“ENCROACHMENT MANAGEMENT AS A MEASURES FOR PIPELINE SAFETY”

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PRESENTATION OUTLINE:

- Why we are here
- Why we report
- Stakeholders: partner and prevent
- Know what is below
- Impact information
- Easements basics [property rights/easements/right acquired]
- Encroachment basics and responses
- Examples
- Take aways
WHY WE ARE HERE
“Absolute certainty is the privilege of fools and fanatics.”

- Clear communications
- Partnership with gas co.
- Nothing routine

**Pipeline Safety Improvement Act of 2002**: Mandates requirements to ensure the safety and integrity of its pipelines.
- requirements to implement an **“integrity management program,”**
- Pipeline operators now apply preemptive measures to monitor, inspect and protect pipelines

**Pipeline Transportation Safety Improvement Act of 2011**: provide for enhanced safety and environmental protection [response to San Bruno]
WHY WE REPORT

In San Bruno, CA on September 2010, a 30 inch diameter steel pipeline exploded.

The death toll was eight people.

The explosion registered as a magnitude 1.1 earthquake.

The initial blast "had a wall of fire more than 1,000 feet high.

The explosion excavated a crater 167 feet long, 26 feet wide and 40 feet deep.
WHY WE REPORT

▪ To protect easements, facilities and infrastructure
▪ To provide guidelines for employees, agents and contractors as they work within and manage use of easements.
▪ To maintain a safe, reliable and efficient energy delivery relative to the public interest in the development of property.
STAKEHOLDERS

- title companies
- developers
- public officials
- cities/towns
- employees
- contract employees
- General public
COMMUNITY ISSUES:

1. Know where pipelines in your community are located, what they transport and how to contact the operator if there is an emergency:
   - National Pipeline Mapping System to view maps of transmission.
   - Contact local gathering and distribution operators directly regarding the location of their lines and emergency response numbers.
   - Permanent pipeline markers for general location and emergency contact numbers for operators.

2. Report pipeline damage or dangerous activity near the pipeline to the pipeline operator:
   - Call the pipeline operator if you see unauthorized excavation or other activities that could endanger a pipeline or aboveground pipeline facility.

3. Follow best practices for safe excavation near pipelines and enforce state One-Call laws:
   - Excavation activity is the most common cause of pipeline damage. If you will be excavating near a pipeline, call 811 or your local One-Call center, “Know What’s Below”.

4. Consider requiring an 811 locate ticket verification before issuing a building permit
KNOW WHAT IS BELOW

Know what's below. Call before you dig.
2011 MINNEAPOLIS EXPLOSION

March 17, 2011
7:37 am
South Minneapolis, MN
2011 MINNEAPOLIS EXPLOSION
MINNEAPOLIS SITE LOCATION
The failure of the natural gas transmission pipeline near the Cub Foods entrance on East 60th Street east of Nicollet Avenue in Minneapolis was due to its inability to sustain external loads. The external loads in this case being the soil, roadway, traffic, and forces related to subsidence of the soil.
POTENTIAL IMPACT RADIUS

Hazard Area Radius

- 12" 1000 psi ~ 300 Feet
- 24" ~ 500 Feet
- 36" ~ 800 Feet

C-FER REPORT 99068 / GAS RESEARCH INSTITUTE OCTOBER 2000
WHAT ARE PROPERTY RIGHTS?

In English law, a fee simple or fee simple absolute is an estate in land, a form of freehold ownership. It is a way that real estate may be owned in common law countries, and is the highest possible ownership interest that can be held in real property.

Typically, visualize property rights as a cup full of pencils. When you purchase property, you purchase “all” the pencils that are available.
WHAT IS AN EASEMENT?

Easement – This is the first asset acquired, most overlooked. Foundation for all future activities including facility installation, maintenance and operation. A legal instrument giving a temporary or permanent right to use a right-of-way.

The easement will be either exclusive vs. non-exclusive [first come - first served].

When an easement is purchased, the stakeholder purchases a few of those pencils. Some of the “pencils” typically acquired are the right to install, operate, repair, replace and maintain.
TYPES OF EASEMENTS

Generally there are three types of easements:

- Public rights of way [Road/Street/Alley]
- Public Utility Easements (PUE), shared corridors reserved for use by utilities
- Private easements acquired
  - Blanket/sufficient width or Fixed width
  - Depth/Size
  - Purpose
    - Transmission
    - High Pressure Distribution
    - Medium or low Pressure Distribution
Rights Acquired

- Utility shall have the right, power, and privilege to construct, inspect, maintain, operate, enlarge, rebuild and repair any number of lines
- Utility shall have the right to trim or remove any and all trees
- Utility shall have the right to remove brush or other obstructions
- Property owner will retain the right to cultivate the land
- Property owner shall not erect or maintain any improvements or structures, except fences,
- Property owner retains the right to use and enjoy said premises, except for the purposes herein granted
- Property owner reserves the right to use its real estate for all purposes not inconsistent with this grant
WHAT IS AN ENCROACHMENT

**Encroachment** — Encroachment refers to the unauthorized use of a right-of-way in violation of the easement terms.

**Encroachment** is defined in the **VECTREN** encroachment policy as any *third-party activity that occurs within an existing easement that impacts the Company’s ability to safely operate and maintain the facility or is otherwise detrimental to public safety.*
GROWTH ALONG PIPELINE

Figure 1 - 1990

Figure 2 - 2002
TYPES OF ENCROACHMENTS

**In Progress** – The encroachment is any activity that is currently happening, any time from start to completion of project that impacts easement.

**Proposed** – The encroachment is a planned development such as a subdivision, industrial park, building expansion or property improvement.

**Existing (Legacy)** – The improvement discovered has sufficient age it would not be considered in progress and construction is complete.
ENCROACHMENT MANAGEMENT

Goals of encroachment management

- **Safe and efficient land management**: Coordination assures facilities are always considered and potential impact addressed.
- **Maintaining and improving public safety**: As awareness increases potential damage is decreased.
- **Establish standard protocols**: Structured actions/responses create a predictable environment with consistent results.
- **Create guidelines**: Management of staff, contractors and projects allow preplanning with a high degree of confidence that safety needs and regulations have been met.
- **Balance the public interest in delivery infrastructure against the public interest in the development of property**: As an entity that provides a commodity, we certainly want to see development and advancement in communities.
Define approach

- **Report**: A standardized report will form the basis of any necessary response
- **Categorize** which type of encroachment has been discovered
- **Research** recover easement, review rights acquired
- **Coordination** internal and external review with subject matter experts
- **Response**
Types of response:

- **Letter of No objection [LONO]** is a simple response to encroachment request, designed to be quick and efficient, used when there is minimal impact to facilities or easement.

- **Field Construction Acknowledgement [FCA]** standard response to standard encroachment request, designed to be efficient, used when there is a routine activity around facilities or easement.

- **Encroachment Agreement [EA]** legal contract designed to address complicated projects with multiple encroachments or to capture activities in high profile easements.
Pipelines are the safest way to transport energy products like natural gas, crude oil and other fuels. When left alone they rarely fail.

According to government and industry statistics, the most common cause of pipeline incidents is improper or unauthorized digging near a pipeline.
June 1999, a 16-inch-diameter steel pipeline ruptured and released gasoline into a creek. The gasoline ignited and burned 1.5 miles along the creek. Two boys and a young man died as a result of the accident.

In August 1994 the pipeline was struck by a backhoe. Inspection revealed, 27 gouge marks were evident on a 10-foot-long pipe segment.

5 years between damage and failure.
June 2010, a truck-mounted power auger struck and punctured a natural gas transmission pipeline.

A contractor was using the auger truck to dig holes for the installation of new electric service utility poles.

The natural gas ignited and killed the auger operator and burned six workers.
SITE EXAMPLES [12” @ 400 PSI]
SITE EXAMPLES [12” @ 400 PSI]
RESULTS

Results to date: Approximately 1500 encroachments reported with zero damages where encroachments were coordinated.
Take Aways

- Take aways
  - Understanding easements [most overlooked asset acquired] corridor of acquired rights allowing defined use and action
  - Encroachment types and responses: knowledge of each encroachment type defines the necessary response and actions
  - Program as a preventative and mitigative tool toward damage prevention: by raising awareness many incidents can be prevented; by having a program, encroachments found can be consistently addressed, alleviated, reduced or made less severe
PARTNERSHIPS AVAILABLE

QUESTIONS?

Photo 2