



## Natural Gas STAR Methane Challenge Program Implementation Plan

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**Partner Name**

**Current as of (date)**

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### Partner Implementation Manager

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone/Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

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# Natural Gas STAR Methane Challenge Program Implementation Plan

## Partner Methane Challenge Commitments<sup>1</sup>

### BMP Commitment Option

	Source	Start Date	Achievement Year
<b>Onshore Production</b>			
<input type="checkbox"/>	Pneumatic Controllers		
<input type="checkbox"/>	Fixed Roof, Atmospheric Pressure Hydrocarbon Liquid Storage Tanks		
<b>Gathering and Boosting</b>			
<input type="checkbox"/>	Pneumatic Controllers		
<input type="checkbox"/>	Fixed Roof, Atmospheric Pressure Hydrocarbon Liquid Storage Tanks		
<input type="checkbox"/>	Reciprocating Compressors - Rod Packing Vent		
<input type="checkbox"/>	Centrifugal Compressors - Venting		
<b>Natural Gas (NG) Processing</b>			
<input type="checkbox"/>	Reciprocating Compressors - Rod Packing Vent		
<input type="checkbox"/>	Centrifugal Compressors - Venting		
<b>NG Transmission &amp; Underground Storage</b>			
<input type="checkbox"/>	Reciprocating Compressors - Rod Packing Vent		
<input type="checkbox"/>	Centrifugal Compressors - Venting		
<input type="checkbox"/>	Transmission Pipeline Blowdowns between Compressor Stations		
<input type="checkbox"/>	Pneumatic Controllers		
<b>NG Distribution</b>			
<input type="checkbox"/>	Mains – Cast Iron and Unprotected Steel ( <i>Commitment Rate:</i> )		
<input type="checkbox"/>	Services – Cast Iron and Unprotected Steel		
<input type="checkbox"/>	Distribution Pipeline Blowdowns ( <i>Commitment Rate:</i> )		
<input type="checkbox"/>	Excavation Damages		

## Partner Methane Challenge Commitments

### ONE Future Emissions Intensity Commitment Option

Segment:		Intensity Target:		Target Year:	
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<sup>1</sup> Partners may delete unused rows within the table, and may duplicate rows and add relevant details as needed (e.g., a corporate parent partner that has different commitments for each LDC can duplicate relevant rows to list the commitments for each LDC).



# Natural Gas STAR Methane Challenge Implementation Plan

Submitted by:

Orange & Rockland Utilities, Inc.  
One Blue Hill Plaza  
Pearl River, NY 10965

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## Introduction

Orange & Rockland Utilities, Inc. (O&R) is a subsidiary of Consolidated Edison, Inc., one of the nation's largest investor-owned energy companies, with approximately \$13 billion in annual revenues and \$45 billion in assets. The utility provides gas service to over 133,000 customers in Orange and Rockland counties in New York.

O&R continues to increase the pace at which it identifies natural gas leaks. In the past year, the Company has made significant improvements in reducing the total leak backlog and successfully completed 17 miles of main replacement of leak prone pipe in each of the past three years. Our goal with the Partnership Agreement is to replace 6.5% of our cast iron and unprotected steel mains by the end of 2016, then increase the commitment to 10% by 2020. Specific details on how we will reach the goals are provided in this implementation plan.

This implementation plan outlines how the Company intends to meet this commitment, describes annual progress reporting mechanisms, and provides a short description of other actions that the Company has undertaken, and will undertake, to reduce methane emissions.

The U.S. Environmental Protection Agency (EPA) Partnership Agreement form showing the O&R commitments and identifying the contact information for the Methane Challenge Implementation Manager is included as Exhibit 1.

## Meeting Commitments

(Note to reviewers: EPA (see Exhibit 1) describes this section as “Milestones/Timeframes for Meeting Commitments:[Provide information on steps for achieving commitments such as anticipated rate of progress, key milestones, or other context (e.g., referencing work to be done during the next planned shutdown of a facility).]”)

### Distribution Mains Replacement

As noted in Exhibit 1, the Company has committed to initially replace annually 6.5% of its cast iron and unprotected steel distribution mains. For the remainder of this implementation plan, cast iron and unprotected steel distribution mains will be referred to as “leak-prone pipe”.

As a regulated utility, O&R is required to file comprehensive rate filings with the New York State Public Service Commission (PSC). In the recent rate filing submitted for the next several years, O&R laid out a program, with the requisite funding, to replace a total 66 miles of gas main over the rate years for 2016, 2017 and 2018 for all material types, including the identified leak-prone pipe in the Methane Challenge.

With these targets set forth in its rate filings, and expenditures approved by the PSC, the chart below highlights how these targets will allow the Company to meet its Methane Challenge Goal:

*Table 1: Main replacement targets as percentage of remaining leak-prone pipe*

	<b>Miles</b>	<b>% Replacement</b>
2015 YE Inventory per 2015 DOT Report	174	
Planned 2016 replacement	13	7.50%
Remaining inventory YE 2016	161	
Planned 2017 replacement	13	8.10%
Remaining inventory YE 2017	148	
Planned 2018 replacement	13	8.80%
Remaining inventory YE 2018	136	
Planned 2019 replacement	13	9.60%
Remaining inventory YE 2019	123	
Planned 2020 replacement	13	10.60%
Remaining inventory YE 2020	110	
Planned 2021 replacement	13	11.80%
Remaining inventory YE 2021	98	

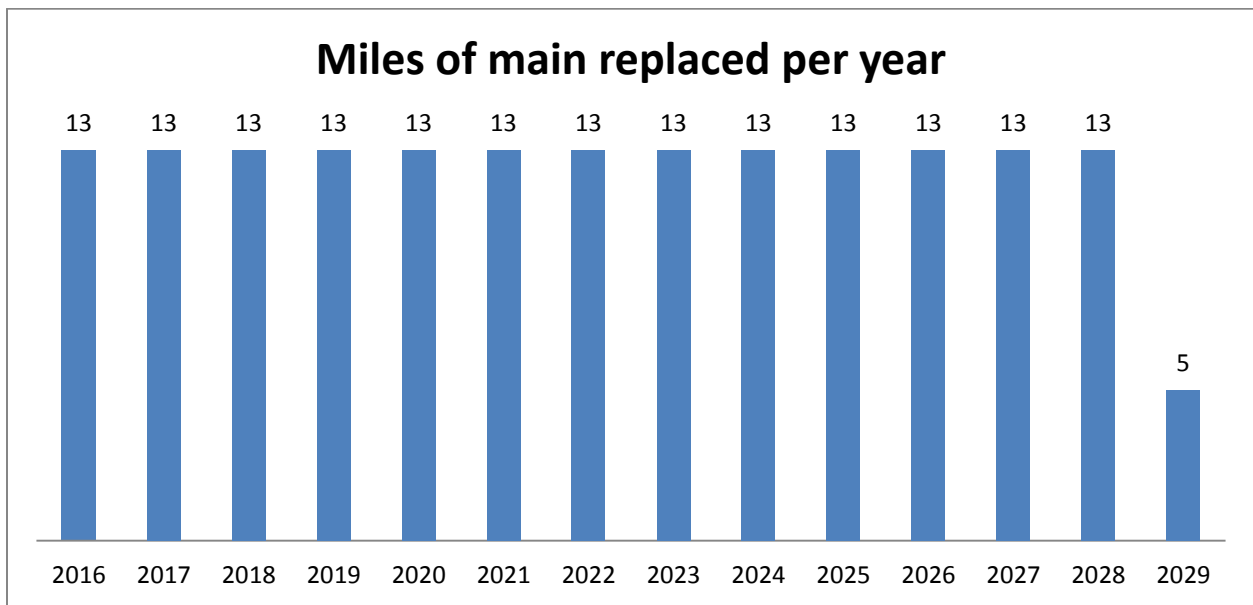
The Company is required to report its progress towards these goals to the PSC on an annual basis. The Company is also required to report the number of miles of each type of pipe in its distribution system to the U.S. Department of Transportation Pipeline and Hazardous Materials Administration (PHMSA). The PHMSA requirements dictate that the annual report be filed no later than March 15<sup>th</sup> of each year reporting on the status as of the end of the previous year. The Company files a copy of the annual PHMSA report (report form PHMSA F 71000.1-1) concurrently with the PSC in order demonstrate its

compliance with the rate filing commitments. The Company intends to file the same PHMSA form with the EPA no later than March 15<sup>th</sup> of each year, demonstrating that it has met its Methane Challenge Commitment.

The Methane Challenge agreement asks participating companies to seek ways to increase their commitments over time. Table 1 suggests that the Company may very well be positioned to upgrade its commitment to a 10% replacement rate by the end of 2020; at this point, O&R commits to review its progress toward the 10% replacement goal in each subsequent annual report to the Methane Challenge.

The figure below lays out the long-range plan that reinforces the Company's intent to continue the consistent rate of replacement over time:

*Figure 1: O&R Main Replacement Projection – miles replaced per year through 2029*



It is also important to note that the PSC has established incentive mechanisms that will allow the Company to recover any costs associated with main replacement in excess of the targeted amount through a surcharge mechanism; similarly, the PSC has established financial penalties if the Company fails to meet the targeted amounts.

## **Service Line Replacements**

It is Company policy to replace all unprotected steel services whenever a leak-prone pipe is replaced.

## **Program Management**

O&R selects leak-prone pipe for replacement using a risk-based approach, selecting the highest risk segments using the Company's main replacement prioritization model, followed by replacement of emergent leaking mains, and replacement of a targeted number of feet of flood prone pipe. In addition, some miles of leak-prone pipe are replaced as a secondary benefit of other programs such as public improvement work, new business, and oil-to-gas conversions

## **Reporting**

It is the Company's intention to minimize the amount of original reporting documents in demonstrating its attainment of the goals of the Methane Challenge. Towards that end, O&R will rely upon the data collected as part of its PHMSA and PSC reporting requirements, and will continue to report to the Greenhouse Reporting Program Subpart W website.

If, as planned, EPA develops a website for Methane Challenge reporting, the Company will input the PHMSA/PSC-collected data into that website to ensure consistency of results across reporting platforms.