



FEDERAL SUBSIDIARY LEGISLATION

**PETROLEUM (SAFETY MEASURES) ACT 1984 [ACT 302]
P.U.(A) 85/1985
PETROLEUM (SAFETY MEASURES) (TRANSPORTATION OF PETROLEUM BY PIPELINES)
REGULATIONS 1985**

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Preamble

IN exercise of the powers conferred by section 45 of the Petroleum (Safety Measures) Act 1984 [Act 302], the Minister makes the following regulations:

PART I PRELIMINARY

1. Citation and commencement.

These Regulations may be cited as the **Petroleum (Safety Measures) (Transportation of Petroleum by Pipelines) Regulations 1985** and shall come into force on the 1st March 1985.

2. Interpretation.

(1) In these Regulations, unless the context otherwise requires, words and expression shall have the same meaning as in the Petroleum (Safety Measures) Act 1984.

(2) For the purpose of these Regulations -

"Approving Authority" means any person, whether by name or office to whom the Minister has delegated his powers under section 37 of the Act to exercise his functions under sections 16 and 17 of the Act.

"bulk plant" means that portion of a property where petroleum is received by tank vessel, pipelines, tank car or tank vehicles and is stored or blended in bulk for the purpose of distributing such petroleum by tank vehicle, pipeline, tank car, tank vehicle or container;

"Inspector" means an Inspector of Petroleum appointed under section 38 of the Petroleum (Safety Measures) Act 1984 and who is from the office of the Approving Authority;

"refinery station" means service station (automotive) and service station (marine);

"service station (automotive)" means that portion of a property where liquids used as motor fuels are stored and dispensed from fixed equipment into the fuel tanks of motor vehicles and may include any facilities available for the sale and service of tyres, batteries and accessories and for minor automotive maintenance work; and

"service station (marine)" means that portion of a property where liquids used as fuels are stored and dispensed from fixed equipment on shore, piers, wharves or floating docks into the fuel tanks of self-propelled craft and shall include all facilities used in connection therewith.

PART II TRANSPORTATION OF PETROLEUM BY PIPELINES

3. Application and non-application.

(1) These Regulations shall apply to -

(a) pipelines transporting liquid petroleum between production facilities, tank farms, natural gas processing plants, refineries, service stations, terminals (marine, rail and truck) and other delivery and receiving points;

(b) pipelines transporting natural gas from the outlet of separators or traps at gas wells until the outlet of the customer's meter set assembly including the gas processing plants, metering and regulating stations; and

(c) distribution piping in a liquefied petroleum gas system from the first stage regulator of the storage tank to the outlet of the customer's meter set assembly.

(2) The Regulation shall not apply to -

(a) pipelines within petroleum refineries and gas processing plants;

(b) pipelines within industrial plants, bulk plants and service stations; and

(c) piping systems from the point of delivery to the connections with each gas utilisation device.

For the purpose of this subregulation the point of delivery for system supplying gas is the outlet of the service meter assembly or the outlet of the service regulator or service shut off valve where no meter is provided.

4. Design, etc., shall meet requirements.

(1) Subject to subregulation (2), all the design, fabrication, installation, testing and the safety aspect of operation and maintenance of petroleum and gas pipeline shall meet the requirements of the American National Standard Institute Code for-

(a) Liquid Petroleum Transportation Piping System ANSI/ASME B 31.4; or

(b) Pressure Piping Gas Transmission and Distribution Piping System ANSI/ASME B 31.8.

(2) Notwithstanding the above, the Approving Authority may ban the use of certain material or fitting or specify the type of fitting in petroleum and gas pipeline system.

(3) The Approving Authority may permit the use of any material fitting, component, method of construction, installation or test procedure which is not prescribed by the Codes mentioned in subregulation (1), provided that sufficient evidence is submitted to substitute any claim made regarding the safety of such alternative.

5. Permission for installation.

(1) No person shall install or caused to be installed any pipeline unless he or his authorised representative has obtained a written permission from the Approving Authority.

(2) For the purpose of a permission under subregulation (1) the owner of his authorised representative has obtained a written permission from the Approving Authority.

(a) the name and address of the owner and operator;

(b) the name and address of the consultant;

(c) the name and address of the contractors;

- (d) the route of the pipelines and flow line diagram;
- (e) the design specification; and
- (f) the material specification.

6. Permission for operating.

(1) No person shall operate any pipeline unless he or his authorised representative has obtained a written permission from the Approving Authority.

(2) For the purpose of a permission under subregulation (1), the owner or his authorised representative shall submit-

- (a) a letter confirming that the material, design, construction, installation and testing of the pipeline comply with the requirements of regulation 4 and that the pipelines are safe to be operated;
- (b) a written emergency plan for implementation in the event of the system failure, accident or other emergency. The plan shall include procedures for prompt and remedial action providing for the safety of the public and operating company's personnel, minimising property damage, protecting the environment and limiting accident discharge from pipeline; and
- (c) a letter confirming that the operating and maintenance procedures are based on the provisions of the Code stipulated in regulation 4 or the other alternative procedures allowed under regulation 4(3).

7. Maximum allowable pressure.

No person shall operate a pipeline at a pressure greater than the maximum allowable pressure approved by the Approving Authority.

8. Records.

(1) The following records shall be maintained by the operator and shall be produced for inspection when so directed by the Approving Authority:

- (a) written training procedure for the safe operations of the pipeline;
- (b) written maintenance schedule for the pipeline;
- (c) corrosion mitigation record;
- (d) inspection record on the condition of the pipeline, safety equipment and its related facilities;
- (e) failure investigation and remedial steps taken;
- (f) any modification work on the pipeline; and
- (g) written procedure for abandoning the pipeline.

(2) The Approving Authority may, at any time, request the owner, his authorised representative, his consultant or his contractor to submit additional information or documents relating to the pipeline.

9. Inspection.

(1) Pipelines during installation and in operation shall be subjected to inspection by the Approving Authority.

(2) The Approving Authority shall after considering any representation made by the owner or operator, determine the type of inspection and the interval between inspections.

(3) If during any inspection an Inspector is of the opinion that any part of the pipeline that is being installed or has been installed is likely to cause danger to life or damage to property, he shall serve a notice in writing to the owner, operator or contractor as the case may be, requiring such defects to be made good or removed within such period as he may specify (hereinafter referred to as "grace period") and such part of the pipeline shall not be continued to be installed or operated after such grace period unless such defect has been made good or removed to the satisfaction of the Inspector:

Provided that if the Inspector is of the opinion that the defects is likely to cause immediate danger to life and property, he shall, without waiting for a notice to be served on the owner, operator or contractor, immediately prohibit the installation or operation of such part of pipeline until such defect is made good or removed to the satisfaction of the Inspector.

(4) Any person who failed to comply with any notice or order given under subregulation (3) shall be guilty of an offence under this regulation.

10. Notice.

(1) An Inspector may, after an inspection of any pipeline, issue a written notice specifying such operational conditions and limitations as he may deem appropriate.

(2) The conditions and limitations may include the operation of the pipeline at reduced maximum working pressure.

(3) Any pipeline, in respect of which a notice in subregulation (1) has been issued, shall be operated in accordance with the conditions and limitation specified in such notice.

11. Appeal.

(1) Any person aggrieved by an order made by an Inspector under regulation 9 (3) and regulation 10(1) may, within twenty-one days from the date of such order, appeal to the Inspector's Head of Department who may, after considering any representation made by that person, by order in writing confirm, annual or vary the order.

(2) Any person aggrieved by the order made by the Head of the Department may, within twenty-one days from the date of such order, appeal to the Minister, who may, after considering any representation made by that person and the Inspector's Head of Department, by order in writing confirm, annual or vary the order.

12. Facilities to be afforded.

The owner, operator or contractor of a pipeline or his authorised representative shall afford every reasonable facility to enable the Approving Authority to discharge its duties effectively.

13. Dangerous occurrence.

(1) The owner, operator or contractor of a pipeline or his authorised representative shall immediately notify the Approving Authority of -

(a) any dangerous occurrence which may affect the safety of any pipeline while it is being installed or operated; and

(b) any gas leak which-

(i) causes death or personal injury requiring hospitalisation of any person;

(ii) requires the taking of any segment of a pipeline out of service;

(iii) results in gas ignition; or

(iv) represents an existing or probable hazard to persons or property.

(2) An owner or operator of a pipeline shall, as soon as he becomes aware of any defect in the pipeline or any circumstance which would affect the safety of the pipeline-

(a) rectify the defect or circumstance so as to ensure the safety of the pipeline

(b) cease to operate the pipeline if the defect or circumstance cannot be made good or removed and inform the Approving Authority.

14. No modification without permission.

(1) Subject to subregulation (2), no person shall commence any modification work on a pipeline which affect the basic design and specification such as the maximum design operating pressure, maximum design operating temperature, type of fluid to be carried and change route unless a written permission from the Approving Authority is obtained.

(2) In any emergency where it is necessary to put an end or prevent imminent danger to life and property or to prevent serious interruption of the conveyance of petroleum by pipeline, such modification as specified in subsection (1) may be carried out and the Approving Authority shall be informed immediately of such modifications.

15. Existing pipelines and exemptions.

(1) Within sixty days after the coming into force of these Regulations, the owners or operator of any pipeline which has been installed or in operation prior to the commencement date of these Regulations shall inform the Approving Authority of the existence of the pipelines.

(2) The Approving Authority may direct the owner or operator of such existing pipeline to submit any record or particulars as it may deem fit.

(3) The provisions of regulations 4 (1), 5 (1) and 6 (1) shall not be applicable to the existing pipelines.

16. Penalty.

Any person who contravenes any provision of these Regulations shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding twenty thousand ringgit and in the case of a

continuing offence, he shall be liable to a further fine not exceeding five thousand ringgit for each or part of the day during which the offence continues.

17. Repeal.

Rule 53 (1) and rule 53 (3) of the Petroleum Rules 1960 [*Sabah S. 198/60*] are repealed.

Made the 23rd February 1985.

[JPN. (S) 166/11 Jld.6(26); PN.(PU2) 422.]

DATO SERI DR MAHATHIR BIN MOHAMAD
Prime Minister