

Focusing On A Responsible Course of Action

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UTILITY OPERATOR COMMITMENT:

RESPONSIBLE COURSE OF ACTION

Common sense, risk-based, and technically defensible approaches to address safety, while continuing to deliver natural gas reliably, efficiently, and competitively

- **Not placing undue burden on consumer**
- **Meeting today's and future energy needs**

OUTLINE

- **Distribution Integrity**
- **Current AGA Initiatives**
- **Participation in AGF distribution study**
- **Excess Flow Valves**

Utility Operator Commitment

- **Participation in AGF study**
- **Current Practices Exchange**
- **Education of Members**
- **R&D Needs Identification**
- **Publications & Standards**

Recent Programs Affecting Distribution

- 1. One-call 3-digit number (M)**
- 2. DA standards development & rulemaking (M)**
- 3. Operator Qualification standard development (M)**
- 4. Operator Qualification rule revision (R)**
- 5. Distribution integrity management (R)**
- 6. Public awareness communication std. & rulemaking (M)**
- 7. Infrastructure grants R&D program (M)**
- 8. Right-of-way population encroachment practices (M)**
- 9. Better crisis communication (R)**
- 10. Excess flow valve installation (R)**
- 11. Operator safety performance metrics (R)**
- 12. Plastic pipe data collection project (V)**
- 13. Common Ground Alliance activities (V)**
- 14. American Gas Foundation distribution study (V)**
- 15. Ensuring quality of plastic piping materials (V)**
- 16. AGA Best Practices development (V)**

M = Legislative Mandate R = Regulatory Initiative
V = Industry Voluntary Initiative

DISTRIBUTION INTEGRITY MANAGEMENT STRATEGY

Work with all stakeholders:

- **Constructively address the issue**
- **Establish reasonable framework and timeline**

Support DOT's approach to include all interested parties in working towards these objectives.

OBJECTIVES

- **2006 pipeline safety legislation should not mandate prescriptive actions on distribution**
- **Regulatory approach should provide flexibility, allow for diversity & consider cost recovery**
- **Adopted policies should benefit both utilities and customers by enhancing safety**
- **Enhance recognition of industry safety record**

Vision for Distribution Integrity

States have a key role

Enhancements in distribution infrastructure must:

- **Be in best interest of public & consumers**
 - *Definitely add to public safety*
 - *Minimum cost to gas consumers*
- **Take into account existing strengths in**
 - *Current regulations*
 - *Recent mandates & initiatives*
 - *State distribution safety programs*

Installation of Excess Flow Valves

- **Current regulatory approach is working well**
- **Choice should be remain on state level**
- **Installations should be risk-based**
- **Issue should come under distribution integrity management considerations**

Questions?

