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Via Electronic Filing at www.regulations.gov

June 12, 2012

DOT Docket Management System
U.S. Department of Transportation
West Building Ground Floor, Room W12-140
1200 New Jersey Avenue SE
Washington, DC 20590-0001

**Re: Docket No. PHMSA-2012-0024
Comments of SCANA Corporation on Proposed Changes to Gas
Transmission and Gathering Annual Report Form**

SCANA Corporation (SCANA) appreciates the opportunity to comment on the Pipeline and Hazardous Materials Safety Administration's (PHMSA) notice of intent to revise its forms for annual reports and incident and accident reports.¹ SCANA companies include an interstate gas transmission pipeline system in South Carolina and Georgia, as well as local distribution companies in North and South Carolina serving approximately 800,000 customers.

SCANA shares PHMSA's commitment to public safety. Together, the efforts of PHMSA and industry have resulted in a remarkable safety record for the more than 2 million miles of pipelines that bring natural gas to American customers. SCANA believes that annual reporting is an important tool to assist PHMSA and industry in maintaining the good safety record of pipeline systems across the nation.

As discussed more fully below, SCANA provides comments on four issues related to PHMSA's proposed changes to the annual report form for transmission and gathering lines (Form). First, SCANA requests that PHMSA extend the submission deadline for reporting MAOP validation information to correspond with the July 3, 2013 reporting deadline established in the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Act) and to provide sufficient time for MAOP records verification. Second, SCANA requests that PHMSA clarify

¹ Notice and Request for Comments, Pipeline Safety: Information Collection Activities, Revision to Gas Transmission and Gathering Pipeline Systems Annual Report, Gas Transmission and Gathering Pipeline Systems Incident Report, and Hazardous Liquid Pipeline Systems Accident Report, 77 Fed. Reg. 22,387 (Apr. 13, 2012).

how operators are to complete Part Q of the Form concerning MAOP determination methods, and recommends a streamlined Part Q. Third, SCANA requests that PHMSA clarify Part R of the Form to reflect that hydrostatic testing is one of multiple acceptable methods of pressure testing pipelines. Finally SCANA requests that PHMSA clarify how operators are to calculate the mileage of gas transmission pipe that is not able to accommodate the passage of an instrumented inspection device.

I. PHMSA's Proposed Changes

PHMSA has proposed changes to the Form to implement certain requirements set forth in the Act, as well as in response to National Transportation Safety Board (NTSB) recommendations. In response to section 23 of the Act, PHMSA has proposed revisions to the annual reporting Form to create a mechanism for owners and operators to identify segments of pipeline for which they are unable to verify MAOP. In response to an NTSB recommendation concerning pressure testing, PHMSA seeks to collect information on the total miles of pipeline that have not been subjected to a post-construction hydrostatic pressure test of at least 125% of MAOP. In response to an NTSB recommendation concerning the use of instrumented internal inspection devices, PHMSA seeks to collect information on the total miles of pipeline that are not able to accommodate the passage of instrumented internal inspection devices.

A. MAOP Documentation Reporting Deadlines

Section 23 of the Act mandates that PHMSA require all owners or operators of intrastate and interstate gas transmission pipelines within Class 3 and 4 locations and Class 1 and 2 High Consequence Areas (HCA) to verify their records to ensure that the records confirm the established MAOP and accurately reflect the physical and operational characteristics of such pipelines. The Act further allows owners and operators of such pipelines until July 3, 2013, to identify and submit documentation relating to each pipeline segment for which records are insufficient to confirm the established MAOP.

PHMSA has proposed to amend the Form to require the submission of information on how the MAOP is established for all gas transmission lines, including whether operators have records verifying MAOP. PHMSA's proposed revisions to the instructions for the Form indicate that the additions to the Form would affect submissions for calendar year 2012 and beyond, and thus would require operators to submit data on the MAOP verification of their pipelines by March 15, 2013. The changes to the form propose to require operators to report on the MAOP records status of *all* pipelines, not just those Class 3 and 4 and Class 1 and 2 HCA lines specified in the Act. Also, because the March 2013 report covers pipeline information as of the end of 2012, the changes would effectively require reporting six months in advance of the statutory deadline.

Given that PHMSA has expanded the MAOP records reporting requirement beyond what is established under section 23 of the Act, and that many operators remain in the midst of MAOP

verification efforts, SCANA respectfully requests that PHMSA extend the dates for submission of MAOP validation information. SCANA requests that PHMSA provide operators until the statutory July 3, 2013 deadline to submit MAOP validation information for lines in Class 3 and 4 locations and Class 1 and 2 lines in HCAs. SCANA further requests that PHMSA allow operators to provide MAOP validation information for the remainder of their transmission lines in their March 2014 annual report filings. This will provide operators with an appropriate timeframe to complete MAOP verification and bring reporting timeframes in line with the July 3, 2013 statutory deadline.

B. MAOP Determination Method Reporting

SCANA also seeks clarification on how to complete Part Q of the revised Form. It is unclear whether operators are supposed to identify in Part Q all of the methods used to calculate MAOP or only the method on which MAOP is ultimately based. For example, assume that an operator calculates pressures on a pipeline under two or more methods in 49 C.F.R. § 192.619(a). Assume further that the method in § 192.619(a)(2) produces the lowest pressure, and that the operator sets the MAOP of the pipeline at this pressure. SCANA requests that PHMSA clarify that operators need only list pipeline mileage under the determination method on which MAOP was ultimately based (in this example, § 192.619(a)(2)), rather than all of the MAOP determination methods that were actually applied or were available under § 192.619(a).

Practically, pipelines electing to use § 192.619(a) may not always have information sufficient to employ all four of the § 192.619(a) MAOP determination methods, particularly for pre-1970 pipelines. For example, operators may have good pressure test records for certain pipeline facilities constructed before 1970, but may lack full design and historical operating pressure records for those facilities. In this case, as discussed above, it makes sense for an operator to be able to use the lower of § 192.619(a)(2) or (a)(4) to establish the MAOP, and to list the resulting mileage in Part Q under the one column heading for the determination method on which MAOP is ultimately based. However, the Form contains multiple columns in Part Q indicating a lack of records, and it is unclear whether PHMSA intends for the operator in this example to also report the same mileage as “without records” under § 192.619(a)(1) or (a)(3). SCANA does not believe this to be PHMSA’s intent and is unclear as to the need for multiple columns in Part Q indicating a lack of records. SCANA has therefore attached, as Attachment 1 to these comments, a proposed revised version of Part Q of the Form that streamlines Part Q by collapsing all of the pipeline mileage without records into one column.

C. Pressure Test Reporting

In 2011, the NTSB recommended that PHMSA consider construction-related defects to be stable only if a gas pipeline had been subjected to a post-construction hydrostatic test of at least 1.25 times the MAOP. It is unclear from the NTSB’s recommendation why only a hydrostatic test was specified, at the exclusion of other valid pressure tests using different

mediums (natural gas, air, inert gas) as permitted under Part 192, subpart J; and it is likewise unclear why testing to at least 1.25 times the MAOP was specified given that the existing regulations themselves require testing pipelines in Class 1 locations to only 1.1 times the MAOP, except in certain limited situations.²

In PHMSA's proposed revisions to the instructions for completing new Part R of the Form, PHMSA requires that operators "enter miles of gas transmission pipe that have not been subjected to a post-construction *pressure* test of at least 125% of the MAOP." (emphasis added). This language is consistent with 49 C.F.R. § 192.503, which provides for a variety of pressure testing mediums, including liquid, air, natural gas, and inert gas.³ However, proposed changes to the Form itself instruct operators to enter "miles which have not been subjected to a post-construction *hydrostatic* pressure test of at least 125% of the MAOP." (emphasis added).

SCANA has no objection to reporting the quantity of pipeline on its system that has been pressure tested. However, SCANA is concerned that a requirement that it report hydrostatic pressure testing only, and only at 125% of MAOP or higher, at the exclusion of other, valid pressure testing conducted with the other mediums and percentages of MAOP permitted in § 192.503, would create an inaccurately low impression of the amount of testing that the company has performed. SCANA respectfully requests the following change to the header for the second column in Part R of the Form:

1. Miles which have not been subjected to a post-construction ~~hydrostatic~~ pressure test of at least ~~125%~~ 110% of the MAOP.

D. Miles of Pipe that can accommodate instrumented internal inspection devices

SCANA seeks clarification on how operators are to calculate and report the mileage of pipe in Part R of the Form that cannot accommodate an instrumented internal inspection device, i.e., pipe that is not "piggable." Under 49 C.F.R. § 192.150(a), each new transmission line and each replacement of line pipe, valve, fitting, or other line component in a transmission line must be designed and constructed to accommodate the passage of an instrumented internal inspection device. Thus, assume an operator has a 5-mile "line section" (as defined in 49 C.F.R. § 192.3), the entire length of which cannot accommodate the passage of a pig. If the operator replaces a 500-ft section of the 5-mile line section, the existing regulation requires the operator to design the 500-ft replacement section to accommodate the passage of a pig. For purposes of compliance with § 192.150(a), the 500-ft replacement section would be piggable while the unreplaced portions of the 5-mile line section would remain unable to accommodate the passage of a pig.

² Under 49 C.F.R. § 192.619(a)(2), pipelines in Class 1 locations must be tested only to 1.1 times the MAOP. A limited exception to this general rule is found in 49 C.F.R. § 192.505(a) for Class 1 segments located within 300 feet of a building intended for human occupancy,

³ With some restrictions 49 C.F.R. § 192.503(b) allows operators to utilize a test medium of liquid, air, natural gas, or inert gas.

For reporting purposes in Part R of the Form, however, it does not make practical sense to consider replaced pipe to be piggable if the replaced pipe is located between tight bends or within line sections that are not otherwise piggable. SCANA requests that PHMSA clarify the criteria for determining whether pipe is reportable under Part R to allow operators to use their engineering judgment to make a reasonable assessment of whether or not a line is piggable.

II. Conclusion

SCANA appreciates the opportunity to comment on the proposed changes to the annual report form for transmission and gathering lines. Thank you, in advance, for your consideration of our comments.

Sincerely,

A handwritten signature in blue ink that reads "Matthew W. Gissendanner".

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ATTACHMENT 1
Proposed Revised Version of Part Q

Part Q – Gas Transmission Miles by § 192.619 MAOP Determination Method								
	<u>(a)(1)</u> <u>Total</u>	<u>(a)(2)</u> <u>Total</u>	<u>(a)(3)</u> <u>Total</u>	<u>(a)(4)</u> <u>Total</u>	<u>(c)</u> <u>Total</u>	<u>(d)</u> <u>Total</u>	<u>Other</u> <u>Total</u>	<u>w/out</u> <u>Recds</u>
Class 1 (in HCA)								
Class 1 (not in HCA)								
Class 2 (in HCA)								
Class 2 (not in HCA)								
Class 3 (in HCA)								
Class 3 (not in HCA)								
Class 4 (in HCA)								
Class 4 (not in HCA)								
<u>Total</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>	<u>Calc</u>