

# MAJOR PIPELINE EXPANSIONS PROPOSED

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Routing, conversions, reversals –  
Is a new regulatory scheme needed?

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Observations based on information readily in the public domain

# Pipeline Projects

- The era of multibillion \$ pipeline projects
  - Time value of money takes on new “urgent” meaning
  - Continued merger/acquisition mania
    - Bigger isn’t necessarily better
  - Space Shuttle Syndrome in Risk Management
    - Pressures to “launch” overrules safety considerations
- Routing and permitting can seriously affect startup timing
  - ROW “creep” of new vs old
- Many existing pipelines “rebalancing” in North America
  - Imbalances from gas and liquid shale production
    - Condensates
  - Canadian Dilbit

# Existing Regulations Weak or Moot

- Conversions Not Transparent Nor Very Public
  - Can depend on the state
- Routing and Safety Disconnected
  - Very long history of detachment
- Integrity Management (“IM”) Regs First Generation
  - Too many missing records or data negating IM approach
  - Not integrating the important data
  - Negligent risk management approaches
- Rush of Pipeline Conversions and Safety
  - Gas to Liquid and visa versa
  - Interstate commerce clauses aren’t safety!

# Existing Pipeline Fed Safety Regs

- Old “Conversion of Service” Sections Not Adequate
  - Misses process safety management approach
  - Hydrotesting regs (Subpart E or J) very inadequate
    - IM vs MOP/MAOP tests
- Line Reversal Changes Pressure and/or Temperature Profiles and Threat Risks
  - For example, very different cracking threat effects
- When Reversed - Not All Pipe Segments the Same in Risk Management

# Existing Pipeline Safety Regs

- Gas & Liquid IM 1.0 needs serious improvement/clarification
  - Too many ruptures below MOP/MAOP
  - Legal loophole approaches not grasping process safety intent
  - Risk Assessments seriously deficient
    - In some cases even reckless
    - Engineering Assessments (EAs) very incomplete
      - WAAs and WAGs a real risk
  - Assessment limitations not quantified in regs

# New Regulatory Scheme Needed for Pipeline Conversions/Reversal

- A shift to more prescriptive (clarification) in pipeline safety regs warranted
  - Some operator's loosing control of pipelines
- Make conversions/reversals info more public and transparent
  - Report anomalies by type/time to remediate
- IM II Needed – Now!
  - Should be highest priority within PHMSA
  - IVP is a good start for a long process
    - Believe PHMSA technical gets it
  - Run gas and liquid reg IM advancements concurrently
  - Address MOP/MAOP hydrotest vs IM hydrotest
  - Don't oversell the technology!
    - Something wrong with Fitness for Service approaches