



## Gas Transmission Rule Impact on Municipal Gas Systems and Natural Gas Distribution Infrastructure Safety and Modernization Grant

Interstate Municipal Gas Agency Annual Meeting

March 29, 2022



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission



## Discussion Areas

- **PHMSA Overview**
- **Overview of Final Gas Rule**
- **Rule Applicability to Municipal Gas Systems**
- **Gas Rule Compliance Tools**
- **Natural Gas Distribution Infrastructure Safety and Modernization Grant Program**
- **Additional Resources and Tools**



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission



# PHMSA Overview



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

3



## Who is PHMSA?

U.S. Department of Transportation



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

4



# Who is PHMSA?

Mission: To protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives.

- ✓ Develops and implements pipeline safety regulations
- ✓ Performs inspections and accident investigations
- ✓ Monitors and enforces compliance
- ✓ Conducts and support R&D
- ✓ Conducts outreach with stakeholders
- ✓ Awards grants



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

5

## Regulatory Requirements Title 49 Code of Federal Regulations

- Part 190: Pipeline Safety Programs/Rulemaking
- Part 191: Reporting Requirements
- Part 192: Natural Gas Pipelines
- Part 193: Liquefied Natural Gas (LNG) Facilities
- Part 194: Oil Spill Response Plans (OPA)
- Part 195: Hazardous Liquid Pipelines
- Part 198: State Grants
- Part 199: Drug and Alcohol

[www.ecfr.gov](http://www.ecfr.gov)



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

6

# Overview of Final Gas Rule



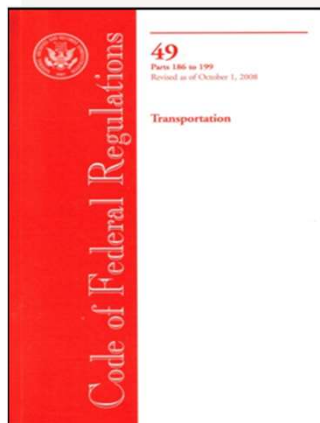
U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

7



## Gas Rule – Split Into Three Final Rules



### **RIN 1 – Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments**

- *Final Rule Published October 1, 2019*
- *Response to Industry Petition Published July 6, 2020*

### **RIN 2 – Repair Criteria, IM Improvements, Cathodic Protection, Management of Changes, and Other Related Amendments**

- *Final Rule under development*

### **RIN 3 – Gas Gathering**

- *Final Rule Published 11/15/2021,  
Effective Date 5/16/2022*



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

8



## Final Rule (RIN 1) – Key Elements

### Two new long-term programs:

1. MAOP Reconfirmation (§192.624)
  - 15 year program
  - Material Verification (§192.607)
2. Assessments outside of HCAs (§192.710)
  - Initial by 2034 and reassessments every 10 years, e.g. piggable
  - Moderate Consequence Areas (MCAs)  $\geq 30\%$  SMYS

### Other miscellaneous changes:

- Minor IMP changes
- Launcher/Receiver Safety
- MAOP Exceedance Reporting
- Recordkeeping



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

9



## Final Rule – Key Elements

### MAOP Reconfirmation (§192.624):

#### Applies to:

- **HCAs, Class 3 locations, and Class 4 locations without records necessary to establish MAOP in accordance with §192.619(a)(2); and**
- **Legacy lines operating at  $\geq 30\%$  Specified Minimum Yield Strength (SMYS) in HCAs, Class 3 locations, Class 4 locations, or piggable MCAs.**



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

10



## Final Rule – Key Elements

### MAOP Reconfirmation (§192.624) and Verification of Pipeline Material Properties and Attributes (§192.607)

- Operator must have **procedures** which include:
  - **Process for reconfirming MAOP**
  - **Performing spike test if used (§192.506) and material verification for line pipe and components (§192.607)**
- Operators must **document and verify material properties and attributes** where explicitly referenced in Part 192 (i.e. §192.624 and §192.712)



## Final Rule – Key Elements

### Assessments Outside of HCA (§192.710)

- Requires **integrity assessment** of steel gas transmission segments in **Class 3/4 locations, and piggable MCAs operating at  $\geq 30\%$  SMYS**
- **Complete initial assessment no later than July 3, 2034 and a recurring assessment at least once every 10 years thereafter**



# Rule Applicability to Municipal Gas Systems



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

13



## Will the “Mega Rule” Impact Municipal Gas Systems?

**To some extent, but impact will vary depending on facilities and operational characteristics**



Do you operate any of the following:

- Onshore steel transmission lines? In what class locations? Piggability?
- Except for service lines, steel lines that operate at a hoop stress  $\geq 30\%$  SMYS?
- Except for service lines and plastic pipelines, lines that operate at a hoop stress  $< 30\%$  SMYS and  $\geq 100$  p.s.i. gage?
- Gathering lines?



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

14



## Code Sections that Distribution Operators Should Review

- **§ 191.23 Reporting safety-related conditions**
- **§ 191.25 Filing safety-related condition reports**
- **§ 192.3 Definitions**
- **§ 195.5 Class locations**
- **§ 192.7 What documents are incorporated by reference partly or wholly in this part?**

Refer to FAQs on Gas Transmission Final Rule, Draft Batch 2, FAQ 49



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

15



## Code Sections that Distribution Operators Should Review

- **§ 192.18 How to notify PHMSA**
- **§ 192.517 Records: Tests**
- **§ 192.619 Maximum allowable operating pressure:  
Steel or plastic pipelines**
- **§ 192.750 Launcher and receiver safety**
- **§ 192.805 Qualification Program**

Refer to FAQs on Gas Transmission Final Rule, Draft Batch 2, FAQ 49



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

16





## New and Revised Reporting Requirements

- **Transmission Operators must submit SRC Report for MAOP exceedances that exceed margin (build-up) within 5 calendar days, even if root cause of exceedance is corrected (§ 191.23, § 191.25)**
- **Transmission Operator Annual and Incident Reports still must be filed; additional data required for Moderate Consequence Areas**



## Reporting – Things to Consider

- **Operators must have procedures for reporting**
- **Annual report (*due March 15, 2022*)**
  - **Report on all identified MCAs**
  - **Report on new assessments of non-HCAs**
- **Incident report records (*for incidents occurring on or after July 1, 2021*)**
  - **Report whether incident occurred in MCA or HCA**
  - **Provided MAOP determination information, if applicable**



# Operator Reports Forms and Instructions

- Gas Transmission and Gathering Annual Report (F7100.2-1)
- Gas Transmission, Gathering, and UNGS Incident Report (F7100.2)

U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

Sign-up for Email Alerts Newswroom

About PHMSA Safety Regulations and Compliance Resources

Home / PHMSA Forms

Pipeline Compliance Forms

**Contact Us**  
Office of Pipeline Safety  
U.S. Department of  
Transportation, Pipeline and  
Hazardous Materials Safety  
Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
United States  
**Email:**  
phmsa.pipelinesafety@dot.gov  
**Phone:** 202-366-4595

**Operator Reports Submitted to PHMSA - Forms and Instructions**  
[Annual Reports, Incident and Accident Reports, National Registry Notifications, and OpID Assignment Request](#)

**Drug and Alcohol Forms**  
[Inspection Forms](#)  
[Reporting Forms](#)

**Pipeline Inspection Forms**

Title	Description
<a href="#">PHMSA Gas Distribution IA Question Set</a>	PHMSA Gas Distribution IA Question Set

<https://www.phmsa.dot.gov/forms/pipeline-compliance-forms>



## Launcher and Receiver Safety (§ 192.750)

- Launchers and Receivers
  - Equipped with a suitable means to relieve pressure in barrel and
  - Equipped with means to indicate pressure or prevent opening if pressurized



## Recordkeeping

Imposes **related recordkeeping requirements** for pipeline materials and components. Examples include:



- tests and inspections
- physical characteristics
- mechanical and chemical composition
- standard in effect at time of manufacturing
- welder/joiner qualifications



## Compliance Tools

Frequently Asked Questions (FAQs),  
Inspection Forms, and Other Tools



## FAQs

- **Solicited, and continue to solicit FAQs**
  - Industry
  - State/Federal Regulators
  - Public
- **Assist in implementation of final rule; provide**
  - Clarity to existing requirements
  - Guidance
  - Information Sources
- **Batched, FAQs posted in Federal Register - Docket ID: PHMSA-2019-0225 (Batch 1 final; Batch 2 is draft)**



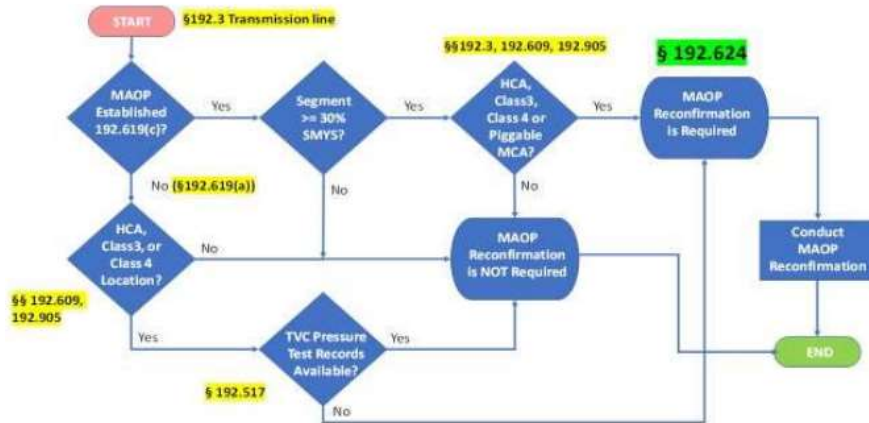
## Additional Questions and FAQ Comments

- **Propose new FAQs:**  
(Submit additional questions/clarifications/hypothetical scenarios to docket, PHMSA-2019-0225)  
<https://www.regulations.gov/docket?D=PHMSA-2019-0225>
- **Batch-1 and 2 FAQs and public comments:**  
(Read FAQs and public comments to docket, PHMSA-2019-0225)  
<https://www.regulations.gov/docket?D=PHMSA-2019-0225>



# Flow Chart Example

§192.624(a) Applicability of MAOP Reconfirmation: Onshore steel transmission pipelines.



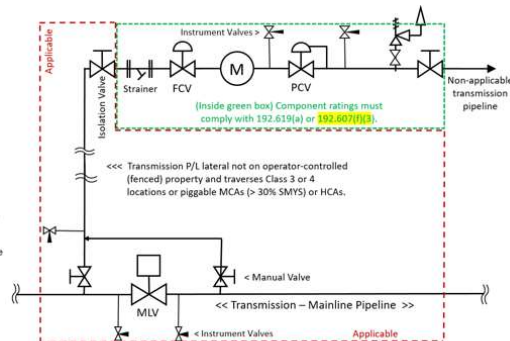
# Component Applicability Drawing Example

## GT with Extended Lateral to M&R Station

**Legend:**  
FCV = Flow Control valve  
M = Flow Meter  
MLV = Mainline valve  
NC = Isolation Valve (Normally Closed)  
NO = Isolation Valve (Normally Open)  
PCV = Pressure Control valve  
RCV = Remote Controlled valve

**Applicability: (Transmission Mainline Pipeline and Facilities)**

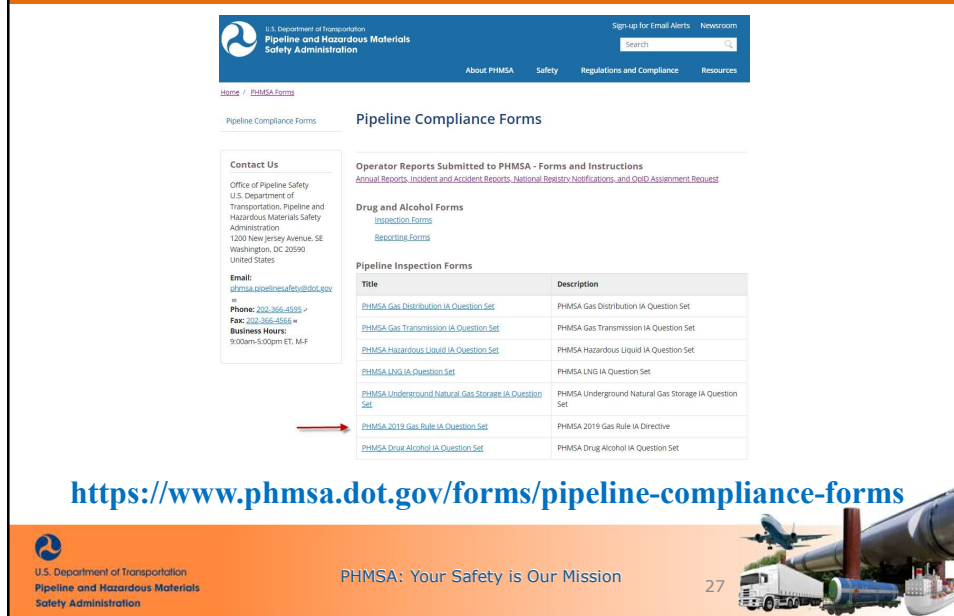
- Operates per 192.619(a) in an HCA or Class 3 or 4 location without a valid hydrotest used to establish or confirm MAOP.
- Operates per 192.619(c) and has an MAOP that is equal to or greater than 30% SMYS:
  - All Class 3, 4, or HCA areas.
  - MCA (regardless of class location) for pipelines that are piggable.



PHMSA disclaimer: The information contained in this work product are for educational and training purposes only. The document is intended to educate PHMSA and State pipeline safety inspectors on existing pipeline safety standards.



# Inspection Questions and Other Tools



The screenshot displays the PHMSA website interface. At the top, there is a navigation bar with the PHMSA logo, the text "U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration", a search bar, and links for "Sign-up for Email Alerts" and "Newsroom". Below the navigation bar, there are links for "About PHMSA", "Safety", "Regulations and Compliance", and "Resources". The main content area is titled "Pipeline Compliance Forms" and includes a "Contact Us" sidebar with the following information:

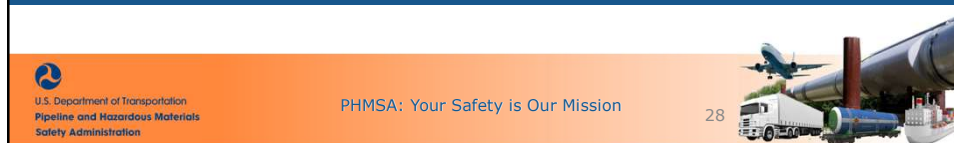
**Contact Us**  
Office of Pipeline Safety  
U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
United States  
**Email:** [phmsa.pipeline@dot.gov](mailto:phmsa.pipeline@dot.gov)  
**Phone:** 202-366-4933  
**Fax:** 202-366-4938  
**Business Hours:** 9:00am-5:00pm ET, M-F

The main content area also features sections for "Operator Reports Submitted to PHMSA - Forms and Instructions", "Drug and Alcohol Forms", and "Pipeline Inspection Forms". The "Pipeline Inspection Forms" section contains a table with the following data:

Title	Description
<a href="#">PHMSA Gas Distribution IA Question Set</a>	PHMSA Gas Distribution IA Question Set
<a href="#">PHMSA Gas Transmission IA Question Set</a>	PHMSA Gas Transmission IA Question Set
<a href="#">PHMSA Hazardous Liquid IA Question Set</a>	PHMSA Hazardous Liquid IA Question Set
<a href="#">PHMSA LNG IA Question Set</a>	PHMSA LNG IA Question Set
<a href="#">PHMSA Underground Natural Gas Storage IA Question Set</a>	PHMSA Underground Natural Gas Storage IA Question Set
<a href="#">PHMSA 2019 Gas Rule IA Question Set</a>	PHMSA 2019 Gas Rule IA Directive
<a href="#">PHMSA Drug Alcohol IA Question Set</a>	PHMSA Drug Alcohol IA Question Set

Below the table, a red arrow points to the "PHMSA 2019 Gas Rule IA Question Set" link. At the bottom of the page, there is a footer with the PHMSA logo, the text "U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration", the mission statement "PHMSA: Your Safety is Our Mission", and the page number "27".

# Natural Gas Distribution Infrastructure Safety and Modernization Grant Program



The footer of the slide features the PHMSA logo on the left, the mission statement "PHMSA: Your Safety is Our Mission" in the center, and the page number "28" on the right. The background of the footer is a light orange color with a faint image of a pipeline and a truck.

## Infrastructure Investment and Jobs Act of 2021



- **a.k.a. Bipartisan Infrastructure Law**
- **Signed November 15, 2021**
- **Includes PHMSA Natural Gas Distribution Infrastructure Safety and Modernization Grant Program**



## Funding

**\$1 Billion**  
over five years



**\$200 Million**  
per year

- Annual amounts are subject to appropriation
- No single operator can receive more than 12.5 percent of the available funds
- 2 percent of available funds for PHMSA administrative costs
- 1/2 percent of available funds for OIG oversight



## Gas Distribution Safety and Modernization Grant

Available to a municipality or community owned utility (not including for-profit entities) to:

- Repair, rehabilitate, or replace gas distribution pipelines
- or
- Acquire equipment to reduce incidents and fatalities and avoid economic losses



## Evaluation Criteria

**Applications will be evaluated on:**

- 1) Risk profile of existing pipeline system, including presence of leakage prone pipe
- 2) Job creation potential
- 3) Potential to benefit disadvantaged rural and urban communities
- 4) Economic impact or growth

Distribution Integrity Management Plan (Part 192, Subpart P) will be used to determine system risk profile





## PHMSA Administrative Responsibilities

- Issue Notice of Funding Opportunity (NOFO) within 180 days of the funding becoming available
  - Announced on **Grants.gov**
  - Outlines application procedures
  - Identifies evaluation criteria
- Awards must be made no later than 270 days after the NOFO



PHMSA Goal: Make Awards ASAP



## Applicant Requirements (Before Submission)

- Before submitting application:
  - Review NOFO and applicant requirements  
*(NOFO will be available on Grants.gov and on PHMSA's website)*
  - Register with Grants.gov  
*(Applications must be submitted through Grants.gov)*
  - Register with FedConnect and SAM.gov (SAM)  
*(Applicants will need a valid SAM Unique Entity Identifier (UEI) number and must maintain an active SAM registration status)*



# Statement of Interest and Other Information

## March 15, 2022, Letter to Operators

– Optional to reply and provide:

- Brief statement of interest
- Information and suggestions in response to questions

Statement of Interest and Other Information  
(best efforts with your current knowledge)

1. Name of Operator: \_\_\_\_\_
2. Operator's Point of Contact: \_\_\_\_\_
3. Brief statement of interest  
*(Example: we have 2 miles of bare steel/cast iron/legacy plastic main; we are looking to potentially repair or replace using this grant. This project could take approximately xxx months.)*  
*(Example: we are interested in purchasing leak detection equipment such as, xxx, which will enable prioritization and immediate repair/rehabilitation/replacement of higher risk pipes in our system)*
4. Do you have an infrastructure upgrade project in mind, already planned, or in process that this funding could help expedite?  
*(Example – we are replacing 2 miles of cast iron main within the city of xxx at a budgeted cost of \$\$\$\$. This project started xxx and is expected to finish xxx.)*  
*(Is your project on your wish-list or in the planning process? Or, has your project started?)*
5. Is there pipeline safety equipment that would help meet the goals of identifying high



# For Grant Related Questions

**PHMSA Grants Team**  
**PHMSAPipelineBILGrant@dot.gov**



Additional information available at:

<https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants>





## Additional Resources and Tools

- PHMSA Homepage, Office of Pipeline Safety
  - [www.phmsa.dot.gov](http://www.phmsa.dot.gov)
- Standards & Rulemaking
  - <http://www.phmsa.dot.gov/pipeline/regs>
- PHMSA Technical Resources
  - <https://www.phmsa.dot.gov/technical-resources/pipeline/pipeline-technical-resources-overview>
  - GPAC Meeting slides for reference at “Public Meetings” tab (<https://primis.phmsa.dot.gov/meetings/>)
- PHMSA’s Stakeholder Communications Site
  - <http://primis.phmsa.dot.gov/comm>
- For Federal Regulations (Official Version)
  - [www.ecfr.gov](http://www.ecfr.gov)



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

37

PHMSA: Your Safety is Our Mission



## April is National Safe Digging Month

- ❖ Damage during digging projects is a leading cause of serious pipeline accidents – these are preventable!
  - Notify 811 a few days before digging
  - Operators will mark underground lines with paint or flags
  - Dig carefully around the marks
- ❖ Notification before you dig is also required by law
- ❖ In April, PHMSA emphasizes the importance of this safety program



# Any Questions



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

39

PHMSA: Your Safety is Our Mission



# Thank You!!

Karen Gentile  
(609) 433-6650  
Karen.Gentile@dot.gov

<https://www.phmsa.dot.gov>



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

40

PHMSA: Your Safety is Our Mission



# Backup Information



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

41

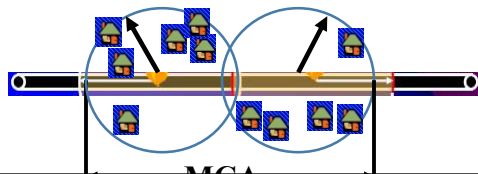


## New Definitions and Terminology

### Moderate Consequence Area (MCA)

- **Potential Impact Circle (PIC) contains 5 or more buildings intended for human occupancy or**
- **PIC contains any portion of paved surface of any designated interstate, other freeway, or expressway, as well as any other principal arterial roadway with 4 or more lanes**

**MCA length extends axially along pipeline from outermost edge of first potential impact circle to outermost edge of last contiguous potential impact circle containing buildings/roads**



## Additional Details on Grant.gov; FedConnect; and SAM.gov

**Grants.gov.** For new users, go to <http://www.grants.gov/web/grants/applicants.html>, or go to the main page at <http://www.grants.gov/> and select "Register." NOTE: New user registrations for Grants.gov can take up to two weeks to complete. For additional questions on how to register, contact Grants.gov support by phone at (800) 518-4726 or via email at [support@grants.gov](mailto:support@grants.gov).

**FedConnect.** Applicants must register with FedConnect at <https://www.fedconnect.net> for an account before submitting an application. Your organization's Marketing Partner ID number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, click on the link to review the tutorial on the FedConnect home page. For other technical issues or questions, either email [fcsupport@unisonglobal.com](mailto:fcsupport@unisonglobal.com) or call 1-800-899-6665, option 2. The FedConnect Support Center is staffed Monday - Friday 8 a.m. to 8 p.m., ET, except federal holidays.

**Unique Entity Identifier (UEI) and System for Award Management (SAM).** PHMSA may not make an award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements. If an applicant has not fully complied with the requirements by the time PHMSA is ready to make an award, PHMSA may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant. PHMSA recommends that applicants review the SAM database to ensure that their UEI number is updated and "active." Link: <https://www.sam.gov/portal/public/SAM/>



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission

43

