



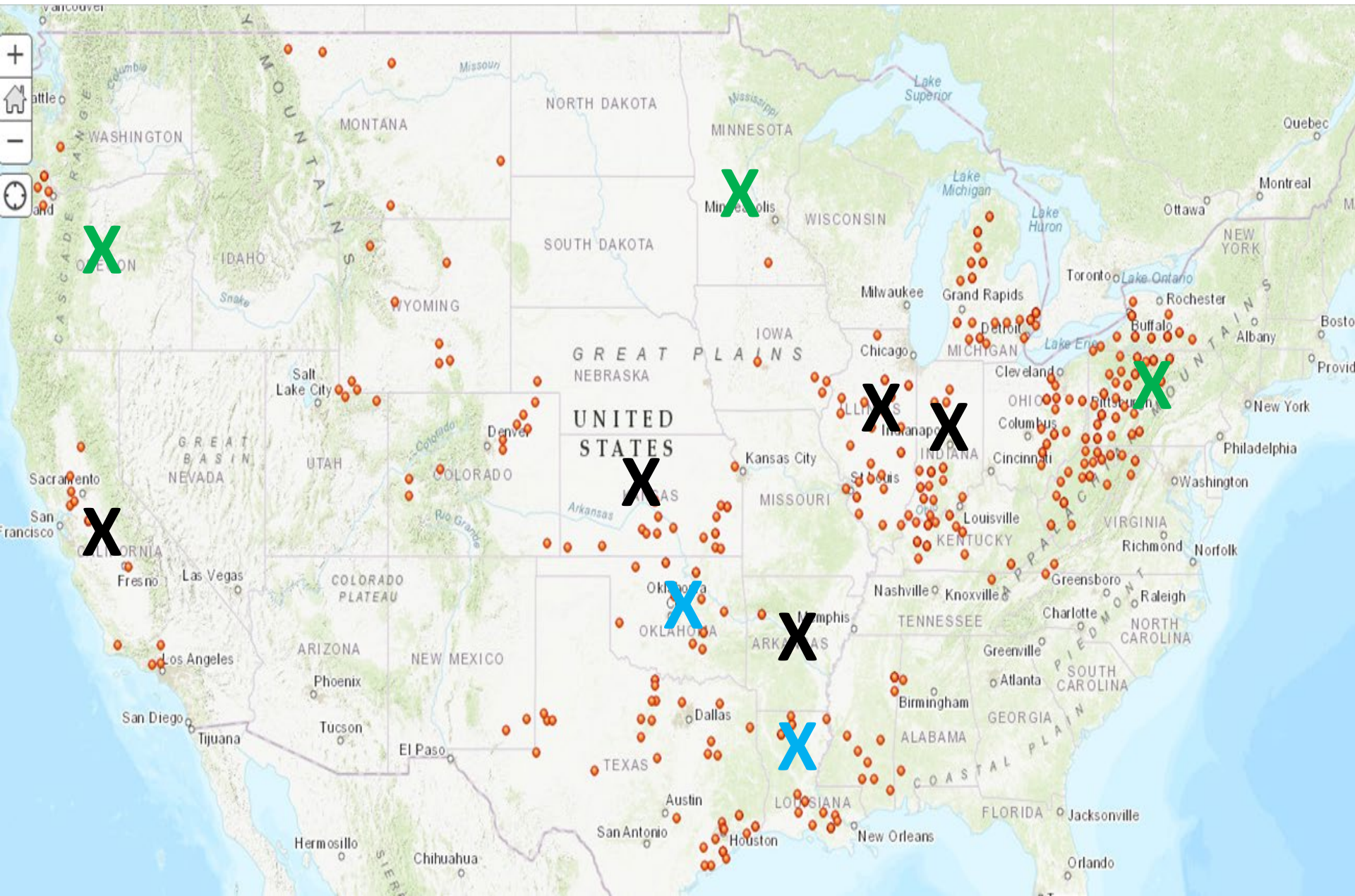
**IOGCC Business Meeting  
Oklahoma City, Oklahoma  
Environmental and Safety Committee**

**PHMSA UNGS State Certification Process**



**Gary Looney, Assistant Director/Pipeline Program Administrator  
Arkansas Oil & Gas Commission**

# All Interstate and Intrastate UNGS Facilities are Subject to PHMSA Jurisdiction



# Proposal For an IOGCC “PHMSA UNGS State Certification Workgroup”

- **Purpose will be to create a “Roadmap” document to assist Oil and Gas Regulatory Agencies navigate the UNGS Certification Process.**
- **Workgroup will consist of members from States where the Oil and Gas Regulatory Agency has or is in the process of acquiring UNGS Certification. (Arkansas, California, Indiana and Kansas have already volunteered)**
- **Goal will be to have a draft document ready for discussion at the meeting in North Dakota.**
- **Following finalization of the document, individual state assistance with the Certification process could be provided through the Exchange.**





# 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.**



- MEMBER STATE
- ASSOCIATE STATE
- NON-MEMBER STATE

- Intra-state Storage Projects
- Oil and Gas Agency Certification
- Pipeline Agency Certification



# 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...



# 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.**



# 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](mailto: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**

# Guidelines for UNGS Program

<i>ACRONYMS</i>	<b>xi</b>
<b>1 The Federal/State Partnership</b>	<b>1</b>
<b>1.1 Congressional Intent</b>	<b>1</b>
<b>1.2 Federal Role and Organizational Structure</b>	<b>1</b>
<b>1.3 State Role and Organizational Structure</b>	<b>2</b>
<b>1.4 Invitational Travel</b>	<b>2</b>
<b>2 State Participation Requirements</b>	<b>4</b>
<b>2.1 Section 60105 Certification</b>	<b>4</b>
<b>2.2 Section 60106 Agreement</b>	<b>5</b>
<b>2.3 PHMSA’s procedures to monitor, evaluate and reject a State Program’s Certification.</b>	<b>6</b>
<b>2.4 Project Specific Time Defined Agreement</b>	<b>6</b>
<b>2.5 Joint Inspection of an Interstate Operator</b>	<b>7</b>
<b>2.6 Certification/Agreement Forms</b>	<b>7</b>
<b>2.7 Progress Report</b>	<b>8</b>
2.7.1 Attachment #1: State Jurisdiction and Agent Status	8
2.7.2 Attachment #2: Total State Field Inspection Activity	8
2.7.3 Attachment #3: Facilities Subject to State Safety Jurisdiction	9
2.7.4 Attachment #4: Underground natural gas storage Incidents/Accidents	9
2.7.5 Attachment #5: State Compliance Actions	9
2.7.6 Attachment #6: State Record Maintenance and Reporting	9
2.7.7 Attachment #7: State Employees Directly Involved in the Underground Natural Gas Storage Safety Program	9
2.7.8 Attachment #8: State Compliance with Federal Requirements	10
2.7.9 [RESERVED]	10
2.7.10 Attachment #10: Performance	10
<b>3 State Regulatory Responsibility</b>	<b>11</b>
<b>3.1 Adoption of Federal Regulations and Requirements</b>	<b>11</b>
<b>3.2 Waiver of Federal Regulations</b>	<b>11</b>
3.2.1 Interstate Underground Natural Gas Storage Facilities	11
3.2.2 Intrastate Underground Natural Gas Storage Facilities	11
<b>4 Personnel</b>	<b>14</b>
<b>4.1 State Agency Minimum Required Inspection Activity</b>	<b>14</b>
4.1.1 Determination of Inspection Activity	14
<b>4.2 Allocation of Effort</b>	<b>15</b>
<b>4.3 Training</b>	<b>15</b>
4.3.1 Required Training	16
4.3.2 Course Re-Testing	16
4.3.3 Waivers from Training	16
4.3.4 Extension Of Time Training Waiver	16



# Guidelines for UNGS Program

## TABLE OF CONTENTS

4.3.5	Permanent Training Waiver	17
4.3.6	Procedures For Requisition A Training Waiver	17
<b>4.4</b>	<b>Continuing Education and State Inspector Mentoring Program</b>	<b>17</b>
<b>4.5</b>	<b>State Program Personnel Changes and Qualifications</b>	<b>18</b>
	Table 4-1 - Categories and Qualifications for State Agency Inspectors	19
<b>4.6</b>	<b>New Program Manager Orientation</b>	<b>20</b>
<b>5</b>	<b>Inspection and Compliance Program</b>	<b>20</b>
<b>5.1</b>	<b>Inspection</b>	<b>20</b>
5.1.1	Operator Data	21
5.1.2	Procedures for determining inspection priorities	21
5.1.3	Written procedures/guidelines for Inspectors covering each type of required inspection.	22
5.1.4	Written procedures that provide for methodical, systematic, comprehensive, and consistent inspections.	24
5.1.5	Procedures for notifying an operator when noncompliance is identified.	24
5.1.6	Procedures for follow-up activities to ensure that proper corrective action has been taken by the operator within a specific time frame after notification of noncompliance.	25
5.1.7	Recordkeeping procedures to document the results of inspection, follow-up, and compliance actions taken.	26
5.1.8	Procedures for State Agencies with a Section 60105 Certification	26
5.1.9	Procedures for State Agencies with a Section 60106 Agreement	26
<b>5.2</b>	<b>PHMSA Orders to Operators</b>	<b>26</b>
<b>6</b>	<b>Failure Investigation and Safety-Related Conditions</b>	<b>27</b>
<b>6.1</b>	<b>Investigation of Underground natural gas storage Failures</b>	<b>27</b>
<b>6.2</b>	<b>Basic Investigative Procedures</b>	<b>28</b>
<b>6.3</b>	<b>Incident Investigation Procedures</b>	<b>28</b>
<b>6.4</b>	<b>Safety-Related Conditions</b>	<b>29</b>
<b>7</b>	<b>State Agency Program Performance</b>	<b>29</b>
<b>7.1</b>	<b>Annual Program Evaluation</b>	<b>29</b>
7.1.1	Verification of Progress Report attachments	30
7.1.2	Record review	30
7.1.3	Field inspection	30
7.1.4	Communication of Findings to State Program	30
<b>7.2</b>	<b>Compliance with Program Requirements</b>	<b>31</b>
<b>7.3</b>	<b>Recordkeeping</b>	<b>32</b>
<b>8</b>	<b>DOT Grant-in-Aid Program</b>	<b>32</b>
<b>8.1</b>	<b>Scope of Grant</b>	<b>32</b>
<b>8.2</b>	<b>Address</b>	<b>33</b>
<b>8.3</b>	<b>Eligibility</b>	<b>33</b>
<b>8.4</b>	<b>General Obligations</b>	<b>33</b>
<b>8.5</b>	<b>Application</b>	<b>33</b>
8.5.1	Attachment #1: Description of State Underground natural gas storage Safety Program.	34

# 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	
<b>PHMSA-PL1310 Plastic and Composite Materials Course</b>				
1901	Oklahoma City, OK	Jan 29 - Feb 1, 2019	00003830	
1902	Oklahoma City, OK	Sep 24 - 27, 2019	00003831	
<b>PHMSA-PL1325 Safety Evaluation of Underground Storage Facilities Course</b>				
1901	Oklahoma City, OK	Jun 17 - 20, 2019	00003833	
<b>PHMSA-PL2258 Safety Evaluation of Hazardous Liquid Pipeline Systems Course</b>				
1901	Oklahoma City, OK	Feb 11 - 15, 2019	00003834	
<b>PHMSA-PL2284 (HAZWOPER) Refresher for Pipeline Safety Representatives</b>				
1901	Webinar	Jan 23, 2019	00003835	
1902	Webinar	Jan 24, 2019	00003836	
1903	Webinar	Apr 24, 2019	00003837	
1904	Webinar	Jan 24, 2019	00003838	



# 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.*



# PHMSA UNGS Inspection Form

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





# 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](mailto: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.



# 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*



# State Programs currently with PHMSA UNGS authority

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



# 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	<i>Participants did not apply for grant.</i>
KANSAS CORPORATION COMMISSION	
<b>TOTAL</b>	<b>3,707,056</b>

