



NATIONAL ASSOCIATION OF PIPELINE SAFETY REPRESENTATIVES RESOLUTION

Western Region
State of Colorado
Resolution 2010-03 AC-2

Action Category 2

URGING PHMSA TO DEVELOP REGULATIONS AND POLICIES TO ADDRESS THE SAFE CONSTRUCTION AND OPERATION OF NATURAL GAS AND HAZARDOUS LIQUIDS STORAGE FIELD WELLBORES AND GEOLOGIC FORMATIONS

WHEREAS: Underground natural gas storage is a key component of the natural gas market that maintains reliability of gas supplies during periods of high demand;

WHEREAS: There are about 120 entities that currently operate the nearly 400 active underground storage facilities in the lower 48 states. In turn, these operating entities are owned by, or are subsidiaries of, fewer than 80 corporate entities;

WHEREAS: 49 CFR Part 192 defines a "Pipeline facility" to mean new and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation;

WHEREAS: A Pipeline facility would include the wellbores, geologic reservoirs, and aquifers used to store gas in a storage field;

WHEREAS: Through Advisory Bulletin ADB-97-04 and other correspondence, PHMSA or its predecessor agency has noted that gas storage facilities are not covered by PHMSA pipeline safety regulations;

WHEREAS: PHMSA has noted that unique geologic storage structures make it difficult to develop regulations that would adequately protect the safety and the environment for each reservoir;

WHEREAS: PHMSA has urged state regulators to develop state sponsored safety programs to make new federal regulations unnecessary;

WHEREAS: Many states have adopted rules and regulations regarding the safe operation of underground gas and liquid storage facilities;

WHEREAS: If a storage facility serves interstate commerce, it is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC); otherwise, it is state-regulated;

WHEREAS: As per 49 U.S.C. § 60104(c) A State authority may not adopt or continue in force safety standards for interstate pipeline facilities or interstate pipeline transportation; and

WHEREAS: Several significant incidents, (Wesley, Texas, in 1992; Hutchinson, Kansas, in 2001, Moss Bluff, Texas, in 2003, and Fort Morgan Colorado, in 2006), have occurred where natural gas or hazardous liquids have escaped from storage and resulted in loss of life and/or property.

NOW THEREFORE BE IT RESOLVED: That PHMSA be urged to:

1. Develop regulations and policies to address the assessment of the integrity of existing wellbores used for the purposes of storing natural gas or hazardous liquids; the safe operation and construction of natural gas and hazardous liquid storage wellbores; and the safe operation of the geologic formations used for gas and hazardous liquid storage; or
2. Support modification of the Pipeline Safety Act, (49 U.S.C. §§ 60101 et seq.), to allow state regulation of geologic reservoirs and wellbores used for storage of natural gas or hazardous liquids that are in interstate transportation; or
3. Make specific written delegations of authority for regulation of all underground natural gas or hazardous liquid storage facilities to the state pipeline safety programs that partner with PHMSA under USC 60105 certification; or
4. Develop an interagency agreement with the Federal Energy Regulatory Commission to address storage field integrity management policies.

Approved on September 30, 2010 by vote of the Board Directors.