

ACKNOWLEDGEMENTS

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In April of 2003, a team of individuals representing the liquid pipelines, natural gas industry, and regulatory representatives from around the country, were tasked with development of guidance for small system operators of liquid and natural gas systems, to comply with the Operator Qualification (OQ) Rule. The Small System Operator Task Force (SSOQ) in this document has developed:

- ◆ A list of definitions which may be helpful in understanding the OQ Rule,
- ◆ Model Plan for compliance to OQ Rule,
- ◆ A “How to Guide” to comply with OQ,
- ◆ Guidance material which explains OQ audit protocols, which will be used to review an operator’s OQ program.

The following SSOQ members are recognized as experts in their fields and have given generously of their unique knowledge. They were directly involved in the development of this guide material.

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CHARACTERISTICS OF A SMALL SYSTEM OPERATOR

All stakeholders in the pipeline industry fully support the operator qualification (OQ) protocols developed by the U.S. Department of Transportation's Office of Pipeline Safety (OPS) in response to the Pipeline Safety Improvement Act of 2002. It is also recognized there is a need for effective guidance for small system operators (i.e., those with less complex gas distribution systems) about how to comply with the protocols. In response to this need, federal and state pipeline safety regulators as well as representatives of small systems committed to develop that guidance and a set of criteria to assist operators who operate less complex pipeline systems.

The one constant and underlying goal of the group developing the characteristics of a small system operator, and their protocols, was to ensure that the level of safety provided by OPS' OQ process was maintained and the effectiveness of the rule was not compromised.

The fundamental rationale for having a different set of criteria for small system operators is that many of these operators have a less complex system and management structure. Therefore, such an operator does not need many of the processes and formal management structure described in the current OQ protocols. Both pipeline safety regulators and the regulated industry need to share a common understanding of the "general characteristics" of a small system operator to ensure appropriate protocols application during a compliance audit.

A number of system characteristics were discussed by the government-industry team in determining—what is a "small system operator?" To provide general guidance, two characteristics are discussed below.

1. **Resources.** Smaller systems have fewer resources available than larger systems, however all operators must comply with the same pipeline safety regulations. Smaller systems have:
 - (i) Less complex systems than larger operators;
 - (ii) Fewer individuals;
 - (iii) Less complex management structures;
 - (iv) Few layers of management, if any, between the OQ Plan Administrator and its personnel performing covered tasks.

2. **Number of employees performing covered tasks.** While this is part of Characteristic 1 above, the government-industry task force agreed that a system with five or fewer individuals performing covered tasks is likely to be a "small operator." The government-industry task force also agreed that, depending on other relevant factors, a system with more than 10 individuals performing covered tasks could be determined to be a "small operator."

These factors are not exclusive in determining a "small operator." It is important to remember guidance material which applies to large operators also applies to small operators. In providing this supplemental guidance for small operators, the team recognized that the state program managers have the authority and must also have the flexibility in making that final determination in a fair consistent manner.

Again, the elements of OQ compliance should be the same regardless of size; none of OPS' criteria has been eliminated. The small system operator's protocol elements have been structured to reflect that smaller operators require less formal and less complex OQ compliance programs.