

Resolution on Pipeline Safety

WHEREAS, The National Association of Regulatory Utility Commissioners and its members have long focused on pipeline safety, led by the Committee on Gas, established in 1964, the Staff Subcommittee on Pipeline Safety established in 1982, the Task Force on Pipeline Safety established in 2011, and the recently created Subcommittee on Pipeline Safety in 2013; *and*

WHEREAS, NARUC and the Committee on Gas maintain a strong cooperative partnership with U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), which is essential to ensure State and federal safety regulators work closely on pipeline safety; *and*

WHEREAS, More than two million miles of natural gas distribution pipelines crisscross the United States, connecting homes and businesses with one of America's most important energy resources. In fact, State Utility Commissions and State inspectors have direct safety authority over 2.1 million of the approximately 2.5 million miles of pipelines in the United States. These pipelines are the safest, most reliable, and cost-effective way to transport this essential fuel across the country and are primarily regulated by State Utility Commissions; *and*

WHEREAS, More than 100,000 miles of natural gas transmission pipelines, representing approximately 35% of the transmission pipelines in the United States, are regulated by State Utility Commissions. These pipelines are an integral component of the gas supply infrastructure that supplies distribution lines, power production facilities, and other energy consumers; *and*

WHEREAS, NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. NARUC members regulate the retail rates and services of electric, gas, water, and telephone utilities. NARUC members are obligated under the laws of our respective States to assure the establishment and maintenance of such utility services as may be required by the public convenience and necessity and to ensure that such services are provided under rates and subject to terms and conditions of service that are just, reasonable, and non-discriminatory; *and*

WHEREAS, NARUC also enjoys a close working relationship with the National Association of Pipeline Safety Representatives (NAPSR), a national organization representing the State pipeline inspection workforce throughout the country; *and*

WHEREAS, NAPSR previously cosponsored a Pipeline Integrity Verification Process Workshop in August 2013 with PHMSA of which Integrity Verification was a critical element for Safety of Gas Transmission Lines; *and*

WHEREAS, Since the first Pipeline Safety Act was signed into law in 1968, States have been active in assisting the U.S. Department of Transportation to carry out the nation's pipeline safety program. In fact, State pipeline safety personnel represent the bulk of the State/federal inspection workforce and State inspectors are the "first line of defense" at the community level to promote pipeline safety, underground utility damage prevention, and public education and awareness regarding pipelines; *and*

WHEREAS, On April 8, 2016, PHMSA published in the Federal Register a Notice of Proposed Rulemaking, PHMSA-2011-0023, *Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines*, seeking comments on a PHMSA proposal to revise the Pipeline Safety Regulations that apply to the safety of onshore gas transmission and onshore gathering pipelines. If adopted, the changes would add integrity verification requirements and revise PHMSA's integrity management requirements; *and*

WHEREAS, NARUC recognizes that the Notice of Proposed Rulemaking, PHMSA-2011-0023, *Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines* targets increased gas safety as a goal; *and*

WHEREAS, NARUC appreciates the extension to July 7, 2016, that PHMSA provided to the parties to comment on the proposed rules; *and*

WHEREAS, NARUC filed comments July 7, 2016, to the aforementioned Proposed Rulemaking. Among other things, the NARUC comments detailed that for the nation's State economic utility regulators, ensuring safe, reliable, and affordable utility service *is* our highest priority, and that any final rule should provide an appropriate degree of flexibility for State implementation efforts and have a clear understanding of the costs; *and*

WHEREAS, PHMSA, as of July 11, 2016, received almost 400 comments on the aforementioned Proposed Rulemaking, *and*

WHEREAS, NARUC's Committee on Gas, recognizing the importance of its partnership with PHMSA, dedicated at the 2016 Summer Committee Meetings in Nashville two panels focused on PHMSA and the aforementioned Proposed Rulemaking; *and*

WHEREAS, Many States and distribution utilities are currently undergoing myriad, pipeline replacement programs to replace aging pipeline infrastructure in both distribution and transmission pipeline systems, that can present myriad implementation challenges and impacts on the public; *and*

WHEREAS, Ensuring pipeline safety is about more than just pressure testing, replacement, and cost recovery. It is also about effective communication, enforcement, risk sharing, and establishing a long-range strategic plan that ensures a safe and reliable gas pipeline system; *and*

WHEREAS, State commissions and inspectors have significant experience that is useful to determine how best to finance system improvements, which require flexibility based upon considerations that each State is different and the needs and financial circumstances of each utility system are unique; *and now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2016 Summer Meetings in Nashville, Tennessee, encourages regulators and industry to consider sensible programs aimed at targeting the riskiest transmission pipelines, along with factoring in the implementation challenges that may also reflect the financial realities of the particular utility in question, *and be it further*

RESOLVED, That State commissions should, in a collaborative manner with PHMSA, explore and examine the pending rulemaking affecting the replacement and expansion of the nation's natural gas pipeline systems, *and be it further*

RESOLVED, That NARUC encourages its members to reach out and engage all stakeholders including PHMSA, NAPSR, industry, State and local officials, and the general public in thoughtful, carefully-examined processes about pipeline safety and integrity management programs; *and it be further*

RESOLVED, That NARUC specifically urges PHMSA to have a more proactive, detailed, and collaborative engagement among the States, PHMSA, the operators and other stakeholders prior to the adoption of a final rule for PHMSA-2011-0023, *and be it further*

RESOLVED, That NARUC supports PHMSA's collaborative endeavors that respect the role of States to accomplish our shared responsibilities as pipeline safety stewards.

Sponsored by the Committee on Gas

Adopted by the NARUC Board of Directors on July 27, 2016