

October 22, 2012

Via Email

Office of Information and Regulatory Affairs
Records Management Center
Room 10102 NEOB
725 17th Street NW
Washington, DC 20503
ATTN: Desk Officer for the US Department of Transportation \ PHMSA

Re: PHMSA-2012-00024 – Response to the September 21, 2012 Notice and Request for Comments

To whom it may concern:

Washington Gas submits this letter in response to the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) notice and request for comment, published on September 21, 2012, in the Federal Register (77 Fed. Reg. 58616) (“September 21, 2012 Notice”). PHMSA’s notice responded to previous comments received in regards to its April 13, 2012 notice in the Federal Register (77 Fed. Reg. 22387) of its intent to make revisions to certain reports, including the “Annual Report for Gas Transmission and Gathering Systems” (“Annual Report”). Among those comments was a request that PHMSA allow companies to report on the newly proposed Parts Q and R of the Annual Report by a date that is closer to the date recommended by Congress – July 3, 2013. The date set by Congress would permit companies 18 months from the signing date of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (the “Act”) to complete reporting requirements. In this proceeding, however, PHMSA proposes bringing that date forward by more than three months. Pipeline operators have, since January 3, 2012, been anticipating completing/complying with the requirements of the Act by July 3, 2013. For PHMSA to recommend now, almost 9 months after the effective date of the Act, to accelerate the deadline date for the report, is burdensome to pipeline operators. As explained below, PHMSA’s recommendation for the Annual Report to be provided three months ahead of the schedule the industry has been working towards, could both reduce the likelihood of compliance, as well as negatively impact the quality of the data collected.

In Section 23 of the Act, Congress required pipeline operators to identify and submit pipeline segments with insufficient maximum allowable operating pressure (MAOP) documentation in class 3 and 4 locations and class 1 and 2 high consequence areas (HCAs), no later than 18 months from the enactment date of January 3, 2012. Thus, the reporting date that was mandated by Congress was no later than July 3, 2013. For the past ten months Washington Gas, as well as many other pipeline operators planned accordingly to meet this deadline and are in the process of preparing the documentation required by the Act.

Yet, over ten months after the effective date of the Act, PHMSA still has not finalized its requirements for this required reporting. In fact, this proceeding, PHMSA’s second notice and request for comments which was issued on September 21, 2012, not only seeks an early deadline for the Annual Report, it also

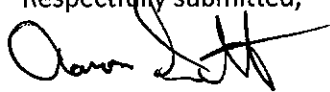
requires additional reporting. It is noteworthy that in initial comments, industry participants indicated a preference to submit their annual reports by July 3, rather than March 15, 2013. Thus, despite the industry's request for an extension of time to file the Annual Report, PHMSA, in this proceeding is recommending an earlier reporting date. It is Washington Gas's position that the date set by Congress would be consistent with the requirement that "owners and operators are in compliance with the 'not later than 18 month' provision in the act". If PHMSA imposes a deadline of March 15, 2013 for compliance, industry participants will have less than 6 months to comply with the final revision of the Annual Report.

Moreover, PHMSA's proposed revisions to the Annual Report will require the submission of additional information which is above and beyond the requirements of Section 23 of the Act. The Act allows an operator to easily report, by exception, the limited number of segments of pipe lacking records. Yet, PHMSA's proposed rule will require the operator to report the method that the pipeline MAOP was established. Specifically, PHMSA is requiring information in Part Q which relates to whether the operator possesses records on the method that the MAOP was established, the Class Location of the pipe, and whether or not it is located in a HCA. The result will be a complicated matrix that requires the information regarding hundreds (or thousands) of miles of the transmission pipe to be populated in an operator's geographic information system (GIS) in order to query the requested information. By requiring operators to report the method that the pipeline MAOP was established, PHMSA is exponentially increasing the complexity of the reporting.

In order to report the data in this manner, pipeline operators will need to upload detailed records related to their transmission system into their GIS so that the data can be queried. There is currently no requirement of an operator to maintain detailed information related to the establishment of a pipeline's MAOP in a particular system such as GIS. Operators that do not maintain this type of information in a GIS, will need to implement a project in conjunction with their Information Technology departments, in order to upgrade their GIS to accommodate this additional information proposed by PHMSA. This adds a level of complexity to reporting, and to the time needed to collect the required information required by the Annual Report. For example, Washington Gas – despite having the underlying data that PHMSA seeks – will need to develop additional functionality within its GIS application to dissect the various data elements in order to meet PHMSA's additional proposed reporting requirements.

Washington Gas is not in disagreement that the additional information that PHMSA is requesting is meaningful. It is, however, Washington Gas's primary concern is that PHMSA's proposed notice changes the scope of Congress requirements (from the Act), in addition to reducing the timeline laid out by Congress that concerns us. For PHMSA to, at this late date, require an earlier deadline than anticipated by the industry, is not consistent with the intent of Congress – Congress provided 18 months, by this proceeding, PHMSA has reduced that to 6 months. By compressing the timeline for reporting, coupled with the added complexity of the proposed MAOP reporting, PHMSA is reducing the likelihood of compliance of pipeline operators, in addition to reducing the quality of the data collected. We are respectfully requesting that PHMSA allow industry the full 18 months that was mandated by Congress for reporting the required data – that is to have the report due on July 3, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Aaron Stuber". The signature is stylized with a large initial "A" and a long horizontal stroke extending to the right.

Aaron Stuber
Manager of Transmission & System Planning
Washington Gas