

**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
WASHINGTON, D.C.**

COMMENTS ON THE PROPOSED CHANGES TO THE GAS TRANSMISSION ANNUAL REPORT

**FILED BY
AMERICAN GAS ASSOCIATION
AMERICAN PETROLEUM INSTITUTE
AMERICAN PUBLIC GAS ASSOCIATION
INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA**

January 23, 2020

I. Introduction

The American Gas Association (AGA),¹ American Petroleum Institute (API),² American Public Gas Association (APGA),³ and Interstate Natural Gas Association of America (INGAA)⁴ (jointly “the Associations”) submit these comments for consideration by the Pipeline and Hazardous Materials Safety Administration (PHMSA) concerning the proposed changes to “*Form PHMSA F 7100.2-1 (rev 09-2019): Annual Report For Calendar Year 20_ Natural Gas And Other Gas Transmission Gathering Pipeline Systems*” (referred to as “the report” within this document).

The Associations believe that it was PHMSA’s intent to align the data collection requirements within the report with the new requirements of the gas transmission regulations that were published last October⁵ (referred to as the “new regulations” within this document). Prior to the new regulations, integrity assessments were only required in high consequence areas (HCAs). Section 5 of the 2011 Pipeline Safety Act reauthorization required that the integrity management extend beyond HCAs.⁶ Within the new regulations, integrity assessments are required for all pipelines operating in Class 3 and Class 4 locations and HCAs, and for pipelines operating in moderate consequence areas (MCAs) that can accommodate in-line inspection. Furthermore, while the current annual report only requires operators to assess the completeness of Maximum Allowable Operating Pressure (MAOP) records for pipelines in class 3 and 4 locations and HCAs, the new regulations extend this requirement to MCAs that can accommodate in-line inspection.

The Associations support the new regulations recently promulgated by PHMSA and will continue to support efforts to advance improvements in pipeline safety practices which aim to enhance the safety and reliability of our nation’s natural gas pipeline network. However, the draft annual report, in its current

¹ The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 74 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — over 71 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States’ energy needs.

² API is the national trade association representing all facets of the oil and natural gas industry, which supports 9.8 million U.S. jobs and 8 percent of the U.S. economy. API’s more than 625 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation’s energy and are backed by a growing grassroots movement of more than 25 million Americans.

³ APGA is the national, non-profit association of publicly-owned natural gas distribution systems. APGA was formed in 1961 as a non-profit, non-partisan organization, and currently has over 740 members in 37 states. Overall, there are nearly 1,000 municipally-owned systems in the U.S. serving more than five million customers. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

⁴ INGAA is a trade association that advocates regulatory and legislative positions of importance to the interstate natural gas pipeline industry. INGAA is comprised of 28 members, representing the vast majority of the U.S. interstate natural gas transmission pipeline companies. INGAA’s members operate nearly 200,000 miles of pipelines and serve as an indispensable link between natural gas producers and consumers.

⁵ Pipeline Safety: Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments, 84 Fed.Reg.52.180 (Oct 1,2019)

⁶ Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90. § 5, 125 Stat. 1904, 1909.

form, requires operators to gather information which extends beyond of the requirements of the gas transmission regulations. The draft report also incorrectly interchanges data gathered for establishing MAOP with information gathered by an operator for integrity management.

The changes proposed below by the Associations align with the discussion and recommendations of the Gas Pipeline Advisory Committee (GPAC) and the text of the new regulations. These proposed changes also limit the administrative burden placed on operators without compromising public safety or reducing the transparency of natural gas transmission and gathering pipeline system operations. The Associations offers the following additional changes:

II. PHMSA Should Only Require MCA-related Data to be Submitted for Pipelines with an MAOP that Produces a Hoop Stress that is Greater Than or Equal To 30% of SMYS.

The MCA-related requirements in the new regulations are restricted to pipelines with an MAOP that produces a hoop stress that is greater than or equal to 30% of SMYS. PHMSA's MCA dataset should align with the regulatory actions required for pipelines in MCAs. Including pipeline segments with an MAOP less than 30% of SMYS in the MCA data produces little value because the new regulations do not require any action for these segments that would not otherwise be required for a non-MCA segment. Therefore, PHMSA should specify in the annual report instructions that MCA-related reporting requirements (mileage, inspections, etc.) only apply for pipelines with an MAOP that produces a hoop stress that is greater than or equal to 30% of SMYS.

III. The Report Should Limit Data Collection Requirements for Pipelines in Class 1 and Class 2 Locations that are Not in an MCA or HCA.

Part G – Miles of Baseline Assessments and Reassessments Completed In Calendar Year (HCA, MCA, and Outside HCA or MCA Segment miles)

As proposed, sections j–l of Part G would require operators to report both the baseline integrity assessment and the reassessment mileage for pipelines in Class 1 or Class 2 locations that are non-HCA/non-MCA. As written, this implies that these segments should be included within an operator's 49 CFR Part 192 subpart M or subpart O assessment plan. The new regulations do not require operators to include class 1 and 2 non-HCA/non-MCA segments in integrity assessments plans or conduct a baseline integrity assessment for these pipe segments. The Associations believe it would be more appropriate for operators to report the **total** mileage of Class 1 and Class 2 non-HCA/non-MCA pipe segments assessed during the calendar year, rather than breaking down this mileage into "baseline" and "reassessment." This change would provide transparency into the mileage of pipelines that an operator voluntarily assesses without requiring all pipelines to have a baseline and recurring assessment plan.

Part Q – Gas Transmission Miles by MAOP Determination Method

Part Q requires operators to identify whether class 1 and 2 segments that are non-HCA/non-MCA have complete MAOP records. MAOP completeness data for these segments has not been previously requested on the annual report, and the new MAOP reconfirmation requirements in § 192.624 do not apply to class 1 and 2 non-HCA/non-MCA segments. Collecting and evaluating MAOP records data for completeness for segments that are outside the scope of § 192.624 adds a significant new regulatory requirement that was not proposed in the Notice of Proposed Rulemaking (NPRM) for the new regulations or discussed by the GPAC. Therefore, the Associations request that MAOP completeness data for class 1 and 2 segments that are non-HCA/non-MCA be excluded from the annual report. Put

simply, for class 1 and 2 non-HCA/non-MCA segments with MAOPs established under § 192.619, the Part Q requirements should remain the same as under the current annual report.

IV. The Report Should Align with the Pressure Test Ranges within § 192.619

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

In the report, operators will be required to provide data for pressure test mileage within pressure test ranges: $[\geq 1.5]$, $[1.5 \text{ to } \geq 1.39]$, $[1.39 \text{ to } \geq 1.25]$, $[1.25 \text{ to } \geq 1.1]$, $[1.1 \text{ to } 1]$, and $[\text{no test}]$. Typically, these pressure test factors are used to establish the MAOP of a pipeline. However, the pressure test factors identified within the report do not align with those in §192.619. It is unclear how the ranges were identified for the report and how they provide a greater understanding of an operator's system.

Additionally, all tests performed below 1.1 times the MAOP would be considered invalid pressure tests under PHMSA's regulations. Differentiating whether a test was performed between 1.1 times and 1.0 times the MAOP does not appear to provide any safety value. Therefore, the Associations recommend that PHMSA align the pressure test ranges in Part F with the pressure test factors specified within §192.619: $[\geq 1.5]$, $[1.5 \text{ to } \geq 1.25]$, $[1.25 \text{ to } \geq 1.1]$, and $[\text{Less than } 1.1 \text{ or no test}]$.

V. The Report Should Differentiate Reporting Requirements for Integrity Assessments from Those Required for MAOP Determination

Part F – Integrity Inspections Conducted and Actions Taken Based on Inspection

The Associations recommend the removal of sections 3.1-3.3 from the annual report requirements. As noted above, pressure test factors are generally used to establish the MAOP of a pipeline. When a pressure test is used as an integrity assessment method, the specific pressure test factor is generally less relevant. Therefore, the Associations suggest collecting mileage by individual test factor only in Part R.

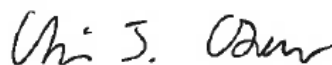
VI. PHMSA Should Consider Delaying the Implementation of the Revised Annual Report

The new regulations require operators to develop and document procedures that will be used to reconfirm the MAOP of pipeline segments, which includes identifying which pipeline segments are in MCAs, by July 1, 2021. The Associations recommend that the new report go into effect after this date—once operators have defined which pipeline segments are within-scope and can accurately provide mileage and testing information. Collecting data for the new regulations on the 2020 annual report (due in March 2021) creates a significant regulatory burden with limited value, as operators will be required to assemble and submit partially-complete data sets. The Associations do not believe that this incomplete data would serve any useful purpose for PHMSA or the public. Therefore, the Associations recommend that the revised report go into effect for the 2021 reporting year (due in March 2022), after operators have been required to identify those pipeline segments that are subject to the requirements of the new regulations.

Respectfully submitted,
Date: January 23, 2020



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