



Texas Pipeline Association

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Executive Director

**UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE SAFETY AND HAZARDOUS MATERIALS SAFETY
ADMINISTRATION**

**PIPELINE SAFETY: INFORMATION §
COLLECTION ACTIVITIES, §
REVISION TO GAS TRANSMISSION § DOCKET NO. PHMSA-2012-0024
AND GATHERING PIPELINE §
SYSTEMS ANNUAL AND INCIDENT §
REPORTS §**

**COMMENTS OF THE TEXAS PIPELINE ASSOCIATION ON THE NOTICE
AND REQUEST FOR COMMENTS ON INFORMATION COLLECTION
ACTIVITIES, REVISION OF GAS TRANSMISSION AND GATHERING
PIPELINE SYSTEMS ANNUAL AND INCIDENT REPORTS AND HAZARDOUS
LIQUID PIPELINE SYSTEMS ACCIDENT REPORTS**

The Texas Pipeline Association (TPA) appreciates the opportunity to submit comments to the Pipeline and Hazardous Materials Safety Administration (PHMSA) on the Notice and Request for Comments on Revision to Gas Transmission and Gathering Pipeline Systems Annual and Incident Reports and Hazardous Liquid Pipeline Systems Accident Reports, as published in the Federal Register on April 13, 2012. TPA and its members consider pipeline safety their top priority and desire to work with PHMSA to advance pipeline safety for gas and hazardous liquid pipelines through the collection of appropriate information related to gas transmission and gathering systems and incidents on those systems as well as accidents on hazardous liquid pipeline systems.

TPA consists of almost 40 gas and hazardous liquid pipeline operators within the State of Texas. TPA's members operate a majority of the natural gas and hazardous liquids pipeline mileage within the State of Texas. TPA's members operating hazardous liquid and gas transmission pipelines will be directly impacted by the changes to the annual, incident and accident reports that may result from this notice and any future rulemakings based on the information collected through these reports.

TPA is supportive of the proposed changes to the Gas Transmission and Gathering Pipeline Systems Incident Report and the Hazardous Liquid Pipeline Systems Accident

Report. TPA is also supportive of most of the proposed changes to the Gas Transmission and Gathering Pipeline Systems Annual Report, but is concerned that the proposed changes will not gather all of the information necessary to address mandates in the Pipeline Safety, Regulatory Certainty, and Jobs Creation Act of 2011 (2011 Reauthorization Act) and to respond to the recent National Transportation Safety Board (NTSB) recommendations related to the 2010 San Bruno incident. TPA will address its major concerns with the Gas Transmission and Gathering Pipeline Systems Annual Report in its General Comments and then provide specific comments on the individual parts of the Annual Report in their alphabetical order. TPA is also providing a spreadsheet containing its proposed revisions to Parts P and Q.

General Comments.

TPA has three primary concerns with the proposed revisions to the Gas Transmission and Gathering Pipeline Systems Annual Report form. All of these concerns are grounded in the legislative mandates in Section 23 of the 2011 Reauthorization Act. One is the timing of reporting on the Maximum Allowable Operating Pressure (MAOP) verification efforts of operators, one is the level of detail of information being requested, and the last is the apparent adoption of a 125% MAOP hydrostatic pressure test standard.

Timing

With regard to the timing issue, PHMSA has indicated that it will use the information filed with the Annual Reports filed on or before March 15, 2013 covering the calendar year 2012 as the basis for further rulemaking as well as the reporting required by Section 23(b) of the 2011 Reauthorization Act. It is clear in the 2011 Reauthorization Act that Congress intended to provide operators with an 18-month period following enactment to complete the MAOP Verification reviews and report to PHMSA on the results of their reviews. PHMSA's proposed use of the Annual Reports filed in 2013 for this purpose effectively eliminates 6 months of the review period provided by Congress under the 2011 Reauthorization Act. Such shortening of the review period is unreasonable and could result in over-reporting of pipeline mileage with no traceable, verifiable, and complete records. This could further result in requirements to take interim actions for some pipelines in the name of safety with impacts on reliability and service issues for customers even though the required records exist but have not been completely reviewed. PHMSA must address this potential impact of its proposed revision.

TPA sees several alternative means of resolving this issue:

- PHMSA could issue a clarification that it intends to request supplemental filings of the Annual Reports or some alternative form of reporting to address the period between January 1, 2013 and the July 3, 2013 deadline for reporting under the 2011 Reauthorization Act.
- PHMSA could delay the filing to the deadline for the calendar year 2012 Annual Reports until July 3, 2013 or a date closer to July 3, 2013 in order to provide

operators the maximum amount of time to complete the MAOP verification reviews.

- PHMSA could delay requiring any mitigating actions by operators for pipelines where the MAOP cannot be verified until after the filing of the calendar year 2013 Annual Reports. TPA views this option as the least desirable because it may not be considered compliant with the Congressional mandate.

Just adopting the revisions as proposed and proceeding as PHMSA has currently indicated is clearly unacceptable from all perspectives, Congressional, regulatory, customer and industry. TPA urges PHMSA to clarify its plans for satisfying the Congressional mandate of Section 23 of the 2011 Reauthorization Act by taking one of the actions described above or some other equally effective action.

This reporting timing issue is further aggravated by PHMSA's apparent expansion of the reporting requirements on MAOP verification from the Class 3, Class 4 and Class 1 and 2 High Consequence Areas (HCA) specified in Section 23 of the 2011 Reauthorization Act to the entirety of operators' transmission systems. This will significantly increase the burden of operators over a shorter period of time. To resolve this issue, PHMSA can take on of the following actions:

- PHMSA could expressly limit the mileage being reported to the mileage within Class 3, Class 4 and Class 1 and 2 HCA for the calendar year 2012 report. This would comply with the Congressional mandate, but it might deny PHMSA access to the same information on pipelines operated in other areas. TPA believes that there is value in PHMSA obtaining greater detailed information on pipelines operated in areas beyond the scope of the Congressional mandate; provided such information collection does not place an undue burden on operators in satisfying the Congressional mandate during the Congressionally-mandated time period.
- PHMSA could provide additional areas for reporting pipeline mileage for which MAOP verification has not been completed. If this action was coupled with some enhancements of the reporting detail as discussed in later portions of these comments and some action addressing the shortened review period, PHMSA could timely obtain the Congressionally-mandated information as well as gather the fuller range of information over later time periods.

TPA believes that the latter of the two options is the best approach and would urge PHMSA to adopt that option in the final Annual Report form. This approach would also have the benefit of better responding to the NTSB Recommendations related to MAOP verification which were not as limited in scope as the provisions of Section 23 of the 2011 Reauthorization Act.

Information Detail

With regard to the level of detail requested issue, TPA urges PHMSA to collect more detailed information than contained in the proposed revised Annual Report. Additional detail will be necessary for PHMSA to accurately respond to the Congressional mandates in the 2011 Reauthorization Act and the NTSB recommendations. As previously mentioned, Section 23 of the 2011 Reauthorization Act only requires MAOP verification for gas transmission pipelines located in Class 3, Class 4 and Class 1 and 2 HCA locations. In Part Q, PHMSA proposes to gather sufficient information to satisfy this mandate, but also imposes a burden on operators with regard to pipelines outside of the mandated areas. Limiting the required data for Part Q to the mandated areas, at least for the calendar year 2012 annual report, would alleviate this burden.

In addition, while it was not incorporated into the 2011 Reauthorization Act, PHMSA has advised industry that MAOP reviews must use the traceable, verifiable and complete standard initially proposed by the NTSB in its recommendations to Pacific Gas & Electric and the California Public Utility Commission. TPA assumes that standard is referenced in Part Q by the term, “w/out Records.” Based on initial industry MAOP reviews, it is apparent that there are some MAOP-related records for virtually every pipeline, but not necessarily enough records to meet the traceable, verifiable and complete standard. Rather than leave the impression through the annual reporting that no records exist for some amount of pipeline mileage, PHMSA should adjust the headings in Part Q to request mileage on pipelines without complete records. This would more accurately reflect the state of industry’s records than a “no records” description.

In Part R of the proposed Annual Report, PHMSA proposes to gather information on hydrostatic testing of gas transmission pipelines by Class location and HCA status. Section 23 of the 2011 Reauthorization Act only mandates pressure testing of gas transmission pipelines operating above 30% of Specified Minimum Yield Strength (SMYS) in HCA. In order to develop regulations covering the requirements for such testing as well as the timing of completion of such testing, PHMSA will need to accurately obtain information on the pipelines operating above 30%SMYS in HCA. As presently proposed, the Annual Report would not capture pressure testing information with sufficient granularity to provide a solid factual foundation for such rulemaking development. Without that solid factual foundation, the regulations ultimately adopted might fail to meet the standards of reasoned rulemaking and might fail to meet standards on least burdensome regulatory approaches. TPA recommends that PHMSA incorporate the suggested changes above into the final revised annual report in order to collect adequately detailed information to satisfy Congressional mandates and address NTSB recommendations.

125% Hydrostatic Testing

Finally, Part R of the proposed revised Annual Report appears to adopt a 125% hydrostatic pressure test as some type of regulatory standard. This appears to fully comply with NTSB Recommendation No. 12 to PHMSA, but it goes far beyond the requirements of Section 23 of the 2011 Reauthorization Act and the requirements of the federal minimum pipeline safety regulations for post-construction pressure testing which

have been in place and unchanged for some time. A gas transmission pipeline constructed within the last year in a Class 1 location would only have been pressure tested post-construction with some medium to 110% of the MAOP. Therefore, it would be included in the mileage reported in proposed Part R.1 as not having been hydrostatically pressure tested post-construction to 125% of SMYS. Using the mileage satisfying the requirements of proposed Part R.1. to potentially justify retesting of all lines that had not been pressure tested to 125% of MAOP would effectively re-write the pressure testing requirements of Subpart J of 49 CFR Part 192 on the false assumption that such pipelines were unsafe. The impact of this change on service and customer costs cannot be accurately measured for cost/benefit purposes without an understanding of the level of pressure testing to which the various classes of pipelines have already been subjected. The Congressional mandate is also limited to those pipelines operating above 30% SMYS, but PHMSA's proposal does not capture this element of the mandate. TPA recommends that PHMSA revise Part R of the proposed Annual Report to collect pressure testing data on gas transmission pipelines by additional categories of Class location, HCA status, and above or below 30% SMYS. This will provide the level of granularity that PHMS will need to properly structure post-reporting actions as mandated by Section 23 of the 2011 Reauthorization Act.

TPA also suggests that PHMSA remove the reference to "hydrostatic pressure test" in Part R. Current regulations permit pressure testing by water, air or inert gas. There seems to be no safety or operational reason to limit pressure testing requirements historically or in the future to hydrostatic testing, and the Congressional mandate in the 2011 Reauthorization Act does not require hydrostatic testing.

Detailed Comments

Part A – TPA is supportive of the proposed changes to Part A, but does question the reservation of Part A.3. TPA believes it is helpful to have the operator provide the current contact information of the individual who can provide additional information on the filing.

Parts B, C, D and E – TPA supports the changes to Parts B, C, D and E.

Part F – TPA is supportive of the proposed changes to Part F, but believes that the instructions related to Part F.2., F.3., F.4., F.5. and F.6. should clarify that replacement or abandonment is not a repair. PHMSA must take adequate measures to avoid any duplicate reporting.

Part H, I, J and L – TPA supports the changes to Parts H, I, J and L.

Part M – While no changes were proposed for Part M of the proposed Annual report, there were a number of proposed changes in the instructions related to Part M. TPA would urge PHMSA to adopt a common set of definitions for the causes used in the annual reporting for distribution and transmission and gathering pipelines. This would permit better comparisons of data from the various industry segments.

Part P – TPA supports the proposed changes to Part P.

Parts Q and R – TPA recommends that PHMSA revise Parts Q and R as suggested in TPA's General Comments above and in the manner reflected on the attached Appendix A.

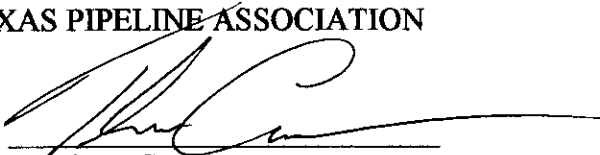
Conclusion

TPA appreciates the opportunity to provide these comments in response to the Notice and Request for Comments and PHMSA's consideration of these comments as well as those of the other commenters to this docket. If you have any questions concerning these comments, please do not hesitate to contact me at 512-478-2871 or Charles Yarbrough, Chair of the TPA Pipeline Safety Committee, at 214-206-2809.

Respectfully submitted,

TEXAS PIPELINE ASSOCIATION

By:



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Part R - Gas Transmission Miles Pressure Tested and Instrumented Inspection Device Passage (cont'd)

4. Miles of pipeline which have been subjected to a post-construction pressure test

Location	4a. Miles Tested to 1.1 Times MAOP	4b. Miles Tested to 1.2 Times MAOP	4c. Miles Tested \geq 1.25 Times MAOP	4d. Miles not yet reviewed
Class 1 (in HCA, >30%SMYS and Post-1970)				
Class 1 (in HCA, \leq 30%SMYS and Pre-1970)				
Class 1 (in HCA, >30%SMYS and Post-1970)				
Class 1 (in HCA, \leq 30%SMYS and Post-1970)				
Class 1 (not in HCA, >30%SMYS and Post-1970)				
Class 1 (not in HCA, \leq 30%SMYS and Pre-1970)				
Class 1 (not in HCA, >30%SMYS and Post-1970)				
Class 1 (not in HCA, \leq 30%SMYS and Post-1970)				
Class 2 (in HCA, >30%SMYS and Pre-1970)				
Class 2 (in HCA, \leq 30%SMYS and Pre-1970)				
Class 2 (in HCA, >30%SMYS and Post-1970)				
Class 2 (in HCA, \leq 30%SMYS and Post-1970)				
Class 2 (not in HCA, >30%SMYS and Pre-1970)				
Class 2 (not in HCA, \leq 30%SMYS and Pre-1970)				
Class 2 (not in HCA, >30%SMYS and Post-1970)				
Class 2 (not in HCA, \leq 30%SMYS and Post-1970)				
Class 3 (in HCA, >30%SMYS and Pre-1970)				
Class 3 (in HCA, \leq 30%SMYS and Pre-1970)				
Class 3 (in HCA, >30%SMYS and Post-1970)				
Class 3 (in HCA, \leq 30%SMYS and Post-1970)				
Class 3 (not in HCA, >30%SMYS and Pre-1970)				
Class 3 (not in HCA, \leq 30%SMYS and Pre-1970)				
Class 3 (not in HCA, >30%SMYS and Post-1970)				
Class 3 (not in HCA, \leq 30%SMYS and Post-1970)				
Class 4 (in HCA, >30%SMYS and Pre-1970)				
Class 4 (in HCA, \leq 30%SMYS and Pre-1970)				
Class 4 (in HCA, >30%SMYS and Post-1970)				
Class 4 (in HCA, \leq 30%SMYS and Post-1970)				
Class 4 (not in HCA, >30%SMYS and Pre-1970)				
Class 3 (not in HCA, \leq 30%SMYS and Pre-1970)				
Class 3 (not in HCA, >30%SMYS and Post-1970)				
Class 3 (not in HCA, \leq 30%SMYS and Post-1970)				
Total Miles	0	0	0	0

Part R - Gas Transmission Miles Pressure Tested and Instrumented Inspection Device Passage

Location	1. Miles that are not able to accommodate the passage of instrumented internal inspection devices	2. Miles that can accommodate the passage of instrumented internal inspection devices	3. Miles of pipeline which have not been subjected to a post-construction pressure test	Total (1 + 2)
Class 1 (in HCA and >30%SMYS)				
Class 1 (in HCA and ≤30%SMYS)				
Class 1 (in HCA, ≤30%SMYS and Post-1970)				
Class 1 (not in HCA and >30%SMYS)				
Class 1 (not in HCA and ≤30%SMYS)				
Class 2 (in HCA, >30%SMYS and Pre-1970)				
Class 2 (in HCA and ≤30%SMYS)				
Class 2 (in HCA and >30%SMYS)				
Class 2 (not in HCA and ≤30%SMYS)				
Class 2 (not in HCA and >30%SMYS)				
Class 3 (in HCA and ≤30%SMYS)				
Class 3 (in HCA and >30%SMYS)				
Class 3 (not in HCA and >30%SMYS)				
Class 3 (not in HCA and ≤30%SMYS)				
Class 4 (in HCA and >30%SMYS)				
Class 4 (in HCA and ≤30%SMYS)				
Class 4 (not in HCA and >30%SMYS)				
Class 4 (not in HCA and ≤30%SMYS)				
Total Miles	0	0	0	0