



## TESTIMONY OF THE AMERICAN GAS ASSOCIATION

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*Ensuring Safety and Reliability: Examining the Reauthorization Needs of the  
Pipeline and Hazardous Materials Safety Administration*

Subcommittee on Railroads, Pipelines, and Hazardous Materials  
Committee on Transportation and Infrastructure  
United States House of Representatives

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The American Gas Association (AGA) is pleased to provide our input for the Transportation and Infrastructure Committee's Subcommittee on Railroads, Pipelines, and Hazardous Materials pipeline safety hearing on May 7, 2024. AGA shares the same goals as safety advocates, the public, pipeline sector industry partners, and Congress: Ensuring America's pipeline system remains the safest, most secure, and most reliable in the world. To that end, we applaud the Transportation and Infrastructure Committee's bipartisan work to draft, negotiate, and pass the *Promoting Innovation in Pipeline Efficiency and Safety (PIPES) Act of 2023* (H.R. 6494). We look forward to working with the Committee, and all other House and Senate congressional partners, as pipeline safety reauthorization makes its way through the legislative process.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 77 million residential, commercial, and industrial natural gas customers in the U.S., of which 96 percent – more than 74 million customers – receive their gas from AGA members. AGA advocates for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one-third of the U.S.' energy needs. Natural gas pipelines are an essential part of the nation's energy infrastructure. Indeed, natural gas is delivered to customers through a safe, approximately 2.7-million-mile underground pipeline system, including 2.3 million miles of local utility distribution pipelines, 100,000 miles of gathering lines, and 300,000 miles of transmission pipelines providing service to more than 189 million Americans.

### **Our Number One Priority: Pipeline Safety**

Distribution pipelines are operated by natural gas utilities, or "local distribution companies (LDCs)." The gas utility's distribution pipes are the last, critical link in the natural gas delivery chain that brings natural gas from the wellhead to the burner tip. AGA member utilities are the "face of the gas industry," embedded in the communities they serve, and interact daily with customers and the state regulators who oversee pipeline

safety locally. The distribution industry takes very seriously the responsibility of continuing to deliver natural gas to our families, neighbors, and business partners as safely, reliably, and responsibly as possible.

The domestic shale revolution has resulted in an abundant supply of clean, affordable, and reliable natural gas. This robust supply has translated into stable natural gas prices and an increasing number of utility customers who use this resource for residential and commercial applications like cooking, space and water heating, and manufacturing. Last year alone, natural gas utilities added 730,000 customers and 20,700 miles of pipeline to serve these new customers. Alongside this tremendous opportunity comes the absolute necessity of operating safe and reliable pipeline infrastructure to help ensure dependable natural gas delivery to homes, businesses, and essential facilities like hospitals. Every year, the industry invests \$33 billion on the safety of our natural gas pipeline systems. Unquestionably, pipeline safety is our industry's number one priority, and through critical partnerships with state and federal regulators, legislators, and other stakeholders, AGA members are constantly working to improve pipeline safety, integrity, and resiliency.

### ***Integrity Management***

LDCs use "Distribution Integrity Management Programs" (DIMP) to manage systems that consist of many different types of material, of different ages, at different pressures, and in different environments. DIMP is a comprehensive and risk-based regulation that provides an added layer of protection to the prescriptive federal regulations, state regulations that go beyond federal regulations, and voluntary LDC operated safety programs. DIMP takes into consideration the wide differences that exist between natural gas LDCs and allows an operator to develop a safety plan that is appropriate for the unique operating characteristics of its individual distribution delivery system. DIMP requires all LDCs to understand their system (design, material, operating conditions, environment, maintenance, operating history, etc.); manage the threats that could affect the integrity of the system (excavation damage, corrosion, natural force damage, material defects, etc.); assess, prioritize, and mitigate risks; evaluate and alter as necessary program standards to ensure effectiveness; and report on performance to regulators.

DIMP helps LDCs prioritize pipeline replacement work and other measures that strengthen gas system safety. Industry, state regulators, commissioners, and the U.S. Department of Transportation's Pipeline & Hazardous Materials Safety Administration (PHMSA) have collectively prioritized pipeline replacement. Currently, 43 states and the District of Columbia have established rate mechanisms that allow operators to replace pipe faster. As a result, in the past 17 years alone, cast iron pipeline use has declined nearly 60 percent, and cathodically unprotected and bare steel pipelines have decreased over 50 percent. These systems have been replaced by modern plastic pipelines which provide increased gas utility system safety, resiliency, affordability, and environmental protection.

LDCs have demonstrated they can increase natural gas delivery while simultaneously improving safety. PHMSA data shows that significant distribution incidents, those resulting in death, injury or significant property damage, and serious incidents, those that result in a death or injury, have declined over the past 20 years. Significant incidents on natural gas distribution pipelines have declined 41 percent and serious incidents have declined nearly 47 percent. Notably, the primary cause of these incidents is excavation damage, which accounted for 34 percent of significant incidents and 25 percent of serious incidents in the past 20 years. While we have seen improvement, one incident is one too many. We look forward to working with all relevant partners to enhance pipeline safety and further reduce incidents.

### ***Pipeline Safety Management Systems (PSMS)***

LDCs are at the forefront of voluntarily implementing PSMS, a "Plan-Do-Check-Act" cycle that helps operators continuously and comprehensively track and improve their safety performance within 10 specific areas. These actions help the industry drive towards its zero-incident goal. Operators that implement PSMS have better information on the safety of their systems, learn where they can improve safety, and measure their progress toward improved safety performance. Industry and other stakeholders, including PHMSA, believe that voluntary adoption of PSMS will enhance pipeline safety and improve safety culture. AGA supports the voluntary adoption of PSMS and the development of systems that promote self-disclosure

and a collaborative culture between regulators and operators. The AGA Board of Directors has recommended that all AGA members implement PSMS in their organizations.

AGA provides various resources to help operators in their PSMS journey. This includes a PSMS Executive Steering Committee, PSMS Discussion Group, PSMS annual workshop, PSMS Portal which contains materials and lessons learned from incidents and near misses, an Operational Risk Data Committee, Quality Management technical committee, and an annual Operations Conference. AGA also has various initiatives related to PSMS. This includes AGA's in-person Peer Review Program and Virtual Assessment Program which allows natural gas utilities to observe their peers, share leading practices, and identify opportunities to better serve customers and communities. Each review involves AGA staff and subject matter experts from member utilities who are dedicated to helping the host utility improve.

### ***Demonstrated Commitment to Safety***

Safety is a joint effort which engages customers, regulators, and policymakers at every level. The natural gas industry invests over \$60,000 every minute to enhance the safety of natural gas distribution and transmission systems. Furthermore, AGA and its member companies have adopted a *Commitment to Enhancing Safety*, a public declaration that LDC's are committed to collaborating with federal and state officials, emergency responders, excavators, consumers, safety advocates and the public to improve the industry's already longstanding record of safe, reliable, and efficient operation. This document reflects LDCs' willingness to make safety an intrinsic part of their core business functions, including pipeline design and construction, operations, maintenance and training, and more public facing programs like workforce development, pipeline stakeholder engagement, and first responder outreach. Implementing these priorities has enhanced pipeline safety, improved LDC operations, lowered utility costs (particularly on low-income customers), increased public accountability, and reduced greenhouse gas emissions. Overall, our commitment underscores the steps LDCs take every day to ensure America's 2.3 million miles of natural gas distribution pipeline operate safely and reliably.

### **Pipeline Safety Reauthorization Priorities**

AGA and its members support fact-based, reasonable, flexible, and practicable updates to pipeline safety regulation that build upon lessons learned and evolving improvements to pipeline safety and related programs and technology. In that spirit, AGA wishes to highlight 5 high-level principles, 4 of them included in the *Promoting Innovation in Pipeline Efficiency and Safety (PIPES) Act of 2023* (H.R. 6494), as the House-Senate reauthorization process continues.

***Support Limiting Pipeline Excavation Damage Incidents (Section 18)***. Excavation damage is the primary cause of distribution pipeline incidents. According to PHMSA data, in the past 20 years, excavation damage incidents on all pipelines have resulted in 66 deaths, 248 injuries, and \$666 million in property damage. 42 of these deaths, 199 of the injuries, and \$269 million in property damage was due to excavation damages on distribution pipelines. These often tragic incidents are preventable. States that have healthy excavation damage prevention and enforcement programs typically experience lower rates of damages to pipelines. AGA supports directing PHMSA to incentivize states to adopt One Call program leading practices, derived from the best state excavation damage programs, and condition their grants to State One Call programs based upon adoption of these best practices. We are confident this program will save lives.

***Support Pipeline Technology Alternatives***. Modern pipeline safety technologies – not contemplated when many pipeline safety regulations were first implemented – can, if deployed, meet the intent of these older existing regulations and improve the overall safety of the natural gas, hazardous liquid, underground storage, and liquefied natural gas infrastructure. For example, satellite technology has advanced to the point where it can be used comply with leak detection regulation and breakaway meter technologies and excess flow valves can stop the flow of gas if a meter is hit, eliminating the need for physical meter protection barriers. AGA supports a PHMSA regulatory process to identify technology alternatives that, if utilized, will

meet the intent of existing pipeline safety regulations and provide an equal or greater level of pipeline safety. ***This concept is not addressed in H.R. 6494 and we hope it will be included at a later stage.***

***Strengthen Criminal Penalties for Damage to Pipelines (Section 21).*** Natural gas utilities are experiencing an uptick in criminal attacks to property, equipment and facilities. These activities range from gunshots targeting pipeline equipment, IEDs placed on gas delivery equipment, and the damaging of facilities and equipment necessary for safe natural gas delivery. These activities are not only hazardous to the safety and property of the public and member company employees, they threaten an LDC's ability to deliver natural gas to thousands of homes, hospitals, schools, government and military facilities, and other critical infrastructure customers. AGA supports increased criminal penalties on bad actors who intentionally damage, destroy or impair pipelines and pipeline facilities, including those under construction.

***Hydrogen-Natural Gas Blending R&D Study (Section 20).*** Hydrogen is an emerging solution for achieving gas LDC energy storage and decarbonization goals. Natural gas projects in North America and worldwide demonstrate successful blending of hydrogen into the existing natural gas distribution network, or utilizing natural gas that has a naturally occurring higher hydrogen content. Hawai'i Gas has successfully utilized a natural gas hydrogen blend of 15% for decades and many systems overseas are operating at approximately a 20% blend. It is important to understand how companies operating natural gas distribution systems with a higher hydrogen content are operating these systems safely. As such, we suggest GAO conduct a review of natural gas distribution systems worldwide that utilize hydrogen-natural gas blending applications, or utilize gas with a higher hydrogen content, to identify processes, materials, and standards the operators have implemented to operate safely. The results of this study will help underpin the safety of ongoing domestic hydrogen R&D and blending operations.

***Authorize a Pipeline Safety Voluntary Information-Sharing System (Section 24).*** Congress should authorize a Voluntary Information-sharing System (VIS) based on the recommendations of the public advisory committee formed pursuant to the 2016 pipeline safety reauthorization law. A VIS will engage multiple stakeholders (e.g., government, industry, and pipeline safety NGOs) to collect and share best practices and lessons learned, promote improved pipeline safety, and will importantly include sufficient legal and regulatory safe harbors for information sharing to guarantee industry participation. VIS will support industry's implementation of Pipeline Safety Management Systems by encouraging information sharing and facilitating understanding and management of pipeline safety risks.

***4-Year Reauthorization for PHMSA's Pipeline Safety Program (Section 2).*** PHMSA's Pipeline Safety program was reauthorized most recently in the PIPES Act of 2016 and PIPES Act of 2020. With PHMSA's Pipeline Safety program expiring again in 2023, the frequency of reauthorization has been squeezed to just 3 years. This interval is inappropriate given the significant time it takes to conduct studies, publish reports, and move reauthorization priorities from legislation to Proposed Rulemaking, address comments, and develop and publish Final Rules. In acknowledgment of the time required to conduct studies, publish reports, and develop a feasible, reasonable, cost effective, and practical rulemaking (including stakeholder input), and in keeping with reauthorization intervals that preceded the PIPES Act of 2016 (1996, 2002, 2006, 2011), Congress should reauthorize PHMSA's Pipeline Safety program for not less than 4 years.

## **Conclusion**

America's gas utilities' commitment to pipeline safety relies on sound engineering principles and best in class technology, a trained professional workforce, effective community relationships, and a strong partnership with state pipeline safety authorities and PHMSA. As pipeline safety reauthorization legislation is drafted this year, AGA encourages Congress to work in a bipartisan fashion to move reasonable and consensus changes to pipeline safety law and regulation, support PHMSA's primary role as pipeline safety regulator, and recognize the great strides in pipeline safety engineering and operating practices that pipeline companies are putting into practice across the country. Pipeline sector companies and their trade associations stand ready to assist in this process with real world operations, engineering and safety data and experience. Please use us as a resource.