



October 22, 2012

Office of Information and Regulatory Affairs (OIRA)  
Records Management Center  
Room 10102 NEOB  
725 17<sup>th</sup> St., N.W.  
Washington, DC 20503

Attn: Desk Officer  
U.S. Department of Transportation\PHMSA

VIA ELECTRONIC MAIL (OIRA\_Submission@omb.eop.gov)

Re: Docket No. PHMSA-2012-0024

*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*

Dear Sir or Madam:

The Interstate Natural Gas Association of America (INGAA) submits this letter per the notice and request for comments (Second Notice) issued in the referenced docket by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on September 18, 2012, and published in the *Federal Register* on September 21, 2012.<sup>1</sup> INGAA is a non-profit trade association that represents the interstate natural gas transmission pipeline industry. INGAA members represent approximately two-thirds of the pipelines and over 65 percent of the mileage comprising the U.S. natural gas transmission pipeline system. Since INGAA members complete the forms at issue in this docket, their interest in the matters addressed in the Second Notice is self-evident.

### **Introduction**

The Second Notice concerns three PHMSA reports: the Gas Transmission and Gathering Pipeline Systems Annual Report (Annual Report), the Gas Transmission and Gathering Pipeline Systems Incident Report (Incident Report), and the Hazardous Liquid Pipeline Systems Annual Report. PHMSA issued an initial Paperwork Reduction Act notice (Initial Notice) concerning these reports last April.<sup>2</sup> In June, INGAA and 11 other parties filed comments that together raised a broad array of issues.<sup>3</sup> Some of the comments prompted PHMSA to revise these forms and their respective instructions. The Second Notice catalogs PHMSA's responses to the initial set of comments and solicits public comment on the post-June revisions.

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<sup>1</sup> 77 Fed. Reg. 22387.

<sup>2</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* (Docket No. PHMSA-2011-0023), 77 Fed. Reg. 2387 (2012).

<sup>3</sup> See Second Notice, 77 Fed. Reg. at 58616 (listing the parties that field comments on the Initial Notice).

## Comments

### 1. **INGAA urges PHMSA to issue specific, written instructions clarifying how owners and operators should report facilities whose verification records are identified after December 31, 2012.**

Section 23 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (2011 Pipeline Safety Act)<sup>4</sup> directs the owners and operators of interstate natural gas transmission pipelines<sup>5</sup> to conduct comprehensive studies of the records supporting the maximum allowable operating pressure (MAOP) of pipeline facilities in class 3 and 4 locations and class 1 and 2 high consequence areas (HCAs).<sup>6</sup> The results of these studies must be reported to the Secretary of Transportation by July 3, 2013.<sup>7</sup> INGAA members are in the midst of conducting these comprehensive studies of MAOP records, and to meet the section 23 deadline they will be working on these studies well into 2013.

Annual Reports are filed on March 15 and reflect the reporting pipeline's system as of the end of the preceding calendar year.<sup>8</sup> Thus, the Annual Reports that will be filed by March 15, 2013 will reflect pipeline system data as of December 31, 2012.

Section 23 solicits the same information — the presence of verification records establishing MAOP — as part Q of the Annual Report. In fact, PHMSA sees the responses to part Q as the preferred vehicle for responding to section 23:

Section 23. . . requires that each owner or operator report, not later than 18 months [after enactment], on each pipeline segment for which they do not have sufficient records to validate the MAOP of the pipeline segment. **PHMSA has determined that the most appropriate method to collect this information is by the next Gas Transmission Annual Report which has a due date of March 15, 2013.** PHMSA is planning for owners or operators to submit the newly requested information in Parts Q and R in the Gas Transmission Annual Report by March 15, 2013, to ensure that owners or operators comply with the “not later than 18 months” provision in [section 23].<sup>9</sup>

Using part Q data to assemble the section 23 reports creates a significant timing problem. It is quite likely there will be a number of cases where an operator will identify “verification records” meeting the part Q criteria after December 31, 2012. These cases will arise too late to be reported in the March 13, 2013, Annual Reports, but they should be included in the reports required by section 23.

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<sup>4</sup> Pub.L.No. 112-90 (2012).

<sup>5</sup> For the remainder of this letter, “pipelines” will refer to interstate natural gas transmission pipelines unless the context clearly indicates otherwise.

<sup>6</sup> 2011 Pipeline Safety Act § 23 (adding 49 U.S.C. § 60139(a)).

<sup>7</sup> *Id.* (adding 49 U.S.C. § 60139(b)(1)(requiring owners and operators to “identify and submit to the Secretary documentation [on pipeline segments] for which records . . . are insufficient to confirm the MAOP” “[n]ot later than 18 months after the date of enactment of this section”).

<sup>8</sup> Annual Report Instructions, Specific Instructions ¶ 3.

<sup>9</sup> Second Notice, 77 Fed. Reg. at 58619 (emphasis added).

PHMSA's response to timing problem raises as many questions as it answers. According to Second Notice response A15, when an owner or operator identifies MAOP verification records after it filed its Annual Report, the owner or operator may file a supplemental report to update its submission.<sup>10</sup> Response A15 then points to the Annual Report instructions for the procedure for filing a supplemental report.<sup>11</sup> As noted earlier, the instructions provide that an Annual Report "should reflect the system as of the end of the calendar year for which the report is being filed."<sup>12</sup> The instructions then specify that a supplemental report "amend[s] or correct[s] information for that calendar year."<sup>13</sup>

Response A15 and the instructions leave two critical gaps in how and when owners and operators should to reflect verification records identified after December 31, 2012. INGAA urges PHMSA to issue specific, written instructions covering these two gaps as follows:

First, for verification records identified after January 1, 2013, but before the owner or operator files its Annual Report, the associated pipeline mileage should be reported in the appropriate "with records" column of Part Q even though the records were not identified "as of the end of the calendar year for which the report is being filed."

Second, to ensure continuity with the reports owners and operators will be submitting under section 23, for verification records identified after the owner or operator files its annual report, but before the owner or operator submits its section 23 report, the associated pipeline should be reported in the appropriate "with records" column of Part Q in a supplemental annual report for 2012 even though the resulting revision to part Q does not "amend or correct information" for 2012.

**2. While INGAA accedes to deferring certain issues concerning the Incident Report until 2013, it expects PHMSA to engage these issues then.**

In its June 2012 comments on the Initial Notice, INGAA urged PHMSA to make two changes to the Incident Report:

- Amend part C so the proposed additional information concerning girth welds would be required for all pipe and joint welds.
- Reinstate reporting the manner in which MAOP was determined, as had been required until the 2010 revisions to the Incident Report.

Second Notice responses B1 and B3 essentially table these two topics until 2013:

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<sup>10</sup> *Id.*, 77 Fed. Reg. at 58619.

<sup>11</sup> *Id.*

<sup>12</sup> Annual Report Instructions, Specific Instructions ¶ 3.

<sup>13</sup> *Id.*, Specific Instructions ¶ 4.

At this time, PHMSA is focusing on the proposed revisions identified in the [Initial Notice]. \* \* \* PHMSA will consider this suggestion during the next review of the form which is scheduled to take place in 2013.<sup>14</sup>

While INGAA will accede to tabling these issues, the usefulness of the underlying data remains unchanged. When PHMSA revisits the Incident Report in 2013 INGAA will hold PHMSA to its word.

**3. INGAA would be remiss if it did not take issue with PHMSA's estimate of the burden associated with completing the Annual Report.**

PHMSA estimates the burden for completing the Annual Report is less than four hours.<sup>15</sup> Obviously, the four-hour figure represents the clerical and administrative time required to enter figures into the electronic version of the report and check those entries for completeness and accuracy before the report is transmitted. PHMSA's estimate takes no account of the thousands and thousands of hours pipeline owners and operators spend each year to collect, aggregate and verify the figures that go into their Annual Reports.

The claimed burden of four hours is the tip of the iceberg — and just as misleading. At a minimum, PHMSA should put its estimate in context by acknowledging the extensive efforts owners and operators expend to obtain the figures that appear in their Annual Reports.

**Conclusion**

INGAA appreciates these comments are directed OIRA, not PHMSA. Nevertheless, the comments address PHMSA policy and, in some cases, require PHMSA action. Both as a courtesy and to facilitate action on INGAA's concerns, INGAA is providing electronic copies of this letter to PHMSA's Associate Administrator for Pipeline Safety and PHMSA's designated contact officer.

Respectfully submitted,

/s/

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<sup>14</sup> Second Notice, 77 Fed. Reg. at 58620 (expanding information required for girth welds), 58621 (identifying the manner used to determine MAOP).

<sup>15</sup> *Id.*, 77 Fed. Reg. at 58622 (83,144 total burden hours divided by 21,864 annual responses).