

### ***Resolution on Distribution Integrity Management***

**WHEREAS**, Industry and government have long been committed to operating the nation's 2.2 million mile natural gas pipeline system with outstanding reliability and safety; *and*

**WHEREAS**, Regulators, legislators, and natural gas distribution pipeline operators have independently, as well as jointly, been examining natural gas distribution practices to determine the most effective approach to maintaining and enhancing distribution system integrity and safety; *and*

**WHEREAS**, State regulatory agencies have primary responsibility for regulating natural gas distribution pipeline safety and play a critical role in ensuring distribution integrity and in meeting the unique demands of their State's energy needs; *and*

**WHEREAS**, When developing regulation, State regulatory agencies must take into account their State's varying geography, energy customer base, local economy, system age and materials of construction, size and complexity of distribution operations, and consumption patterns of natural gas customers ranging from large-volume manufacturers to mid-size businesses to single-family residences, as well as the State's overall executive policies and goals; *and*

**WHEREAS**, There are significant structural, geographic and functional differences between gas transmission and distribution systems, and these differences make it infeasible to apply many transmission integrity management requirements to natural gas distribution systems; *and*

**WHEREAS**, Any adjustment to an operator's distribution integrity management program should be responsive to that operator's distribution system safety performance, existing regulations and current practices that can affect such performance, *and*

**WHEREAS**, The American Gas Foundation study entitled, *Safety Performance and Integrity of the Natural Gas Distribution Infrastructure*, presents results based on a consensus between industry and government stakeholders, including NARUC, thus providing an appropriate beginning to determine effective approaches to improving distribution integrity management; *now therefore be it*

**RESOLVED**, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its February 2005 Winter Meetings in Washington, DC, encourages States, the Federal Office of Pipeline Safety, gas distribution pipeline operators, and other stakeholders to develop an approach to distribution integrity management that uses risk-based, technically sound and cost-effective measures, which reflect that stakeholders are: knowledgeable of the infrastructure; can identify threats against their systems; and can take appropriate measures to reduce the risk of system failures while balancing the needs to ensure continued safe operation, reliable service and the implications of any increased financial demands on the consumer.

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*Sponsored by the Committee on Gas*

*Adopted by the NARUC Board of Directors February 16, 2005*