

Attachment J (Amended)

Johnstown Regional Energy, LLC

**Amended Limitations and Conditions for Continued Operations
of Fiberspar Piping by JRE**

1. The use of Fiberspar is limited to the Raeger, Shade and Southern Alleghenies Pipelines in Cambria and Somerset Counties by Johnstown Regional Energy, LLC ("JRE"). This waiver will continue in effect until the Fiberspar pipeline is retired.
2. JRE will apply this waiver to Raeger, Shade and Southern Alleghenies Pipelines as stated in the Petition for Waiver.
3. JRE will notify the Commission's Gas Safety Division ("GSD") of a class location change that would result in the Transmission line being subject to the requirements of 49 CFR § 192.625(b).
4. Fiberspar is being used in Class 1 and Class 2 locations.
5. JRE shall notify the GSD if: any repairs or modifications to the Fiberspar pipe or fittings are required; or the Fiberspar segments are at any time damaged or unintentionally struck.
6. JRE shall schedule and perform (a) increased frequency of leak patrols in Class 2 areas and (b) pressure and destructive tests as described in the testing/analysis protocol set forth in the Petition for Waiver to confirm safe operation at the appropriate Maximum Allowable Operating Pressure.
7. JRE will notify the GSD of the results of the patrols and tests conducted as required by Condition No. 6.
8. If the tests required by Condition No. 6 determine that the Fiberspar pipe material is no longer suited for service as described in this application, based on the criteria in the testing/analysis protocol described in Attachment G to the Petition for Waiver, JRE will take appropriate remedial action.
9. JRE shall treat the pipeline that is subject to the waiver as if it is a "covered" segment and shall follow an Integrity Management Plan consistent with 49 CFR, Subpart O. JRE shall include its Integrity Management Plan in its Operations & Maintenance Manual. JRE shall maintain measures for monitoring operations and implementing appropriate remedial actions if the safety or integrity of the pipeline is threatened.

10. JRE shall incorporate the relevant best practices of the Common Ground Alliance into its damage prevention program, including pipeline marking and right-of-way management. JRE shall document findings from all patrols and all required remediation.
11. JRE shall require personnel involved in the construction or repair of the pipe to be qualified in these tasks with necessary emphasis given to procedures unique to the Fiberspar pipe material. JRE shall treat such tasks as “covered tasks” and comply with Operator Qualification requirements of 49 CFR, Subpart N.
12. JRE itself or as part of a teaming arrangement with its third-party consultants shall have access to tools, fittings and materials for operational maintenance and emergency repairs of the Fiberspar pipeline.
13. JRE will develop pipe repair criteria and document them in its Operations & Maintenance Manual.
14. JRE shall maintain the measures outlined in Exhibit 1 to this Attachment J (attached hereto) so as to comply with the conditions and limitations in the Letter from the Office of Pipeline Safety, U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (“PHMSA”) received by the Commission on March 20, 2015 referencing Pennsylvania Public Utility Commission Docket Number: P-20 14-2457 138 and PHMSA Docket Number: PHMSA-2015-0008 (“PHMSA Letter”).
15. JRE shall file a copy of the waiver and any final Orders issued by PHMSA in this docket.
16. If JRE does not comply with any of these requirements, the Commission reserves the right to terminate this waiver.

Attachment J (Amended)
Exhibit 1

Johnstown Regional Energy, LLC

Compliance Plan

Discussion

The following is presented to detail the procedures proposed for complying with the requirements of the PHMSA No Objection letter regarding the continued usage of National Oilwell Varco ("NOV") Fiberspar composite piping as a transmission line in jurisdictional areas of Somerset and Cambria Counties, Pennsylvania. All procedures comply with CFR 49 where possible (excluding material of construction).

PHMSA Conditions

1. The State Waiver waives compliance with the following sections of the Pipeline Safety Regulations (49 CFR Part 190-199)

[No Response Necessary]

2. Class Locations, High Consequence Areas, and General Design Requirements

<u>PHMSA Requirement</u>	<u>Recommended Plan of Action</u>
2.a.i. At or below the maximum allowable operating pressure ("MAOP") as...	JRE currently operates below the MAOP as calculated in Condition 2d below. In addition JRE shall also amend the Operations and Maintenance ("O&M") procedures and install pressure limiting devices ("PLD") replacement at the newly calculated MAOP or 225 psi in Class 2 locations (whichever is lower) in class 2 locations.
2.a.ii. With a design factor ("DF") of 0.32 or less as in Condition 2d.	JRE in compliance.
2.a.iii. If any portion of the state waiver segments are currently...	JRE will remove from service all Fiberspar in areas with housing currently within a 125 ft radius of the line as per PHMSA requirements. Fiberspar will be replaced with 4" nominal coated, cathodically protected steel with existing Fiberspar exhumed where appropriate. Remaining Fiberspar will be abandoned in accordance with 192.727.

2.b. Branching: JRE shall not tap, branch, or split the State Waiver segments	JRE will not tap, branch or split any of the State Waiver segments for regular operation.
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2.c. Minimum Separation: The separation between the State Waiver segments and other pipelines shall be a minimum of 12 inches.	JRE shall comply.
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2.d. Pipe Design: JRE shall comply with the following language, in place of...	JRE currently operates below the MAOP calculated under this Condition 2(d) or 225 psi in Class 2 locations, (whichever is lower).
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3. Materials and Testing Requirements:

PHMSA Requirement	Recommended Plan of Action
3.a. Pigging: JRE shall work with the pipe manufacturer to ensure that any in-line...	JRE will work with NOV to ensure that all O&M procedures and tools used in those procedures will not damage or degrade the Fiberspar pipe contained in the State Waiver segments.
3.a.i. JRE shall document and implement detailed Operations and Maintenance...	JRE shall comply.
3.a.ii. JRE shall conduct any necessary research and development...	JRE will annually contact NOV to investigate any advancements in in-line inspection (ILI) tools and maintenance pigs for use in fiberglass pipe line systems.
3.b. Material Standards: JRE shall comply with ASTM D-2517 (2000)...	JRE complies with ASTM D-2517 (2000) or equivalent standards for all pipe used.
3.c. Calculation of Pipe Design Parameters: For each Fiberspar product used...	JRE has been provided by NOV (and will make available for inspection) the determination of hydrostatic design basis and long-term hydrostatic strength information used for the calculation of design parameters in accordance with ASTM D-2992, paragraph 14.1 for each size of pipe and using the same compositions as the pipe used in the State Waiver segments.

3.d. Factory Pressure Testing: From finalizing the grant of the State Waiver...	JRE will, to the extent currently held in stock for repair and replacement and any to be purchased in the future for repairs and replacement, have all Fiberspar pipe factory pressure tested at 1.5 times MAOP for a minimum of one hour and maintain reports, test parameters and certifications from the pipe manufacturer in accordance with this Condition 3(d).
3.e. Hydrostatic test: Within 180 days of grant of the revised State Waiver...	JRE will, as part of the section replacements, hydrostatically test all pipelines at 1.5 times the calculated MAOP (as revised, if necessary, per these Conditions) for a minimum of 24hrs. and report the test results to the PAPUC within 90 days of test completion.
3.f. Long Term Integrity: JRE shall consider and plan for all pipeline risk factors...	JRE shall consider, plan, and document responses for all pipeline risk factors in JRE's Integrity Management Plan.
3.g.i. JRE shall schedule and perform Fiberspar pipe and connector inspections...	JRE will schedule and perform Fiberspar pipe and connector inspections and destructive and non-destructive testing on each of the two types of Fiberspar installed as prescribed in this Condition 3(g)(i) in addition to those prescribed in the JRE Petition "Attachment G' Proposed Testing/Analysis Protocol" and will perform each future test no more than 2 years from the previous Initial and Periodic Test. JRE will document such changes in its O&M Manual.
3.g.ii. JRE testing and inspections must be developed and implemented to better...	JRE will work with NOV to evaluate and modify test protocols to better understand the potential and actual degradation mechanisms and adapt test protocols accordingly.
3.g.iii. Any test results which indicate possible time dependent changes of...	JRE shall comply.
3.g.iv. Perform removal, replacement, and installation of pipe and fittings...	JRE shall comply.
3.g.v. JRE shall report to the PAPUC the results of the inspection and tests within 90 days of completion of testing.	JRE shall comply.

4. Pipe-Inspection for Damage:

PHMSA Requirement	Recommended Plan of Action
4. Pipe-Inspection for Damage	For all future repair and replacement activities JRE shall comply with all requirements contained in this Condition 4. For past construction where these tests cannot be verified in a safe and reasonable manner JRE will perform additional leak patrols and terrain surveys over and above those required in accordance with Condition 7(b) and 10(b) in order to maintain an equal or better level of safety as a pipeline built and operated under this Condition 4.
4.a. JRE shall inspect the pipeline during offloading at the storage yard...	For all future repairs and replacement activities, JRE will inspect the pipeline during all activities required as prescribed in this Condition 4(a).
4.b. JRE shall survey the pipe location and depth of cover at 50-foot intervals.	JRE shall, as part of the annual patrol and leak survey (not to exceed 15 months between surveys), measure depth of cover at 50 foot intervals over the entire length of the State Waiver segments
4.c. JRE shall certify and document all inspections with date, time, pipeline station, and pipe spool number.	JRE shall comply.
4.d. JRE shall remove and replace any pipe with the following conditions...	JRE shall replace all segments within 125ft of a residence, class 3 or 4 areas. JRE will inspect for cuts, scraps, abrasions, gouges, discoloration, cracking or crazing during the replacement of the required segments. If it is determined that the integrity of such pipe is less than undamaged pipe, JRE shall remove from service and replace such pipe.
4.e. JRE shall document its repair and replacement procedures and standards...	JRE shall amend the O&M manual to reflect the new requirements contained within the state waiver.
4.f. JRE shall hand dig or hand shovel dig whenever excavation operations are...	JRE shall rewrite the O&M manual to require contractors to hand dig or hand shovel dig whenever excavations are within 2 feet of the State Waiver segments or any associated communications cables. All Fiberspar pipe components and connectors shall be visually inspected whenever they are exposed.
4.g. JRE shall hand dig or hand shovel dig whenever excavation operations are...	JRE shall visually inspect, at a minimum, all Fiberspar pipe connectors and components that become exposed.

4.h. JRE shall prepare and follow a damage prevention program in accordance...	JRE shall prepare and follow a damage prevention program in accordance to 192.614 and include in JRE's O&M manual. JRE shall train all personnel on the damage prevention program contained in the O&M manual.
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5. Corrosion Control:

PHMSA Requirement	Recommended Plan of Action
5.a. JRE shall apply protective coatings and cathodic protection ("CP") on all buried...	JRE will verify that protective coatings and cathodic protection currently exist and apply protective coatings and cathodic protection in any State Waiver segments where it does not currently exist.
5.b. Test stations: JRE shall install CP test stations at each metallic connector.	CP test stations are already in place at Southern and Shade. JRE will install CP Test stations on all Raeger pipeline connections.
5.c. JRE shall perform external corrosion control monitoring on each buried...	JRE will perform on each buried metallic fitting, external corrosion control monitoring in accordance with 192.465(a) each calendar year, not to exceed 15 months.
5.d. JRE shall determine the native structure-to-electrolyte potential for each...	JRE will use the instant off potential for each CP test station.

6. Pressure and Temperature Control and Motoring:

PHMSA Requirement	Recommended Plan of Action
6.a. Overpressure Protection	JRE will install pressure relief valves on the pipeline that are set for the newly calculated MAOP. Shade and Southern will be set to 225 psig because of the Class 2 status. Raeger will be set below 804 psig.
6.b. Pressure Monitoring	JRE already measures pipeline pressures using the plants SCADA system. This is a real time reading that operators can access through the HMI.
6.c. Gas Temperature	JRE shall comply.
6.d.i. JRE shall continuously monitor the State Waiver segments with a SCADA...	JRE continuously monitors the pipeline using the existing plant SCADA system. If communications are lost for over 3 hours, JRE personnel will be onsite to allow for continued operation and monitoring of the State Waiver segments.

6.d.ii. JRE shall document SCADA operating procedures and Control Room...	JRE shall comply.
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7. Operations:

PHMSA Requirement	Recommended Plan of Action
7.a. Repair criteria	JRE will modify the O&M with procedure to repair any failed pipe with steel.
7.b. Leakage detection surveys	JRE will repeat annual leak detection survey a twice per year in Class 1 locations (not to exceed 7.5 months between surveys) at a minimum and 4 times per year (not to exceed 100 days between surveys) in Class 2 areas. JRE will modify the O&M Manual for the increased surveys, testing procedures and required equipment. JRE shall repair all leaks when found and notify the PaPUC of any leaks found.

8. Communication and Records:

PHMSA Requirement	Recommended Plan of Action
8. Communication and Records	JRE will, as it becomes aware of a threat to the integrity of the State Waiver segments pipe that poses a risk to the public or failure, notify the PaPUC immediately. JRE will modify the O&M manual to include potential mitigate and integrity measures including replacement of the affected segments with steel line pipe approved by Part 192.

9. Gas Quality:

PHMSA Requirement	Recommended Plan of Action
9.a. JRE shall develop and implement a program to monitor and mitigate...	All JRE sites have moisture analyzers and chromatographs in place on the pipeline gas. JRE already conducts bi-weekly hydrogen sulfite monitoring of the sales gas.
9.b. JRE shall develop and implement a program to monitor and mitigate...	See 9.a.

10. Right-of-Way Management Program:

PHMSA Requirement	Recommended Plan of Action
10.a. JRE shall install and maintain line-or-sight markings, not to exceed...	JRE shall comply.
10.b. Each calendar year, not to exceed 15 months, JRE shall complete...	JRE shall comply.
10.c. JRE shall perform ground or aerial right-of-way patrols on a monthly basis...	JRE shall comply.

11. Annual Reporting:

PHMSA Requirement	Recommended Plan of Action
11. Annual Reporting	JRE shall comply.

12. Certification:

PHMSA Requirement	Recommended Plan of Action
12. Certification	JRE shall comply.