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TO: Michigan Intrastate Pipeline Operators

FROM: David J. Chislea, Manager
Gas Operations Section
Energy Operations Division

DATE: February 1, 2022

SUBJECT: 2022 Gas Safety Inspections and Program Updates

Enclosed for your information are the following:

1. A copy of the inspection forms the Staff will be using for 2022. Please note that the rules listed on the forms are the minimum rules to be inspected in 2022. In addition to the 2022 first and second half inspections, Staff may also conduct additional specialized inspections in 2022. Inspections to be conducted in 2022 include but are not limited to:
 - a. Control Room Management – Protocol A of the federal form will be utilized for all operators Staff is currently not conducting CRM inspections of. If operators do not have a control room as defined by code based on the results of Protocol A of the federal inspection form, the inspection will end. If a control room exists, a full inspection will be scheduled.
 - b. Transmission Integrity Management Program – Protocol A of the federal form will be utilized for all operators Staff is currently not conducting TIMP inspections of. If operators do not have any covered segments based on the results of Protocol A of the federal inspection form, the integrity management inspection will end. If covered segments exist, a full inspection will be scheduled.
 - c. Field Inspections – Inspections may include field inspection items. Required field inspection items include, but are not limited to, an evaluation of corrosion control, leakage surveys, overpressure protection and pressure regulating equipment, odorization levels and equipment, repaired and/or active leaks, emergency valves, and emergency response. Planned field inspection items for 2022 include transmission leakage surveys, transmission valve inspections, and odorization.

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2. The federal Guidelines for States Participating in the Pipeline Safety Program require risk-based inspections of units using “information available from the operator’s annual reports.” Staff will be conducting risk-based inspections, whereupon each inspection unit within the State will have its own risk profile, which will be used to develop a supplemental risk-based inspection. Operators will be individually notified of any risk-based inspection that will occur in 2022 in future correspondence.
3. Special inspections are being conducted in a four-year cycle where a quarter of the pipeline operators in the State will be inspected each year. This four-year cycle will take several years to fully implement, and some special inspections may occur more frequently during the implementation period. Inspections that will fall into the four-year cycle include: Drug and Alcohol, Operator Qualification, Control Room Management, and Integrity Management. Operators will be individually notified of any special inspection that will occur in 2022 in future correspondence.
4. An updated MPSC Contact list for the MPSC Gas Safety Staff (dated January 24, 2022). Please exclusively use the incident notification phone number for reporting incidents (517-284-8230).

Inspections covering the July 1, 2020 federal rule making (Safety of Gas Transmission Pipelines, MAOP Reconfirmation, Expansion of Assessment Requirements and Other Related Amendments) will be conducted in 2022. The inspection form will be provided prior to inspections.

Section 114 of the PIPES Act of 2020, codified in 49 U.S.C. 60108, procedure inspections will be conducted in 2022. Staff will be scheduling informational meetings to discuss the expectations prior to inspections. Meeting invites will be sent to all operators. The inspection form will be provided prior to inspections. Additional information regarding natural gas emissions inspections can be found at this website:

<https://www.federalregister.gov/documents/2021/06/10/2021-12155/pipeline-safety-statutory-mandate-to-update-inspection-and-maintenance-plans-to-address-eliminating>

Additionally, PHMSA will be holding an informational public webinar February 17, 2022, from 10:30 a.m. until 6:00 p.m., ET. The webinar will cover PHMSA and state inspection plans to ensure compliance of operators’ inspection and maintenance procedures to eliminate hazardous leaks, minimizes releases of methane, and the replacement or remediation of facilities known to leak. The agenda and instructions on how to attend will be available on the meeting website at <https://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mkey=0913558304&mtg=159>.

Public Act 174 of 2013, MISS DIG Underground Damage Prevention and Safety Act, and R 460.40 require the MPSC establish requirements for reporting damage to underground facilities. All underground facility owners and operators are required to submit quarterly reports by the 15th day of the second month following each quarter, such that first quarter data is due May 15th, second quarter data is due August 15th, third quarter data is due November 15th, and fourth quarter data is due February 15th of the following year. If you have any questions concerning submitting quarterly damage data, please contact Ms. Cindy Creisher at creisher@michigan.gov or 517-275-2823.

In order to have more accurate damage data, Operators are requested to reconcile damage data reported in Gas Distribution Annual Report, Part D – Excavation Damage through 2015 to reduce inaccurate reporting of the “Other” category. **Prior to submission of the Annual Report for calendar year 2021, ensure excavation damage data is reviewed for accuracy and completeness.**

The Annual Report forms for both distribution and transmission/gathering line operators can be found on PHMSA’s website at: <https://www.phmsa.dot.gov/forms/operator-reports-submitted-phmsa-forms-and-instructions>. Annual Report forms for all covered operators are due by March 15, 2022. For distribution operators, Rule 192.12 was rescinded from the federal regulations and the Mechanical Fitting Failure Report is no longer a required submittal. These forms should be electronically submitted to PHMSA at: <http://portal.phmsa.dot.gov/>.

The Michigan Gas Safety Standards (MGSS) require that any report filed with PHMSA must be concurrently filed with the MPSC. The Gas Operations Section encourages paperless submission of any and all correspondence directly to our e-mail address: LARA-MPSC-Operations@michigan.gov.

Alternatively, correspondence can still be mailed to the following address:

Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909

The MPSC offices are located at the following address:

Michigan Public Service Commission
7109 West Saginaw Hwy
Lansing, MI 48917

When there are changes regarding which Staff has inspection responsibility for a company/unit, it will be addressed in a specific notice to those companies. If unsure of who has inspection responsibility for your company/unit, please inquire.

Please provide the Staff with an updated contact list for your company. You can provide this electronically to LARA-MPSC-Operations@michigan.gov or mail it to the attention of the Gas Operations Section at the Lansing office address.

This information has been provided to facilitate inspections. If you have questions regarding the attached information, please contact Mr. Timothy Dombrowski at dombrowskit@michigan.gov or 517-281-2142.

Enclosures

cc: Gas Safety Engineers