

**STATE OF IOWA**  
**DEPARTMENT OF COMMERCE**  
**BEFORE THE UTILITIES BOARD**

<b>IN RE:</b> REVIEW OF INTRASTATE GAS AND UNDERGROUND GAS STORAGE RULES [199 IAC CHAPTER 10]	<b>DOCKET NUMBER:</b> RMU-2016-0004 COMMENTS OF THE AMERICAN PUBLIC GAS ASSOCIATION
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On behalf of the American Public Gas Association (APGA), we appreciate this opportunity to submit comments on important rulemaking changes regarding pipeline safety.

There are approximately 1,000 public gas systems across the country, including many in the state of Iowa. Our members are retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that own and operate natural gas distribution facilities in their communities. Public gas systems' primary focus is on providing safe, reliable, and affordable natural gas service to their customers. APGA members serve their communities in many ways. They deliver gas to be used for cooking, cleaning, heating and cooling, as well as for various commercial and industrial applications.

Federal pipeline safety regulations at 49 CFR 192.3 define a transmission line as:

“a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.”

Federal pipeline safety regulations do not define what is a “distribution center” under item #1 of this definition so that determination is left to each state agency. The Iowa Utility Board (IUB) is unique among the 50 states in their definition of “distribution center.”

This has resulted in many Iowa utilities having to classify as transmission lines low stress pipelines that would be classified as distribution lines in any other state. Prior to 2003, the classification of a low stress natural gas pipeline as transmission rather than distribution had minimal cost impact. The only significant additional regulatory requirement for these pipelines was a requirement to patrol<sup>1</sup> the line once or twice a year. Most operators would do this even if not required by regulation.

In 1994, the Pipeline and Hazardous Materials Safety Administration (PHMSA) adopted §192.150, “Passage of internal inspection devices,” that required all new transmission lines to be constructed so as to allow the passage of internal inspection devices (“smart pigs”). This did not affect existing lines unless valves or other fittings on existing lines were replaced and also included an exemption for sizes of pipe for which an internal inspection device is not commercially available.

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<sup>1</sup> “Patrolling” means to walk or drive to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.

In 2003, PHMSA adopted transmission integrity management regulations that require any operator having pipelines classified as “transmission” to develop and follow a written integrity management plan. Compliance with this regulation could potentially require expensive inspections, and even the development of the written plan could pose high costs for a small utility.

These two regulations were intended to minimize the risk that a pipeline operating at a high pressure might suddenly rupture. Low pressure pipelines do not pose the same risk of sudden ruptures as do high pressure lines, therefore there is minimal safety benefit to subjecting low pressure pipelines to transmission pipeline regulations. The rules do, however, potentially impose substantial costs. The IUB’s interpretation of “distribution center, therefore imposes costs on Iowa ratepayers that have minimal or no safety benefit and are costs that ratepayers in the other 49 states do not face.

We urge the IUB to correct this inequity by adopting a definition of “distribution center” recommended by the Iowa Association of Municipal Utilities (IAMU). PHMSA regulations do not allow IUB to enact regulations that are less stringent than federal regulations, however since there currently no definition of “distribution center” in federal regulations and such a definition would be consistent with the practices of all other states, the proposed definition is not less stringent than federal regulations.

Respectfully submitted,

On behalf of the

American Public Gas Association (APGA)

Bert Kalisch

President and CEO