

Unconventional Natural Gas Development: Pipelines

Maryland has nearly 16,000 miles of pipeline. There were 79 "significant incidents" in Maryland from 2002 through 2011, totaling \$27,829,363.00 in property damage and causing 2 deaths and 16 injuries.ⁱ

Brief summary:

A review of Maryland's natural gas regulations has shown serious gaps in its pipeline development and safety standards. There are 3 kinds of pipelines used in transporting natural gas: gathering (production), transmission and distribution lines.

The Maryland Public Service Commission (PSC) and Department of Environment (MDE) have identified gapsⁱⁱ in oversight regarding pipelines. Currently companies self inspect and self report violations and incidents, a protocol that the agencies recognize is not sufficient for protecting the citizens of Maryland.

Who determines pipeline routes?

Intrastate pipeline routes and rights-of-way are developed and approved through agreements with landowners for the right-of-way, rather than through the Federal Energy Regulatory Commission (FERC) or the PSC.

Who oversees pipeline standards and safety?

The Public Service Commission of Maryland assumes safety responsibility with respect to intrastate (pipeline solely within the State) gas facilities. The PSC has statutory authority to establish and enforce safety standards for intrastate gas facilities.ⁱⁱⁱ Maryland's PSC has not established any standards for the location, materials, construction or testing of gathering lines, which, according to MDE, must be addressed by the PSC.^{iv}

Besides the PSC, the Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) operates as the enforcement for DOT.^v PHMSA's Jeffrey Wiese, the nation's top oil and gas pipeline safety official, told several hundred oil and gas pipeline compliance officers that his agency has "very few tools to work with" in enforcing safety rules even after Congress in 2011 allowed it to impose higher fines on companies that cause major accidents.^{vi}

Why does the regulation of pipelines matter? State agencies have determined that pipelines pose one of the highest risks associated with Unconventional Natural Gas Development and Production. Gathering lines carry gas from wells to compressor stations or separation facilities for processing. Many of the pipes are as large as regulated pipelines and operate at the same or higher pressures. Gathering lines, which should be regulated by PSC, are completely unregulated in some areas; no rules for thickness or strength, welding, burial depth, or inspections, so industry often classifies pipelines as gathering lines to skirt regulation. There are also other lines in the gas production process, which might be overseen by PHMSA, but that PHMSA does not consider pipelines, like "flow lines" and "production piping." These pipelines are completely unregulated. Out of the more than 200,000 estimated miles of natural gas gathering pipelines under PHMSA purview, PHMSA regulates roughly 20,000 miles.^{vii}

ⁱ Legislative Services, Policy and Fiscal Note SB907, 2013

ⁱⁱ <http://www.mde.state.md.us/programs/Land/mining/marcellus/Documents/Appendix J-Gathering Line Analysis and Risk Assessment.pdf>

ⁱⁱⁱ Descrip of Natural Gas Pipeline Safety Program rev 3-12, Letter to Del. Mizeur 9/19/13

^{iv} Marcellus Shale Safe Drilling Initiative; Best Practices Section VI, August 2013

^v <http://www.phmsa.dot.gov/portal/site/PHMSA>

^{vi} <http://insideclimatenews.org/news/20130911/exclusive-pipeline-safety-chief-says-his-regulatory-process-kind-dying>

^{vii} <http://www.mde.state.md.us/programs/Land/mining/marcellus/Documents/Appendix J-Gathering Line Analysis and Risk Assessment.pdf>

Other resources:

January 2015:

Five major pipeline leaks/spills. <http://america.aljazeera.com/blogs/scrutineer/2015/1/31/january-sees-five-major-pipeline-leaks.html>

Specifics from Glendive, MT spill, one of the five Jan 2015 spills. The problem with no oversight, no regs: "The ruptured pipeline was built in the 1950s, he said, and was last tested in 2012. The results of that test are unknown." From <http://america.aljazeera.com/articles/2015/1/21/oil-pipeline-burst.html>