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For Immediate Release

NEWS RELEASE

FROM THE OFFICE OF COMMISSIONER STAN WISE

**Wise to Testify in Washington, D.C. on July 14, 2015 before U.S. House of
Representatives Hearing on Pipeline Safety**

ATLANTA –July 13, 2015 –Commissioner Stan Wise, a member of the Georgia Public Service Commission (Commission), will testify before the U.S. House Subcommittee on Energy and Power hearing entitled “Oversight of Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 and Related Issues.” The hearing will take place at 10:15 a.m. on Tuesday July 14, 2015 in 2123 Rayburn House Office Building.

A live broadcast of the hearing is available at

<http://energycommerce.house.gov/hearing/oversight-pipeline-safety-regulatory-certainty-and-job-creation-act-2011-and-related-issues>

The hearing chaired by Rep. Ed Whitfield (R-KY), will examine how the Pipeline and Hazardous Materials Safety Administration (PHMSA) has progressed, or not, in implementing reforms established under the Pipeline Safety Act of 2011. The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (the Act), which the Energy and Commerce Committee helped write, included 42 congressional mandates of PHMSA, 17 of which remain incomplete well beyond the specified deadlines. While PHMSA has fulfilled many of these mandates, failure to implement all of the reforms on time raises questions about the integrity of PHMSA’s oversight of pipeline safety, especially in the wake of the May 19, 2015, crude oil spill along the Gaviota Coast in California.

Commissioner Wise will appear on behalf of the National Association of Regulatory Utility Commissioners (NARUC) and the Georgia Commission. In his prepared testimony, Commissioner Wise will outline ten proposed amendments to the Act to streamline pipeline safety enforcement by state regulators and reduce administrative and bureaucratic burdens on the

states. Wise will also note Georgia's successful pipeline safety program which is one of the largest in the nation, based on services, miles of mains, inspectors, and budget.

Wise will also point out that delay in receiving reimbursement from PHMSA for enforcing pipeline safety regulations creates severe financial strain on the Commission. "However, the one issue that continues to cause problems for us is the increasing delays in receiving base grant reimbursements. Like other states, over the past few years, the amount of time Georgia, as well as other states', has had to wait to get paid for enforcing federal pipeline safety rules has increased steadily. In years' past, our finance department could depend on timely payments, which is very important on tight state budgets. This is an issue that needs resolution," Wise notes.

Wise however noted the Commission has always had a positive and constructive relationship with PHMSA.

Wise will propose the following legislative amendments in his testimony:

- Increased Civil Penalties - 19 States have adopted the new mandated Civil Penalty level, but some States believe that it is more productive to penalize earnings or rates of return rather than simply levying fines when a violation occurs.
- State Damage Prevention – Current law makes States with exemptions to Damage Prevention laws ineligible for State One-Call and State Damage Prevention Grants. NARUC opposed this provision in 2011. This provision has created problems for States as they cannot access grants for damage prevention. This is counterproductive to the goal of preventing damage.
- Automatic and Remote Controlled Shut-off valves - PHMSA has not published the required study to date. This study will help us determine whether or not additional State requirements may be in order. States will need to provide a rate structure to our regulated utilities that would provide for the recovery of any additional costs incurred by our utilities that may be required for the installation and maintenance of these facilities.
- Integrity Management - PHMSA has not published the evaluation of the current Integrity Management Regulations and whether or not these requirements should be expanded beyond High Consequence areas. Again, NARUC and its members are very interested in the findings of this study. This may also have an upward rate impact on our consumers, but could also lead to safer pipeline infrastructure in the States.
- High Consequence Areas (HCA) Mapping - PHMSA has not updated the National Pipeline Mapping System to include the identification of High Consequence Areas. They have updated access to the National Pipeline Mapping System by making it available for the

general public, however due to security reasons the system does not provide a level of detail that much of the general public would find useful.

- Leak Detection – PHMSA produced a report, has not as of yet published Notice of Proposed Rulemaking.
- Maintenance of Effort – Language in 2011 Act has caused financial difficulties in the States and is not working when PHMSA must issue waivers for 36 or more States each year.
- Gathering Lines - PHMSA published its study to Congress on May 8, 2015, and suggested gathering lines should be regulated in order to reduce risk to the public. NARUC agrees with this assessment.
- Excess Flow Valves – Notice of Proposed Rulemaking released on July 7, 2015. NARUC is currently reviewing the proposal.
- Maximum Allowable Operating Pressure (MAOP) – PHMSA has yet to implement regulations. NARUC encourages PHMSA to develop these rules in a prudent and expeditious manner to ensure the public safety of these lines.
- Accident and Incident Notification - PHMSA currently has posted on its website a proposed Notice of Proposed Rulemaking (NOPR) requiring one hour notice of the confirmed discovery of accident or incident rather than two hours. NARUC supports the shorter notification period.

Commissioner Wise's complete written testimony will be posted on the subcommittee web site. <http://energycommerce.house.gov/press-release/energy-and-power-examine-pipeline-safety-next-week#sthash.K6pAYETO.dpuf>.

Commissioner Wise is in his fourth term on the Georgia Public Service Commission, having been re-elected statewide in November, 2012. His complete biography and photo are found on the Commission web site at <http://www.psc.state.ga.us/pscinfo/bios/echols.asp?tab=Tab2>.

The Georgia Public Service Commission is a constitutional agency that exercises its authority and influence to ensure that consumers receive safe, reliable, and reasonably-priced telecommunications, electric and natural gas services from financially viable and technically competent companies. Additional information can be found on the Commission web site, www.psc.state.ga.us.

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