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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2016-0023]

Pipeline Safety: Public Workshop on Underground Natural Gas Storage Safety

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Notice of public meeting.

SUMMARY: This notice announces a public meeting to solicit input and obtain background information concerning underground natural gas storage safety. PHMSA and the National Association of Pipeline Safety Representatives (NAPSR) are co-sponsoring this one-day workshop. The workshop will bring federal and state regulators, emergency responders, industry, and interested members of the public together to participate in understanding and shaping the future for maintaining the safety of underground natural gas storage facilities.

PHMSA and NAPSR recognize that the October, 2015, Southern California Gas Company's (SoCal Gas) Aliso Canyon underground natural gas storage facility leak on Well SS25 located in the Porter Ranch area near Los Angeles, California, has drawn concerns regarding natural gas storage well safety and the environmental effects of an incident. Currently, throughout the United States, approximately 400 interstate and intrastate underground natural gas storage facilities are operating with more than four trillion cubic feet of natural gas working capacity.

DATES: The public workshop will be held on July 14, 2016. Name badge pick up and on-site registration will be available starting at 7:30 a.m., with the workshop taking place from 8:00 a.m. until approximately 4:30 p.m. mountain time. Online preregistration for the workshop is available until July 10, 2016. Refer to the meeting web site for the latest information about the meeting including agenda and the webcast.

<http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=115>

Presentations and a recording of proceedings will be available within 30 days after the event.

ADDRESSES: The workshop will be held at the Renaissance Boulder Flatiron Hotel located at 500 Flatiron Boulevard, Broomfield, Colorado 80021. The hotel can be contacted at 1-303-464-8400.

REGISTRATION: Members of the public may attend this free workshop. Please note that the public workshop will also be webcast for those who cannot attend in person.

To help assure that adequate space is provided, attendees, both in person and by webcast, should register in advance at the PHMSA public meeting web site at:

<http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=115>

Onsite registration will also be available for those attending in person.

Presentations will also be available online at the meeting page Web site within 30 days following the meeting.

COMMENTS: Members of the public may submit written comments either before or after the workshop. Comments should reference Docket No.: PHMSA- 2016-0023. Comments may be submitted in the following ways:

- E-Gov Web Site: <http://www.regulations.gov>. This site allows the public to enter comments on any Federal Register notice issued by any agency. Follow the instructions for submitting comments.
- Fax: 1-202-493-2251.
- Mail: Docket Management System, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue, SE, Room W12-140, Washington, DC 20590.

Hand Delivery: DOT Docket Management System, Room W12-140, on the ground floor of the West Building, 1200 New Jersey Avenue, SE, Washington, DC between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays.

Instructions: Identify the docket number (PHMSA-2016-0023) at the beginning of your comments. If you submit your comments by mail, submit two copies. If you wish to receive confirmation that PHMSA has received your comments, include a self-addressed stamped postcard. Internet users may submit comments at <http://www.regulations.gov>.

Note: Comments will be posted without changes or edits to <http://www.regulations.gov> including any personal information provided. Please see the Privacy Act Statement below for additional information.

Privacy Act Statement

Anyone may search the electronic form of all comments received for any of our dockets. You may review DOT's complete Privacy Act Statement in the Federal Register published April 11, 2000, (65 FR 19476) or visit <http://dms.dot.gov>.

Information on Services for Individuals with Disabilities

For information on facilities or services for individuals with disabilities, or to request special assistance at the meeting, please contact Kenneth Lee, Engineering and Research Division, at (202) 366-2694 or kenneth.lee@dot.gov.

FOR FURTHER INFORMATION CONTACT: Kenneth Lee, Engineering and Research Division, at 202-366-2694 or kenneth.lee@dot.gov about the subject matter in this notice.

SUPPLEMENTARY INFORMATION:

PHMSA and NAPSRR recognize that many of the existing underground natural gas storage facilities across the country have wells that have similar characteristics to the SoCal Gas Well SS25. Many, like Well SS25, are over 50 years old. They may flow through both the tubing and production casing with no subsurface safety valve or isolation zone with completion fluid to offset the high pressure effects of a possible casing corrosion leak. Many were originally constructed using production techniques such as having pipe sections that were joined by threaded couplings, not girth welds. They typically do not have a corrosion resistant internal or external protective coating. The workshop will have discussions on the aging effects on well safety including safety practices in well design, operations, and maintenance measures including

downhole assessments and the type of preventative and mitigative measures to implement. Underground natural gas storage wells have operating pressures from about 200 pounds per square inch (psi) to 4,500 psi. By comparison, the maximum U.S. pipeline pressures are a maximum of about 2,000 psi and most are below 1,000 psi. Unlike line pipe, which for natural gas pipeline operations, has a design factor of 0.72 or less, most wells were not installed with consistent standards such as design safety factors to contain the well pressure.

On February 5, 2016, (81 FR 6334) PHMSA issued Advisory Bulletin ADB-2016-02. The advisory bulletin recommended that operators of underground natural gas storage facilities review their operating, maintenance, and emergency response activities to ensure that the integrity of underground natural gas storage facilities is properly maintained. This bulletin informed operators about recommended practices and urged operators to take all necessary actions to prevent and mitigate breach of integrity, leaks, or failures at their underground natural gas storage facilities and to ensure the safety of the public and operating personnel and to protect the environment. Operators were advised to:

- 1) Verify that the pressure required to inject intended natural gas volumes does not exceed the design pressure limits of the reservoir, wells, wellheads, piping, casing, tubing, or associated facilities;
- 2) Monitor all wells for the presence of annular gas or liquids on a periodic basis;
- 3) Inspect the wellhead assembly and attached pipelines for each of the wells used;
- 4) Conduct periodic functional tests of all surface and subsurface safety valve systems and wellhead pipeline isolation valve(s) for proper function and ability to shut-off or isolate the well and remediate improperly functioning valves;

- 5) Perform risk assessments in a manner that reviews, at a minimum, the API RP 1171 criteria to evaluate the need for subsurface safety valves on new, removed, or replaced tubing strings or production casing;
- 6) Conduct ongoing assessments for the verification and demonstration of the mechanical integrity of each well and related piping and equipment;
- 7) Develop and implement a corrosion monitoring and integrity evaluation program for piping, wellhead, casing, and tubing including the usage of the appropriate well log evaluations;
- 8) Develop and implement procedures for the evaluation of well and attendant storage facilities that include analysis of facility flow erosion, hydrate potential, individual facility component capacity and fluid disposal capability at intended gas flow rates and pressures, and analysis of the specific impacts that the intended operating pressure range could have on the corrosive potential of fluids in the system;
- 9) Identify potential threats and hazards associated with operation of the underground storage facility;
- 10) Perform ongoing verification and demonstration of the integrity of the underground storage reservoir or cavern using appropriate monitoring techniques for integrity changes such as the monitoring of pressure and periodic pressure surveys, inventory (injection and withdrawal of all products), product levels, cavern subsidence, and the findings from adjacent production and water wells, and observation wells;

- 11) Ensure that emergency procedures are reviewed, conducted, and updated at least annually; and
- 12) Ensure records of the processes, procedures, assessments, reassessments, and mitigation measures are maintained for the life of the storage well.

The Aliso Canyon incident has highlighted the concern about the current lack of minimum federal regulations related to the downhole operation of underground natural gas storage wells. The full extent of the damage, both to people and the environment, caused by the Aliso Canyon incident will not be known until much later.

This workshop is a forum for PHMSA to collect input regarding safety concerns of the public and the challenges industry faces in conducting daily operations, maintenance, integrity verification, well monitoring, threat and hazard identification, assessments, remediation, site security, emergency response and preparedness, and recordkeeping.

Issued in Washington, DC on June 20, 2016, under authority delegated in 49 CFR 1.97.

Alan K. Mayberry,

Acting Associate Administrator for Pipeline Safety.

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