

Local Distribution Company  
Regulatory Alternative  
Feasibility Team (LDC RAFT)

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**(Your Name)**  
**(Meeting Name)**

# BACKGROUND

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- **November, 1996 - initial meetings with OPS, state reps, and AGA**
- **February, 1997 - NARUC Resolution**
- **March, 1997 - AGA Endorsement**
- **April, 1997 - NAPSR Resolution**
- **November, 1997 - Formal announcement of LDC RAFT**

# LDC RAFT SPONSORS

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- **American Gas Association**
- **National Association of Regulatory Utility Commissioners**
- **National Association of Pipeline Safety Representatives**
- **American Public Gas Association**
- **Office of Pipeline Safety**

# LDC RAFT - Makeup

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- **Steering Team - OPS, NARUC  
Commissioner, LDC executive**
- **Coordinating Team - OPS, NARUC,  
NAPSR, AGA**
- **Technical Team - 8 state reps,  
8 industry reps, 3 OPS reps**

# Meetings

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- **Richmond, VA - September, 1998**
- **Houston, TX - November, 1998**
- **New Orleans, LA - March, 1999**
- **Colorado Springs, CO - July, 1999**
- **Herndon, VA - November, 1999**
- **Phoenix, AZ - February, 2000**
- **Milwaukee, WI - June, 2000**

# NARUC/NAPSR RESOLUTIONS

- Use of team's findings at sole discretion of States
- State structure/safety issues may differ from OPS, and from company to company
- State participation should consider available resources
- LDCs face different integrity risks than interstate systems

# RAFT Mission Statement

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- **“In the interest of the public, as well as intrastate natural gas operators, the team will conduct a comprehensive feasibility study to explore regulatory alternatives to the current pipeline safety regulations that could result in improved safety, reliability, and the protection of the environment in a cost-effective manner.”**

# Issues

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- **Are Regulatory Alternatives feasible for LDCs and States?**
- **Is there a need for regulatory alternatives?**
- **Can regulators and operators trust each other?**
- **Participation from both States and operators has to be voluntary.**

# Possible Benefits

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- **Increased safety**
- **More efficient allocation of resources**
- **Better communication between regulators and operators**
- **Flexibility to adapt to changing circumstances**

# Voluntary Regulatory Alternatives

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- **Waivers**
- **Risk-based programs**

# Basic Elements of Regulatory Alternatives

- **Discretionary/Voluntary**
- **Open Communication**
- **Formal**
- **Measurable performance**
- **Enforceable**
- **Quantifiable safety results**

# FINDINGS - REGULATORY ALTERNATIVES ARE FEASIBLE UNDER CERTAIN CONDITIONS

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- **Waiver process could be improved to better handle emergency situations**
- **Alternatives to code requirements can be developed using risk management techniques (guidelines have been written)**

# LDC RAFT Communication Plan

- **Public website information**
  - [www.ops.dot.gov/toc.htm](http://www.ops.dot.gov/toc.htm)
- **Presentations**
  - NARUC & NAPSIR
  - AGA & APGA conferences
  - Regional gas associations
- **Interim reports**
  - Executive Summaries on website
- **Final report**

# Communications Plan

## ● Events for 2000

- NE Gas Association, March
- NARUC Winter Meetings, March
- NAPSR National meeting, April
- Pacific Coast Gas Ass'n, September
- AGA Operations Conference, May
- Southern Gas Ass'n, Aug.
- MEA Gas Operations Conference, Aug.
- NAPSR Southern Region, September
- Southeastern Gas Ass'n, Sept.
- Others as identified

# Future Meetings

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- **November 1-2:  
Las Vegas, NV**
- **Presentation of Final Report to  
Steering Committee:  
TBD**