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Docket Management Facility  
U.S. Department of Transportation  
Room W12-140  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590-0001

VIA ELECTRONIC FILING (<http://www.regulations.gov>)

Re: Docket No. PHMSA–2013–0084

*Pipeline Safety: Information Collection Activities, Revisions to Incident and Annual Reports for Gas Pipeline Operators*

Dear Sir or Madam:

The Interstate Natural Gas Association of America (INGAA) submits this letter per the notice and request for comments (Notice) issued in the referenced docket by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on June 26, 2013, and published in the *Federal Register* on June 27, 2013.<sup>1</sup> INGAA is a non-profit trade association that represents the interstate natural gas transmission pipeline industry.<sup>2</sup> INGAA’s members represent approximately two-thirds of the natural gas transmission pipelines and over 65 percent of the mileage comprising the U.S. natural gas transmission pipeline system. INGAA members complete PHMSA’s gas transmission and gathering annual and incident reports, and their interest in the matters addressed in the Notice is self-evident.

### **Major Revisions: Annual Report Parts Q and R**

Section 23(a) of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (2011 Pipeline Safety Act)<sup>3</sup> directs pipeline owners and operators to conduct a comprehensive study of the records supporting the maximum allowable operating pressure (MAOP) of facilities in class 3 and 4 locations and class 1 and 2 high consequence areas (HCAs).<sup>4</sup> Section 23(a) also directs PHMSA to develop regulations “for the testing of previously untested gas transmission pipelines located in [HCAs] and operating at pressure greater than 30 percent of specified minimum yield strength.”<sup>5</sup> A little over a year ago, PHMSA began revising the Gas Transmission and Gathering Pipeline Systems Annual Report (Annual Report) to document the

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<sup>1</sup> 78 Fed. Reg. 38803.

<sup>2</sup> Throughout these comments, “pipelines” shall refer to interstate natural gas transmission pipelines unless the context clearly indicates otherwise.

<sup>3</sup> Pub.L.No. 112-90 (2012).

<sup>4</sup> Id., § 23(a)(adding 49 U.S.C. § 60139(a)).

<sup>5</sup> Id., (adding 49 U.S.C. § 60139(d)).

required MAOP study and develop the strength testing regulations required by section 23(a). PHMSA proposed the first set of Annual Report revisions a little over a year ago.<sup>6</sup>

INGAA responded to PHMSA's proposal by offering amendments to Parts Q and R of the Annual Report. INGAA's changes were intended to provide information on the sufficiency of operators' MAOP records as well as the extent and nature of the pipeline facilities that might be subject to the material strength testing. INGAA appreciates that PHMSA adopted many of INGAA's proposals, and INGAA has no comments regarding the proposed changes to Parts Q and R of the Annual Report form.

In contrast to the sections of the Annual Report *form*, further changes must be made to the *instructions* for Parts Q and R. These changes in the instructions are prompted by two developments that occurred after INGAA submitted last year's comments. First, operators gained hands on experience navigating the instructions for Parts Q and R. Completing the recently submitted Annual Reports for calendar 2012 identified points requiring clarification and potential differences in interpretation that should be harmonized for the sake of promoting consistency within PHMSA's annual report database.

Second, PHMSA announced its Integrity Verification Process (IVP) initiative. The IVP concept, which was explored in detail at a public workshop only a few weeks ago,<sup>7</sup> showed the pipeline safety community how PHMSA was (or at least could be) using the information reported in Parts Q and R.

To address these developments the instructions for Parts Q and R need to be expanded and revised in a number of areas, specifically:

1. The instructions should recognize the distinction between MAOP determination and MAOP verification. MAOP determination, based on the reporting operators' internal procedures and the best information available, determines the Part Q "Total" column where specific mileage will be placed. MAOP verification, which occurs after MAOP determination, determines how much of the reported "Total" mileage should be reported in the corresponding "Incomplete Records" column.
2. The instructions should recognize that an "Incomplete Records" entry refers exclusively to the status of the records for the corresponding determination method. Such an entry does not indicate (and should not be read to indicate) anything regarding the quality or existence of the operator's records for any of the other MAOP determination methods. Where subsection 192.619(a) applies, MAOP is set at the lowest of the pressures determined under the methods identified in paragraphs 192.619(a)(1)-(4).<sup>8</sup> Some have

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<sup>6</sup> *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 Annual Report*, 77 Fed. Reg. 22387 (2012).

<sup>7</sup> *Pipeline Safety: Public Workshop on Integrity Verification Process*, 78 Fed. Reg. 32010 (2013). The workshop was held on August 7, 2013, less than three weeks before these comments were due.

<sup>8</sup> 49 C.F.R. § 192.619(a).

argued that for verification of the records underlying an MAOP determination process, the operator's records must be complete now not only for the method yielding the lowest MAOP (when using 619(a)), but also for each of the other determination methods.

3. It is not appropriate to impose the TVC standard through instructions for completing an annual report. Traceable, verifiable and complete (TVC) is a non-statutory standard arising from a recommendation the National Transportation Safety Board made to a specific, intrastate operator in the NTSB's report on the natural gas incident in San Bruno, California.<sup>9</sup> Beginning with Advisory Bulletin ADB-11-01,<sup>10</sup> issued January 4, 2011, PHMSA began suggesting that TVC was the mandatory standard for MAOP record sufficiency:

As PHMSA and NTSB recommended, operators relying on the review of design, construction, inspection, testing and other related data to calculate MAOP . . . must assure that the records used are reliable. An operator must diligently search, review and scrutinize documents and records, including but not limited to, all as-built drawings, alignment sheets, and specifications, and all design, construction, inspection, testing, maintenance, manufacturer, and other related records. **These records shall be traceable, verifiable, and complete.** If such a document and records search, review, and verification cannot be satisfactorily completed, the operator cannot rely on this method for calculating MAOP . . . .<sup>11</sup>

In Advisory Bulletin ADB-2012-06,<sup>12</sup> PHMSA again attempted to convert TVC into a binding rule:

Owners and operators should consider the guidance in this advisory for all pipeline segments and take action as appropriate to assure that all MAOP . . . are supported by records that are traceable, verifiable and complete.<sup>13</sup>

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<sup>9</sup> PIPELINE ACCIDENT REPORT: PACIFIC GAS AND ELECTRIC COMPANY - NATURAL GAS TRANSMISSION PIPELINE RUPTURE AND FIRE - SAN BRUNO, CALIFORNIA - SEPTEMBER 9, 2010, p. 133, NTSB/PAR-11/01: PB2011-916501: Notation 8275C (NTSB Aug. 3, 2011)(NTSB Recommendation P-10-2 called for PG& E to "[a]ggressively and diligently search for all [records] relating to pipeline system components . . . in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had [an MAOP] established through prior hydrostatic testing, and stated that these records should be "traceable, verifiable, and complete.").

<sup>10</sup> *Pipeline Safety: Establishing Maximum Allowable Operating Pressure or Maximum Operating Pressure Using Record Evidence, and Integrity Management Risk Identification, Assessment, Prevention, and Mitigation*, 76 Fed. Reg. 1504 (2011).

<sup>11</sup> *Id.* at 1506 (emphasis supplied).

<sup>12</sup> *Pipeline Safety: Verification of Records*, 77 Fed. Reg. 22682 (2012).

<sup>13</sup> *Id.* at 22683 (emphasis supplied).

There are significant differences of opinion about what should be considered a TVC record (resulting in inconsistent reporting), and the only appropriate forum is a rulemaking proceeding.

4. In a number of cases, the instructions for Part Q should be expanded to specify how and where entries should be made under specific circumstances, *e.g.*, when two of the methods specified in subsection 192.619(a) result in the same MAOP.
5. The instructions for Part Q should specify that consistency between the entries in Part Q and the corresponding entries in other parts of the Annual Report refers to the entries in the various “Totals” columns, not the entries in the “Incomplete Records” columns.
6. Finally, the instructions for Part R should provide that if an elevation analysis shows some of a tested segment did not achieve a specified test pressure, *e.g.*, a 1.25 x MAOP, because of elevation differences, the operator should report the miles that did not achieve the specified test pressure in the pressure test range actually achieved.

These revisions are reflected in the attached, amended instructions for Parts Q and R, and should be replaced in its entirety.

### **Major Revisions: Incident Report**

The proposed revisions to the Incident Report – Gas Transmission and Gathering Pipeline Systems (Incident Report) would amend Item A.19(a) so the operator would report the time the operator identified the “failure” rather than the incident being reported. The Notice does not indicate why this change is being made and “failure” is not defined. The only explanation appears in the amendments to the instructions for completing this item:

In 19a, enter the date/time the operator became aware of the ~~failure incident~~. **The earliest date/time that an incident reporting criteria was met is reported in item A4, NOT when the operator determined that the incident met the reporting criteria of §191.3. In some cases, the operator may become aware of a failure before an incident reporting criteria is met. In other cases, one or more incident reporting criteria may be met before the operator becomes aware of the failure.** In 19b, enter the date/time operator responders, company or contract, arrived on site. **Chronologically, 19b must be concurrent with or later than 19a.** These times ~~are~~ is to be shown by 24-hour clock notation and reported in the time zone where the incident occurred. \* \* \* **PHMSA will use this data to calculate incident response times.**

The proposed change, a significant, substantive departure from previous incident reporting, is premature and should not be adopted without discussion with the pipeline safety community. At the very least, “failure” is a potentially charged word that should be avoided, where possible, particularly when the word is undefined.

It could be that the proposed change to Item A.19(a) is intended to distinguish between the time an operator becomes aware of a potential incident and the time an operator confirms that an incident has occurred. This distinction is particularly important because response times are measured from incident confirmation, not awareness of a potential incident. If the proposed revision to the Incident Report is intended to make this distinction, better language could have been chosen. INGAA opposes the proposed change to Item A.19(a), and suggests PHMSA open a dialog to explore the basis for the proposed change and develop a more precise way to capture the intended change in the Incident Report.

### **Minor Revisions: Annual Report Form**

*Page 2: Reference to Part C.*

The last sentence of the paragraph immediately above Part B reads: “Complete Part C one time for all pipelines and/or pipeline facilities – both INTERstate and INTRAsate - included within this OPID.” Since Part C is being eliminated, it seems this sentence should be eliminated also.

### **Minor Revisions: Annual Report Instructions**

*Page 1: Effective Date for Using the Revised Form.*

The second sentence of the General Instructions states that the Annual report “has been revised as of calendar year (CY) 2012 affecting submissions for 2013 and beyond.” The references should be to 2013.

*Page 1: Filing Supplemental Reports to Amend Responses in Part Q.*

Under the last sentence of the second paragraph of the General Instructions, “if an operator finds records related to documenting gas transmission MAOP after the end of the reporting year and these records result in a change in Part Q status from incomplete records to complete records, a supplemental report should be filed to change Part Q.” The instruction is absolute: if later-found records result in a change in **any** reduction in **any** “Incomplete Records” entry in Part Q, the operator must file a supplemental report.

This requirement is impracticably broad and burdensome. INGAA suggests revision the instruction so the requirement to file a supplemental report attaches if the resulting change is significant (or at least non-trivial).

*Pages 11 and 12: Consistency Between Parts of the Annual Report.*

At various points the proposed amendments to the Annual Report state that: (1) when “in HCA” data is entered in Parts Q and R, the values must be consistent with HCA miles entered in Part L; and, (2) miles by class locations from Part K must be consistent with class location miles entered in Parts Q and R. Perhaps this is a matter for a later day, but at some point PHMSA will

need to be more precise about the level of deviation that can exist without violating these consistency requirements.

### **Minor Revisions: Incident Report Form**

#### *Page 5: Information for Girth Welds*

In its comments supporting one of last year's proposed revisions to the Incident Report, INGAA commented that proposed additional information for girth welds, items C-3a through C-3h, should be required for all pipe and joint welds.<sup>14</sup> In support of its suggestion, INGAA argued that while the data show that girth welds are the predominant weld failure type, the additional data obtained through items C.3(a) through C.3(h) might be valuable for other butt welds and fillet welds, too.

PHMSA responded by tabling INGAA's suggestion:

PHMSA proposed revisions to Part C of the Gas Transmission Incident Report to collect more information regarding incidents involving girth welds. INGAA commented that this additional information should be collected for all pipe and joint weld types.

Response: At this time, PHMSA is focusing on the proposed revisions identified in the April 13, 2012, (77 FR 22387) Federal Register notice. Expanding the data collection beyond girth welds would require significant additional resources. PHMSA will consider this suggestion during the next review of the form which is scheduled to take place in 2013.<sup>15</sup>

The "next review of the form" is now. INGAA still believes there is significant potential value in collecting Item C.3(a) through C.3(h) data for welds other than girth welds. INGAA renews its request and urges PHMSA to make the requested change.

### **Minor Revisions: Incident Report Form**

#### *Page 11: Identifying Counties Where Incidents Occur.*

The instructions for Part B direct the operator to identify the city and county (or parish) where the incident occurred. In some states, cities are independent bodies politic and are not part of any county (e.g., the cities of Alexandria, Falls Church and Fairfax, Virginia). In other cases, a single city may extend into more than one county. To assure the timely acceptance of operator

<sup>14</sup> INGAA comment letter, p. 8, Docket No. PHMSA-2012-0024, Document ID No. PHMSA-2012-0024-0020 (Jun. 12, 2012).

<sup>15</sup> *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. 58616, 58620 (2012).

filings and the aggregation of a useful, internally consistent database, PHMSA's programs for receiving, processing and aggregating Incident Report data will need to be examined to account for these circumstances.

### **Conclusion**

As the parties who will be subject to the regulations that emerge from the results of these reports, INGAA's members are acutely aware that the reports have to gather all the needed data and do so accurately. The changes identified in these comments, led by adopting the attached revisions to the instructions for Parts Q and R of the Annual Report, are critical to ensure that upcoming regulations, including the Integrity Verification Process (IVP) initiative, rest on an accurate understanding of the industry.

Respectfully submitted,

/s/

Terry D. Boss, Senior Vice President of  
Environment, Safety and Operations  
Scott Currier, Director Operations, Safety, Integrity  
Interstate Natural Gas Association of America  
20 F St., N.W., Suite 450  
Washington, DC 20001  
(202) 216-5900

## Amended Instructions for Annual Report Parts Q and R

### Part Q – Gas Transmission Miles by § 192.619 MAOP Determination Method

In the “Total” columns, operators report transmission pipeline miles by each combination of class location and HCA designation utilizing § 192.619, the former § 192.607, § 192.620, and special permits or waivers that document the limiting factor for establishing MAOP, utilizing the operator’s MAOP determination procedures and best available information.

Transmission miles may only be classified under a single column of Part Q. In some scenarios, the lower of sections 192.619(a)(1) through (4) sections were chosen as the limiting factor when establishing MAOP, but PHMSA expects that one value is lower than the others and was used to document the limit of the MAOP. If a segment’s design pressure §192.619(a)(1) and pressure test §192.619(a)(2) documentation yielded the same MAOP, report the mileage in the Total column for §192.619(a)(2).

Segments that received a “class bump” under section §192.611 are to be reported according to the method limiting the segment’s current MAOP:

- if limited by a percentage of SMYS (per §192.611(a)(1)(i)), report under §192.619(a)(1)
- if limited by a pressure test multiplier (per §192.611(a)(3)(i)), report under §192.619(a)(2).

Pre-Federal regulation pipe, subject to the exclusions in the former §192.607 and §192.619(c) could be used to establish the MAOP, regardless of the availability of records mentioned in §192.619(a)(1) through (4) by documenting the highest operating pressure. For reporting purposes, pre-federal regulation pipe means pipe installed prior to March 12, 1971.

Where a segment’s MAOP was established under §192.620 or by alternative MAOP special permits, report the mileage in the Total column for 192.619(d). If miles are entered in the Other column, enter text describing the Other method(s) used to establish MAOP. Use the Other column to report the mileage of segments where the MAOP was established for pre-federal regulation pipe based §192.607, §192.611(b) or by a Non-Alternative MAOP Special Permit/Waiver.

For each combination of class location and HCA shown on the form, report the miles in each MAOP category. The sum of all Total columns for 192.619 subsections and Other column for each class location must be consistent (within tolerances) with the class location data reported in Parts K and R. Miles in HCA columns must be consistent (within tolerance) with HCA miles entries in Parts L and R. The mileage reported in the Total columns will be all inclusive and the sum of mileage reported in the Total columns must be consistent (within tolerances) with Part K.

The Total column is the total mileage for an MAOP determination method regardless of the record being complete or incomplete. Based on which subsection of § 192.619, the former § 192.607, § 192.620, special permits or waivers that document the limiting factor for establishing MAOP applies to a pipeline segment, the records underlying that determination method establishes how much of the segment’s mileage is reported in the corresponding Incomplete Records column. For each combination of the subsection of Part Q serving as the limiting factor for establishing MAOP, and the class location and HCA, except Classes 1 and 2 outside HCAs, report in the Incomplete Records column the transmission miles for which the operator has not been able to confirm the existence of



records to document the establishment of the MAOP per the applicable regulations referenced in Part Q. The value in the Incomplete Records column must be less than or equal to the value in the Total column for each combination of class location, HCA designation and MAOP establishment categorization. Only report a segment's Incomplete Record status relative to the column of Part Q serving as the limiting factor for establishing MAOP.

For the purpose of this part, documentation is records that can be used to validate the establishment of the MAOP for the subject pipelines such as: as-built drawings, alignment sheets, specifications, design, construction, inspection, testing, maintenance, manufacturer, documents, engineering reports and meeting notes. For miles of transmission pipeline for which the operator has not completed the records review, include these miles in the "Incomplete Records" column.

Part R – Gas Transmission Miles by Pressure Test (PT) Range and Internal Inspection

For Part R, enter miles of gas transmission pipe in each of the three pressure test ranges with each range divided into miles able to be internally inspected and miles unable to be internally inspected. All gas transmission miles must be reported in this part. The miles entered for each class location must be consistent (within tolerance) with the class location data entered in Parts K and Q. Miles in HCA must be consistent (within tolerance) with HCA miles entered in Parts L and Q.

If an operator is uncertain whether a gas transmission pipeline has been subjected to a post-construction pressure test, report the miles in the “PT < 1.1 or No PT” section.

The “Miles Internal Inspection ABLE” column means a length of pipeline through which commercially available devices can travel, inspect the entire circumference and wall thickness of the pipe, and record or transmit inspection data in sufficient detail for further evaluation of anomalies. If an operator is uncertain whether a gas transmission pipeline is able to be internally inspected, report the miles in the “Miles Internal Inspection NOT ABLE” column.

For a tested segment, if an elevation analysis shows some of the segment did not achieve a specified test pressure, e.g., a 1.25 x MAOP, because of elevation differences, report the miles that did not achieve the specified test pressure in the pressure test range actually achieved. An individual segment or an individual test could have miles both above and below 1.25 x MAOP.