# IOGCC Annual Meeting
# Coeur d' Alene, Idaho
# Council of State and Provincial Oil and Gas Regulatory Officials

## PHMSA UNGS State Certification "*To Do Or Not To Do*"

**Lawrence E. Bengal, Director**
**Gary Looney, Assistant Director/Pipeline Program Administrator**
**Arkansas Oil & Gas Commission**

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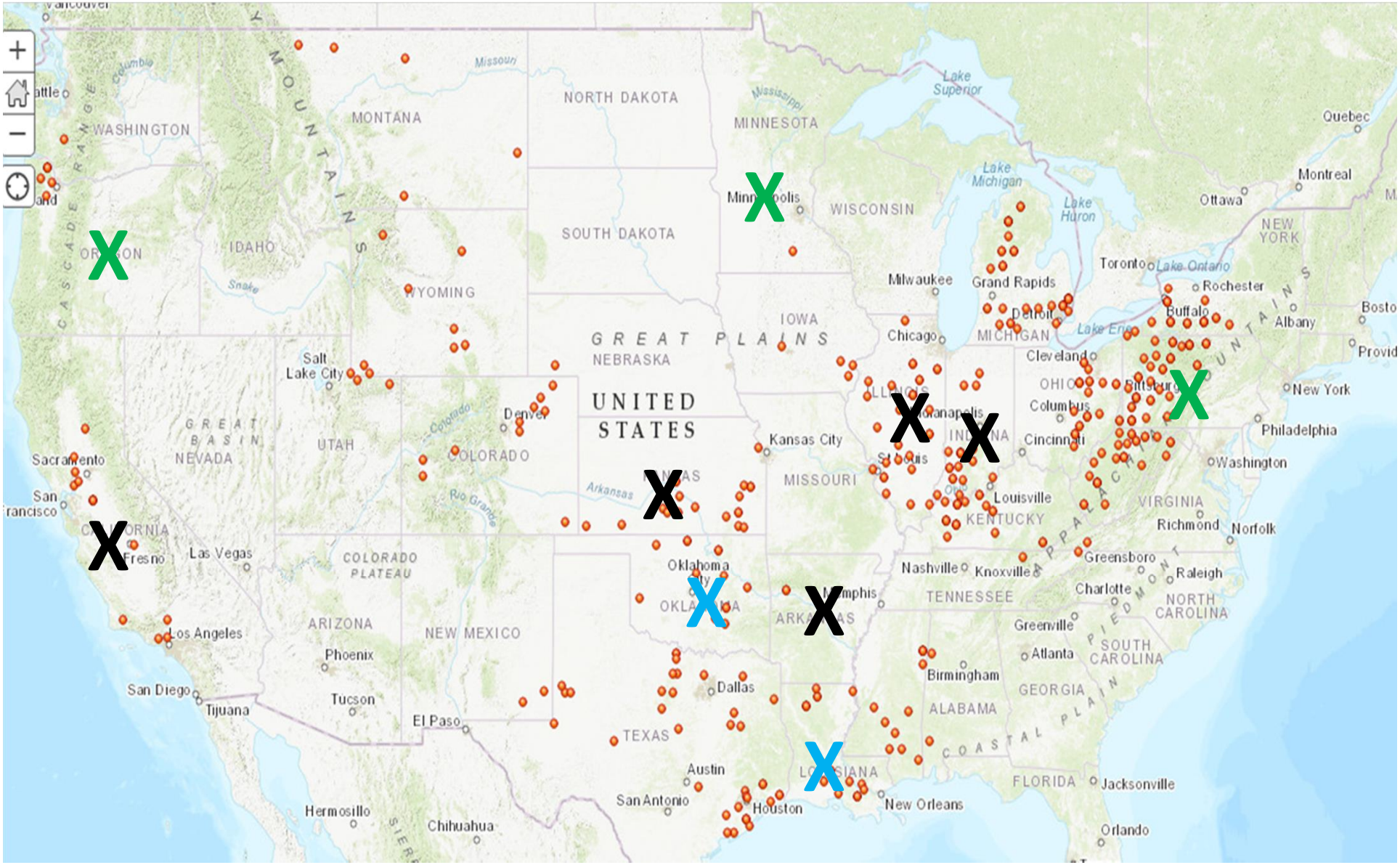
# UNGS SUBJECT to PHMSA JURUSDICTION



# PHMSA UNGS GRANT FUNDING for 2018

## Underground Natural Gas Storage Grants

| Underground Natural Gas Storage Program | Grant Award |
|---|---|
| CALIFORNIA DEPARTMENT OF CONSERVATION | $3,243,955 |
| ILLINOIS DEPARTMENT OF NATURAL RESOURCES | $422,350 |
| MINNESOTA OFFICE OF PIPELINE SAFETY | $22,000 |
| PENNSYLVANIA PUBLIC UTILITY COMMISSION | $18,751 |
| ARKANSAS OIL AND GAS CONSERVATION COMMISSION | *Participants did not apply for grant.* |
| KANSAS CORPORATION COMMISSION | |
| TOTAL | 3,707,056 |

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# PHMSA UNGS JURISDICTION "Clarifications"

- **PHMSA will inspect both Interstate and Intrastate underground gas storage facilities with respect to the federal program requirements.**
- **PHMSA will not prohibit State from administering and enforcing any state regulations at either type facility.**
- **PHMSA State Certification will only permit State Partner to administer federal program at Intrastate facilities.**
- **PHMSA will not dictate which State agency is to be the Partner Agency for UNGS Certification.**

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# Requirements for becoming a State Program Partner with PHMSA for UNGS
# Statutory Authority in Your State and Rule Making Ability

- **PHMSA will not determine which Agency in State (PSC/PUC or O&G) should apply (if there are multiple agencies with statutory authority), State will internally decide which will apply for UNGS.**
- **Official determination by Oil/Gas Commission, Board or Agency Administrator to enter into agreement.**
- **Letter to Zach Barrett to start process.**
- **Determine whether a 60105 (inspect and enforce) or 60106 (inspect only) program.**
- **Rule Making doesn't mean Federal Code line by line…**

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# Example of Federal Requirements Added to Existing State Gas Storage Rules

**Additional Federal Regulatory Requirements**

1) **All Underground Gas Storage Projects shall be:**

   a) **In compliance with construction, operation and maintenance requirements Federal Regulations 49 CFR Part 192, as amended.**

   b) **Subject to the applicable enforcement provisions of Federal Regulation 49 CFR Part 190, as amended.**

   c) **Subject to the applicable incident and other reporting requirements contained in Federal Regulation 49 CFR Part 191, as amended, and all such reports shall be submitted to the Arkansas Oil and Gas Commission.**

2) **All Operators of Underground Gas Storage Projects shall be subject to the applicable drug and alcohol testing requirements contained in Federal Regulation 49 CFR Part 199, as amended.**

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# Base Grant Application-Completed each September

U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

## PIPELINE SAFETY

**2019 Underground Natural Gas Storage Safety Program**

60105 - Certification Submission,
Underground Natural Gas Storage Grant Application

for

ARKANSAS OIL AND GAS COMMISSION

Please follow the directions listed below:

1. Review the entire document for completeness.
2. Review and have an authorized signatory sign the following pages:
    1. **Intentions page, Page 2**
    2. **For 60105 applications, Certification page, Page 4**
    3. **For 60106 applications, Agreement page, Page 5**
3. Scan the signed document to your computer and email to Carrie.Winslow@dot.gov.

# Guidelines for UNGS Program

## Guidelines for States Participating in the Underground Natural Gas Storage Safety Program

Pipeline and Hazardous Materials Safety Administration

December 2017

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# Guidelines for UNGS Program


*ACRONYMS* xi

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# PHMSA T&Q

- *UNGS Inspector only requires ONE course for Certification*
- *IF you have State Inspectors performing State program inspections, send the same person(s) to PHMSA training class.*

| | | | |
|---|---|---|---|
| 1902 | Oklahoma City, OK | Aug 5 - 8, 2019 | 00003829 |
| **PHMSA-PL1310 Plastic and Composite Materials Course** | | | |
| 1901 | Oklahoma City, OK | Jan 29 - Feb 1, 2019 | 00003830 |
| 1902 | Oklahoma City, OK | Sep 24 - 27, 2019 | 00003831 |
| **PHMSA-PL2258 Safety Evaluation of Hazardous Liquid Pipeline Systems Course** | | | |
| 1901 | Oklahoma City, OK | Feb 11 - 15, 2019 | 00003834 |
| **PHMSA-PL2284 (HAZWOPER) Refresher for Pipeline Safety Representatives** | | | |
| 1901 | Webinar | Jan 23, 2019 | 00003835 |
| 1902 | Webinar | Jan 24, 2019 | 00003836 |
| 1903 | Webinar | Apr 24, 2019 | 00003837 |

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# Inspection and Enforcement

- *Inspection based upon "shall" statements in the RP's but subject to change. State reference will follow changes with "as amended" adopted in State rule.*
- *PHMSA developed UNGS component to utilize Inspection Assistant (IA) or paper forms.*
- *The PHMSA inspection is independent of and not related to provisions of your state program.*
- *Both PHMSA and State programs will be administered separately or concurrently if State is certified - "one stop shop for gas storage operators"*
- *Enforcement depends on state certification status.*

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# PHMSA UNGS Inspection Form

- Rule and FAQs
- Reporting
- Risk Management
- Reservoir Integrity
- Well Integrity
- Site Security
- Procedures and Training

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# PHMSA UNGS Inspection Form

## PHMSA - UNGS IA RP1171 QUESTION SET

**2. Risk Management Program Requirements** *Does the process require the risk management program elements outlined in API RP 1171 Section 8.2?* (UNGS.RESRISK.RISKMGMTPROG.P)

| 192.12(d) (API RP1171 Section 8.2) | Sat+ | Sat | Concern | Unsat | NA | NC |
|---|---|---|---|---|---|---|
| | | | | | | |

**Notes**

**3. Risk Management Program Requirements** *Do records demonstrate that the required elements from API RP 1171 Section 8.2 were included in the development of the risk management program?* (UNGS.RESRISK.RISKMGMTPROG.R)

| 192.12(d) (API RP1171 Section 8.2) | Sat+ | Sat | Concern | Unsat | NA | NC |
|---|---|---|---|---|---|---|
| | | | | | | |

**Notes**

**4. Data Sources and Collection** *Does the process require that information be collected and used to determine susceptibility to threats and hazard-related events?* (UNGS.RESRISK.DATASOURCES.P)

| 192.12(d) (API RP1171 Section 8.3.2) | Sat+ | Sat | Concern | Unsat | NA | NC |
|---|---|---|---|---|---|---|
| | | | | | | |

**Notes**

# PHMSA UNGS Inspection Form

**5.1.8 Procedures for State Agencies with a Section 60105 Certification**

When formal compliance action is not deemed appropriate, the State Agency may take informal action such as notification letters or reports detailing noncompliance discovered. The notification letters should contain a statement of the State Agency's enforcement authority and authorized civil penalty amounts provided by state statute. In informal actions, the operator should be provided an opportunity to respond to the allegations. Because of the wide variation in State laws and administrative procedures, each State Agency must summarize its formal compliance process in the State Agency's written program procedures.

**5.1.9 Procedures for State Agencies with a Section 60106 Agreement**

A State Agency operating under the authority of an Agreement of 49 U.S.C. Chapter 601 is a limited representative of PHMSA. A copy of the inspection documentation identifying a probable non-compliance along with associated evidence, in a format acceptable to the PHMSA UNGS Team, must be submitted within 60 days of the end of the field inspection to Cynthia Ishikawa, PHMSA at: Cynthia.ishikawa@dot.gov or mailing address below. The State Agency should also advise the operator that there is a reason to believe that a possible noncompliance exists and that this issue has been referred to PHMSA for further action.

Cynthia Ishikawa
PHMSA Pipeline Safety Western Region Office
3401 Centrelake Drive, Suite 550B
Ontario, CA 91761

If, after reviewing the available information, PHMSA determines that a noncompliance does exist, PHMSA will notify the operator in writing and proceed with appropriate compliance action. The State Agency will be sent a copy of the notice letter and will be kept informed of the case progress and resolution.

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# SUMMARY

- *UNGS program is stand alone (you don't have to be a PHMSA pipeline state partner)*
- *Must have or can obtain Statutory and Rule Making Authority for UNGS*
- *One (1) course for UNGS*
- *UNGS program does NOT effect your current state program, even for interstate storage in your state, PHMSA will not prohibit a state from enforcing state requirements, they just will not permit enforcing the federal program*
- *Can/should use same personnel*

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# State Programs currently with PHMSA UNGS authority

- Å **Arkansas Oil and Gas Commission**
- Å **California Division of Oil, Gas, and Geothermal Resources**
- Å **Illinois Department of Natural Resources (Oil and Gas Resource Management)**
- Å **Kansas Corporation Commission Oil and Gas Conservation Division**
- Å **Minnesota Department of Public Safety**
- Å **Pennsylvania Public Utility Commission**
- Å **Indiana Department of Natural Resources (Division of Oil and Gas)**
- Å **Louisiana Department of Natural Resources**
- Å **Oklahoma Corporation Commission**
- Å **Oregon Public Utility Commission**

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