



**TESTIMONY OF
KENNETH GRUBB
CHIEF OPERATING OFFICER, NATURAL GAS PIPELINES
KINDER MORGAN**

**ON BEHALF OF
THE INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA
(INGAA)**

**BEFORE THE
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS
MATERIALS
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

**REGARDING
PIPELINE SAFETY: REVIEWING IMPLEMENTATION OF THE PIPES
ACT OF 2020 AND EXAMINING FUTURE SAFETY NEEDS**

MARCH 8, 2023

Chairman Nehls, Ranking Member Payne, and Members of the Subcommittee:

Good morning. My name is Kenneth Grubb, and I am the Chief Operating Officer for Natural Gas Pipelines at Kinder Morgan.

Kinder Morgan is one of the largest energy infrastructure companies in North America. Access to reliable, affordable energy is a critical component to improving lives around the world, and we are committed to providing energy transportation and storage services in a safe, efficient, and environmentally responsible manner for the benefit of people, communities, and businesses we serve. We have an interest in or operate approximately 82,000 miles of pipelines, 140 terminals, 700 billion cubic feet (Bcf) of working natural gas storage capacity and have renewable natural gas generation capacity of approximately 2.2 Bcf per year of gross production with up to an additional 5.2 Bcf in development. Our pipelines transport natural gas, renewable fuels, refined petroleum products, crude oil, condensate, CO₂ and other products, and our terminals store and handle various commodities including gasoline, diesel fuel, chemicals, ethanol, metals and petroleum coke.

Kinder Morgan is a member of the Interstate Natural Gas Association of America (INGAA), which is a trade association that represents the interstate natural gas pipeline and storage industry. I am here today representing INGAA.



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INGAA's members transport the vast majority of the natural gas consumed in the United States through a network of approximately 200,000 miles of interstate transmission pipelines. These transmission pipelines are analogous to the interstate highway system; in other words, they are large capacity, critical infrastructure systems spanning multiple states or regions to deliver natural gas to end users such as local distribution companies, electricity generators, industrial manufacturers and LNG export facilities.

I serve as Chief Operating Officer (COO) of the Natural Gas Pipelines Group for Kinder Morgan, Inc. In this capacity, I am responsible for all operational activities of the Kinder Morgan Natural Gas Pipelines Group, which encompasses approximately 70,000 miles of pipelines including natural gas transmission, gas storage, gathering, and processing facilities. I have served in this capacity since 2017. Before assuming this role, I held various other roles in operations, engineering, system design, project management, and construction and have over 32 years of experience in the energy sector.

For more than a decade, the shale revolution has gifted our country with abundant natural gas supplies, which has elevated the need for additional infrastructure to move it around the country. Pipelines make it possible to deliver North America's abundant natural gas reserves to fuel our homes, businesses, and the American economy, and are the safest and most efficient way to transport this critical energy source.

INGAA's members deliver clean, abundant, affordable natural gas throughout North America. Natural gas is the cleanest burning fossil fuel and, as demand for energy increases, expanded use of natural gas has helped improve air quality across the country by offsetting the use of higher carbon-intensive fuels. According to the Energy Information Administration, between 2005 – 2019, carbon dioxide emissions from the U.S power sector declined by 33 percent, with natural gas accounting for more than half of those reductions. INGAA's members are committed to modernizing our nation's interstate natural gas delivery network infrastructure, lowering emissions from our operations, and mitigating the impacts of climate change by working together as an industry towards achieving net-zero greenhouse gas (GHG) emissions by 2050.

Thank you for the opportunity to testify at this hearing. There are four key points I wish to make in this testimony on behalf of the natural gas transmission pipeline industry.

1. INGAA's number one priority is safety, and we support having a strong safety regulator.

Regulators and industry experts alike, including the U.S. Department of Transportation and the Pipeline and Hazardous Materials Safety Administration (PHMSA), have agreed for decades that pipelines are the safest mode of energy transportation. Accidents are rare, and INGAA's members are committed to making them increasingly infrequent. INGAA's members work every day towards a goal of zero pipeline incidents.



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INGAA fundamentally believes in having a strong safety regulator. For years, INGAA has sought robust, durable regulations led by PHMSA to ensure that all operators are held accountable to operate their systems in the safest manner possible. We take our commitment to safety seriously and appreciate the role that PHMSA plays to ensure that industry keeps its focus, and the public can have confidence in the safety and reliability of natural gas pipelines.

Pipeline companies consider safety every step of the way, from planning, to construction, to maintenance. Our members purchase top-quality materials, address any potential safety or security issues during the pipeline planning and citing process, and conduct consistent quality and safety checks throughout the construction process. Once operational, pipeline companies work to prevent releases by evaluating, inspecting, and maintaining pipelines.

Kinder Morgan is committed to the safe operations of our assets. Our pipeline and personal safety program metrics along with our safety goals are transparent to the public and are prominently posted on our website. We remain engaged with PHMSA and in-line inspection (ILI) tool vendors to further the development of ILI tool technology. As an example, one of Kinder Morgan's pipelines was the first to gain PHMSA acceptance to utilize Electro-Magnetic Acoustic Transducer (EMAT) technology to assess for the presence of environmentally induced cracking threats in lieu of the traditional hydrostatic testing technology that was used to manage these threats previously.

As part of on-going safety, pipeline companies conduct integrity management and continuous improvement programs in the areas of evaluation, inspection, and maintenance. A key component of integrity management programs is the use of ILI tools, sometimes called "smart pigs." Pipeline companies run these tools to detect any potentially harmful defects in the pipeline. These modern methods of pipe inspection have improved greatly over the last 30 years and are more effective, efficient, and environmentally sound compared to other assessment methods, with the added benefit of not significantly interrupting the operation of the pipeline.

INGAA's commitment to safety has been an essential priority for years. After the unfortunate and tragic incident in San Bruno, California, in 2010, INGAA member companies worked proactively to improve the industry's safety performance. This effort developed a set of guiding principles for pipeline safety, anchored around a goal of zero pipeline incidents, titled the "Integrity Management, Continuous Improvement" (IMCI) program. Since its inception, our industry has made rapid advances in safety technology and practices in continuous pursuit of our achieving this goal.

INGAA members recently updated the IMCI program to ensure the reliability and resiliency of our infrastructure as we work to safely support the energy transition and evolve to a net-zero GHG economy. Similar to the EMAT technology previously mentioned, we also focused on advancing safety from newer technologies that will hopefully become more widespread throughout the industry and by regulators. This updated effort, titled IMCI 2.0 was created with the input of PHMSA, the National Transportation Safety Board, the National Association of



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Regulatory Utility Commissioners, the National Association of Pipeline Safety Representatives, and the Pipeline Safety Trust. The IMCI effort follows five guiding principles:

1. Our goal is zero incidents;
2. We are committed to a strong safety culture;
3. We will be relentless in our pursuit of improving by learning;
4. We are committed to implementing and continuously improving pipeline safety; management systems, and;
5. We will regularly engage our stakeholders.

INGAA's work on the IMCI 2.0 program is nearly complete and we plan to share the results with key stakeholders later this year.

2. PHMSA should complete its work on the class location rulemaking and issue a final rule.

INGAA's top regulatory priority with PHMSA is completion of the class location rulemaking, which presents opportunities to increase safety and protect the environment. The class location change regulations have not been substantively updated in over 50 years and revising them has been an INGAA goal for more than two decades. We were pleased that PHMSA issued a Notice of Proposed Rulemaking (NPRM) on the class location rule in October 2020. We were also greatly appreciative that Congress included a provision in the enacted 2020 PIPES Act that required the agency to hold a Gas Pipeline Advisory Committee (GPAC) meeting to review the NPRM by the end of 2021.

This proposed rulemaking would address scenarios where population changes around our pipelines necessitate changes to existing pipeline infrastructure. When a class location change occurs, the current regulations may require operators to replace the existing pipe even when an engineering assessment, including modern inspection tools, has shown it to be in safe, operational condition. The advancements in ILI tools and other safety technologies help enhance company decision making to make repairs and, in many cases, lessen the need for disruptive pipe replacements.

This causes two main problems. When PHMSA requires operators to replace pipes, operators must ensure that no gas is in the pipe they are about to replace, which results in service disruptions and natural gas being released to the atmosphere. Secondly, INGAA estimates that the existing requirements costs its members \$200-\$300 million per year to unnecessarily replace perfectly safe pipe. These funds could be better used to address other aspects of our safety systems.

INGAA also estimates that class change pipe replacements under the current regulations result in up to 800 million standard cubic feet of natural gas blowdowns to the atmosphere annually. To put that into perspective, this quantity of gas could meet the needs of over 10,000 homes for a year and has the same GHG reduction benefits of removing 80,000 cars from the road. The



single best way to further reduce methane emissions by the natural gas pipeline industry is to decrease the number of “blow downs” or voluntary releases of gas. Finalizing the rulemaking would substantially decrease methane emissions by stopping these unnecessary releases of gas into the atmosphere.

Historically, in place of a class location pipeline replacement change, INGAA members have submitted special permit applications to prove the safety of their pipes. However, these applications are burdensome to not only the industry, but also to PHMSA. Some of the problems include the process changing regularly and that it can take up to three years to approve a single permit. Finalizing this rule will provide regulatory certainty and consistency for industry stakeholders and the regulator.

INGAA is hopeful that PHMSA will hold a GPAC meeting as soon as possible and issue this crucial rule to improve safety and meet the collective goal of industry and the Biden Administration to lower GHG emissions.

3. The Gas Pipeline Advisory Committee (GPAC) strengthens rulemakings and should meet more frequently.

The GPAC is an advisory committee to the Department of Transportation and PHMSA on matters of natural gas pipeline safety and regulatory oversight. The GPAC is comprised of 15 members, with equal representation from the natural gas industry, federal and state agencies, and the public (such as safety advocates and emergency managers). GPAC’s stated role is to review PHMSA’s proposed regulatory initiatives to ensure the technical feasibility, reasonableness, cost-effectiveness, and practicability of each proposal. PHMSA is not bound by GPAC recommendations but must include its rationale for disagreeing with the recommendations in the preamble text of final rules. These processes are required by statute.

GPAC can play an important role in completing our collective objective to enhance gas pipeline safety regulations. The time needed to complete a rulemaking is affected, in part, by the quantity and quality of dialogue with impacted stakeholders. Their dialogue is especially important when the subject of a rulemaking is a complex, technical topic such as pipeline safety regulation. New rules should leverage stakeholder knowledge and expertise to facilitate the deployment of new technologies and practices that are more effective and efficient, and less disruptive than the legacy methods that may be reflected in existing regulations.

Until recently, GPAC met regularly to consider important rules and discuss important safety advancements. However, since January 2021, the GPAC has only met once. With the known benefits of GPAC, INGAA believes that Congress should consider requiring PHMSA to hold at least two GPAC meetings per year.

Furthermore, PHMSA has chosen to disagree with a number of unanimous GPAC recommendations to multiple recent important final rules. While INGAA does not challenge



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PHMSA's independence to make these decisions, we believe that Congress can strengthen transparency by receiving detailed briefings from PHMSA on their rationales for these conclusions soon after issuing final rules.

4. PHMSA should prioritize hiring safety engineers to assist with its rulemakings.

As I stated earlier, INGAA appreciates the important role of having a strong safety regulator. An effective way to remain strong is for PHMSA to invest in hiring qualified safety engineers to assist with writing rules.

INGAA recognizes that pipeline safety regulations are complicated and often take years of work to be drafted and implemented. To help assist with the rulemaking backlogs that frequently occur, adding safety engineers to PHMSA's team who already understand pipeline systems and federal code would be a great asset to the agency.

INGAA was pleased that Congress included in Section 102 of the PIPES Act of 2020 provisions requiring PHMSA to hire "eight full-time employees with subject matter expertise in pipeline safety, pipeline facilities, and pipeline systems to finalize outstanding rulemakings and fulfill congressional mandates." We are hopeful that PHMSA can successfully hire safety engineers to fulfill this requirement in a timely manner.

In conclusion, I truly appreciate the opportunity to testify in front of your Subcommittee today. Your efforts are critical to ensuring that PHMSA has the resources and direction necessary to continually improve safety in our industry.