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Docket Management System:
U.S. Department of Transportation
400 Seventh Street, SW
Nassif Building, Room PL-401
Washington, DC 20590-0001

RE: Docket No. PHMSA-98-4957
Request for Public Comments and Office of Management and Budget Approval of an
Existing Information Collection (2137-0522); Incident and Annual Reports for Gas
Pipeline Operators

Dear Sir/Madam:

Northern Illinois Gas Company d/b/a Nicor Gas Company (Nicor) is a local distribution company (LDC) that operates an integrated transmission and distribution system to distribute natural gas to over 2.2 million customers in northern Illinois, with the exception of the city of Chicago and some surrounding suburbs. Nicor operates 1,195 miles of intrastate transmission pipeline and 32,671 miles of distribution pipeline. Nicor appreciates the opportunity to comment on PHMSA's request for comments on ways to minimize the burden associated with the collection of information related to incident and annual reports completed by gas pipeline operators.

Nicor recognizes PHMSA's previous efforts to enhance both the incident report and annual report forms. The revisions made to the incident and annual report forms and instructions, in general, improved clarity and allowed for easier identification of incident cause trends and for evaluations of pipeline operator performance. However, Nicor believes that both the incident and annual report forms can be further enhanced to make them more meaningful and useful to operators and regulatory agencies and offers the following comments.

Practical Utility of the Information

PHMSA requested comments on whether the information collected will have practical utility. Overall, the information requested is relevant, practical and useful. However, there are several sections of the reports that do not appear to provide value.

Annual Report Gas Distribution System Form PHMSA F7100.1-1 (12-05)

- Part B, Section 1 requires operators to determine whether steel mains and services are cathodically protected or unprotected, then to further break down each category into bare or coated. For cathodically protected systems, Nicor has records to differentiate between coated and bare pipe. However, information on coating for unprotected pipe does not seem practical at the national level from the stand point that some operators have very old systems where all that is known regarding the cathodic protection is whether the main is protected or not protected. It is not likely PHMSA could ever draw any conclusions from such historic data.

- Part B, Section 3 asks for the average service length. This information does not appear to be useful or practical.
- Part C, asks for the total leaks eliminated/repaired during the year for both services and mains. Additionally, it asks for the number of known system leaks at the end of each year scheduled for repair. Repair practices and classification procedures differ at each utility, so reporting on leaks repaired or scheduled is an inconsistent metric. It would be more appropriate to report only those leaks that are classified as hazardous since that is the only consistent definition of a leak. The reporting of all other leaks scheduled for repair is not useful for determining national averages.
- Part E, asks for the percent of unaccounted-for gas. The term “unaccounted-for gas” does not always indicate a leak and therefore is not a good indicator of system integrity. The study by the American Gas Foundation titled *“Safety Performance and Integrity of the Natural Gas Distribution Infrastructure”* issued in January 2005 reached the same conclusion. In Appendix M, Section 4 (Considerations and Qualifications), item 6 of this study, the following conclusion was reached:

“Previous studies done by the Gas Technology Institute² and as a result of a 2004 AGA Benchmarking study involving 5 years of data³ have shown that the predominant amount of unaccounted for (UAF) gas experienced by operators is due to measurement inaccuracies and accounting errors, not gas leakage from the system. Most distribution sales meters are not temperature-compensated, whereas virtually all distribution purchase meters do compensate for temperature. This creates a positive bias for UAF since more gas is sold when ambient temperatures are below the standard measurement temperature of 60 degrees F than when temperatures are above 60 degrees F. Further, since the instructions for RSPA Form F 7100.1-1 do not specify what should be included under the “appropriate adjustments” factor in the % unaccounted for gas formula, it becomes impossible to extract the gas lost through leakage to the atmosphere. As such, the % unaccounted for gas data from the DOT reports appears not to be a useful indicator.

² Frank Ahrens, Finders of Lost Gas, American Gas Magazine, May 1991.

³ AGA 2004 Best Practices Benchmarking Study. “

Incident Report Gas Distribution System Form PHMSA F7100.1 (03-04)

- Part F4 Other Outside Force – Fire/explosion as primary cause of failure:
It is apparent that Part F4 requires operators to report failures where fire/explosion was the primary cause of the failure. That is, the fire/explosion occurred prior to failure of the gas facilities and not as a result of the failure of the gas facilities. However, PHMSA should provide clarification on how to determine the reporting monetary threshold for fire-first incidents.

The instructions that were in place prior to March of 2004 for completing the incident report were very clear that the \$50,000 threshold for reporting applied only for damage to facilities subject to 49CFR192. However, the following paragraph in the prior instructions was removed from the revised instructions which took effect in March of 2004.

“Damage from secondary ignition need not be reported unless the damage to facilities subject to Part 192 exceeds \$50,000. Secondary ignition is a gas fire

where the cause is unrelated to the gas facilities such as electrical fires, arson, etc.”

The lack of clarity has caused inconsistent reporting. Some utilities report fire-first incidents where total damages beyond jurisdictional facilities exceed \$50,000; while other utilities only report fire-first incidents where jurisdictional facility-only damage exceeds \$50,000. The result is skewed data. Data integrity would be improved if PHMSA reintroduced the clarification that fire-first incidents should be reported when jurisdictional facilities are damaged beyond \$50,000.

Accuracy of Estimated Burden on Respondents

Based on 2100 respondents, PHMSA has estimated the total annual burden on operators for completing incident and annual reports is 17.2 hours per respondent. Based on Nicor's experience, this estimate appears to be low. The following is Nicor's estimated time for completing each annual and incident report. The time includes time for data gathering, data quality review and completing the report.

Annual Report – Distribution:	35 to 40 hours	
Annual Report – Transmission:	3 hours	
Incident Report – Distribution:	8 hours	(in 2006 Nicor telephonically reported 13 incidents to the NRC, rescinded 2 reports after subsequent investigation and submitted 11 online reports to PHMSA)
Incident Report – Transmission:	8 hours	

It is also important to note that States may also require an additional incident report and field investigation. This is the case in the State of Illinois. The hours above do not include the additional time required to complete the corresponding State report.

Ways to Enhance Quality, Utility and Clarity of Information

Nicor has provided some recommended modifications above to both of these reports.

Ways to Minimize Burden of Information Collection

Defining expectations and providing clear instructions to help operators submit consistent data will provide a valuable tool for PHMSA to review trends in system integrity across the nation.

In conclusion, Nicor supports the continued submission of incident and annual reports. As mentioned above, there are some parts of the existing reports that would benefit from further review by PHMSA to improve quality of data received and determine the practical utility of the data. Additionally, with PHMSA's upcoming Notice of Proposed Rulemaking on distribution integrity management, both the incident and annual reports should be reviewed for consistency and to eliminate duplicative reporting. Nicor welcomes the opportunity to work with PHMSA, either individually or through the American Gas Association, to help review and if necessary revise the incident and annual report forms and instructions.

Respectfully submitted,

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Vice President Engineering