with an outer bounds of 24 months, appropriately balances the hazard the now-recorded inactive service line poses with a reasonable time for abandonment. The 24-month maximum ensures a reasonably prompt period to abandon lines with Grade 2 and 3 leaks while ensuring these leaks do not linger on operators' systems. Finally, the 24-month period is also appropriate because the previously unrecorded inactive service line does not go through an inactivity review period before any time period for future abandonment attaches. Thus, in practice, the previously unrecorded inactive service line gets an accelerated abandonment as compared to a recorded inactive service line abandonment.¹¹

¹⁰ 49 C.F.R. 192.723.

¹¹ Even though the language in proposed paragraph (J)(7) allows more time to actually abandon a previously unrecorded inactive service line (24 months) as compared to a recorded inactive service line (12 months), the previously unrecorded inactive service line actually gets an accelerated abandonment as compared to a recorded inactive service line because a previously unrecorded service line does not go through an inactivity review period before any time period for future abandonment attaches.

E. The Commission should delay the effective date of new Subsection (J) to allow for an orderly and safe transition to the new rules on inactive service lines.

As evidenced by the comments above, if adopted by the Commission, there will be significant changes to the rules related to inactive service lines. If the Commission adopts any new rules on inactive service lines, OGA requests the Commission explicitly make the effective date for subsection (J) five years from the date the rules are legally effective (*i.e.*, 10 days after a Final Filing is made with the Joint Committee on Agency Rule Review).

Sufficient time is necessary for an orderly transition to these new requirements for inactive service lines. OGA members need adequate time to integrate these changes into their operations, and specifically to integrate the timing requirements into procedures already in place for abandonment of inactive service lines. To flash cut and require member companies to now remedy inactive service lines impacted by the rule (*e.g.*, remedy within 6 or even 12 months of determination of no prospect of reuse) would put an inordinate strain on OGA member companies. OGA also has concerns that too quick of a transition might impact the pace of existing safety programs for active facilities in favor of inactive facilities.

Operators, including OGA members, currently have internal guidelines that provide for materially longer periods to abandon inactive service lines than the periods proposed in subsection (J). For example, consider the situation where an operator has an internal requirement to abandon an inactive service line within 60 months of the service line becoming inactive. Hypothetically, assume the proposed rule went into effect on January 1, 2020, and that a particular service line had been inactive for two years as of January 1, 2020. In that instance, if the service line were deemed on January 1, 2020 to have no prospect for reuse, under proposed subsection (J)(1) the operator would have to abandon the service line by July 1, 2020. But for the adoption of subsection (J)(1), that operator would have had until January 1, 2023 to abandon that inactive service line under the

current rules. Thus, the new rule would cut in half (from 60 months to 30 months) the time the operator would have to abandon that inactive service line. A flash cut to this kind of change would put significant operational, scheduling, process, and financial burdens on the operators.

OGA disagrees with the Business Impact Analysis that the impact is not “adverse” or the cost of compliance would “be small, if there is any impact at all.”¹² The comments above demonstrate there is a material impact to operators by the new rules. Operators, including OGA members, also need time to plan and budget for this material change, which will affect their respective work plans for capital and O&M needs across their systems. Planning and budgeting for this change will likely ripple across multiple future years for OGA members.

Thus, the OGA requests the Commission ensure there is a five-year transition period for operators to adjust to the rule on a going forward basis, as well as work down the service lines that have been inactive for 24 months and that have no prospect for reuse. This time frame would allow OGA members (and all operators) sufficient time to plan for this material change, properly balancing work flows, capital allocations, and compliance activities to meet the new deadlines contained in this new rule while maintaining safety on their systems.

III. PROPOSED RULE LANGUAGE

To address these differences in risk and incorporate the suggestions above, OGA recommends the following revisions to Staff’s recommended revisions:

(J) Each operator shall have a plan for abandoning inactive service lines in accordance with 49 C.F.R. 192.727 (relating to abandonment or inactivation of facilities) and shall have a copy of its plan available for inspection. The plan shall require the following:

(1) Service lines [associated with inside meters](#) which have been inactive for twenty-four months and for which there is no prospect of reuse shall be scheduled for

¹² Entry at Attachment B, Page 9 of 10 (August 14, 2019).

abandonment under 49 CFR 192.727(d)(3), as soon as practicable but no later than ~~six~~ twelve months after it has been determined there is no prospect for reuse.

(2) Service lines associated with outside meters which have been inactive for thirty-six months and for which there is no prospect of reuse shall be scheduled for abandonment under 49 CFR 192.727(d)(3), as soon as practicable but no later than twelve months after it has been determined there is no prospect for reuse.

(3) Polyethylene service lines verifiably equipped with excess flow valves which have been inactive for forty-eight months and for which there is no prospect of reuse shall be scheduled for abandonment under 49 CFR 192.727(d)(3), as soon as practicable but no later than twelve months after it has been determined there is no prospect for reuse.

(~~4~~2) Service lines associated with inside meters which have been inactive for twenty-four months and for which there is a reasonable prospect of future use shall be shut off under 49 C.F.R. 192.727(d)(1) or (d)(2). A review of the status of inactive service lines associated with inside meters shall be made ~~annually~~ every eighteen months, at periods not exceeding ~~fifteen~~ twenty-four months. Service lines which no longer qualify for retention shall be abandoned under paragraph (J)(1) of this rule.

(5) Service lines associated with outside meters which have been inactive for thirty-six months and for which there is a reasonable prospect of future use shall be shut off under 49 C.F.R. 192.727(d)(1) or (d)(2). A review of the status of inactive service lines associated with outside meters shall be made every eighteen months, at periods not exceeding twenty-four months. Service lines which no longer qualify for retention shall be abandoned under paragraph (J)(2) of this rule.

(6) Polyethylene service lines verifiably equipped with excess flow valves which have been inactive for forty-eight months and for which there is a prospect of reuse shall be shut off under 49 C.F.R. 192.727(d)(1) or (d)(2). A review of the status of inactive polyethylene service lines shall be made every eighteen months, at periods not exceeding twenty-four months. Service lines which no longer qualify for retention shall be abandoned under paragraph (J)(3) of this rule.

(~~7~~3) Until a service line is abandoned under paragraph (J)(1), (J)(2), (J)(3), or (J)(8) of this rule, it shall be treated as active for the purposes of applying the requirements of the pipeline safety code.

(~~8~~4) Unrecorded inactive service lines discovered in the course of leakage surveillance, construction, maintenance or inspection of facilities shall be recorded promptly and abandoned as follows: If leaking, abandon ~~immediately~~ under paragraph (H) of this rule but not later than twenty-four months after discovery; if not leaking, abandon as soon as practicable but not more than ~~ten-days~~ twenty-four months after discovery.

IV. CONCLUSION

OGA respectfully requests the Commission adopt its recommended changes to the proposed rules. OGA reserves the right to file reply comments in this docket.

Respectfully submitted,

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Summary: Comments of The Ohio Gas Association electronically filed by Teresa Orahod on behalf of Devin D. Parram