



# McAFEE & TAFT REGULING

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REGULATED INDUSTRIES LAW UPDATE

The ANPRM has, in the words of PHMSA, “raised several important and complex public safety issues, many of which, if implemented, could impose significant cost on the pipeline industry.”

## Deadline extended for comment on Safety of Gas Transmission Pipeline ANPRM

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In an action issued on November 3, and published in the *Federal Register* on November 16, 2011, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) acknowledged the concern raised by the Interstate Natural Gas Association of America (INGAA) and the American Gas Association (AGA) regarding the quantity of data to review to comment on the Safety of Gas Transmission Pipeline Advanced Notice of Proposed Rulemaking (ANPRM). The ANPRM, which covers 15 separate topic areas with several long, multi-part questions, has, in the words of PHMSA, “raised several important and complex public safety issues, many of which, if implemented, could impose significant cost on the pipeline industry.” Pipeline Safety: Safety of Gas Transmission Pipelines, 76 *Fed. Reg.* 70953 (Nov. 16, 2011). Because of the complexity of the ANPRM and PHMSA’s desire for thorough responses from industry, **PHMSA extended the deadline for comment to January 20, 2012.**

The ANPRM, Pipeline Safety: Safety of Gas Transmission Pipelines, 76 *Fed. Reg.* 53086 (Aug. 25, 2011), alerted the gas industry that PHMSA was considering expansion or addition of numerous Integrity Management (IM) and non-IM requirements to regulate more pipeline mileage and better protect High Consequence Areas (HCAs). As PHMSA officials remarked recently at the Pipeline Safety Conference in Tulsa, Oklahoma, the agency does review and consider comments from individual and industry stakeholders when finalizing rules and the regulators assume the proposed rules are acceptable, necessary, and not overly burdensome if they receive no comment. As acknowledged by PHMSA, the changes proposed would significantly impact the pipeline industry; therefore, review of and comment on the proposals summarized below should be considered.

The areas PHMSA is considering for change include the following:

- **Should PHMSA expand the HCA definition to apply IM regulations to more pipeline mileage? If so, what changes should be made to the HCA criteria/definition?**
  - » Have recent technology improvements occurred which affect the cost of assessing pipelines?
  - » Would HCA expansion increase costs associated with IM considering in-line inspection (ILI) is already required? If so, what are the costs?
  - » How would criteria amendments impact state and local governments or other entities?
  - » Should PHMSA revise HCA definitions so all Class 3 and 4 HCAs are subject to IM requirements?
  - » What is the industry’s experience with identified HCA mileage?
  - » Should width to determine class location for pipelines > 24” in diameter operating at > 1000 psig be increased?
  - » How many miles do you have in each of Classes 1, 2, 3 and 4 which are covered and how many Class 2, 3 and 4 miles do you have that are not currently within an HCA?

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- » Do existing HCA criteria encompass HCAs that do not warrant inclusion based on risk? If so, what criteria capture these segments and is there a better way to define an HCA to focus on areas based on risk while also minimizing costs?
- » Is it better to include more miles of pipe under HCA IM procedures currently in existence or to apply focused, intense safety measures on particular areas (e.g., highest consequence, highest risk, etc.)?
- » Are current pipeline right-of-way (ROW) HCA determinations being made in a manner sufficient to protect the public in the event of rupture or leak? Are there ways this can be improved?
- » Should HCA criteria include ROWs which also house other lines or “critical infrastructure” (e.g., electric transmission lines)?
- » Should the general public, local communities, or state and local government have input on identification of HCAs and, if so, to what extent, how, and what information should input be based upon? Should state or local government have responsibility for oversight of HCA identification process?
- » Should safety measures similar to IM be applied to non-HCA segments? If so, what should the criteria and assessment schedule be?
- » Should geospatial information related to HCA identification be a required submission?
- » Why has HCA mileage declined over the years?
- **Should PHMSA add prescriptive requirements guiding selection of additional preventative/mitigative measures to prevent pipeline failure in an HCA (e.g., installation of automatic shut-off valves, remote control valves, computerized monitoring and leak detection systems, pipes with heavier wall thickness; drills and training on emergency response, including with local first responders; and enhancing inspection, maintenance and damage prevention plans)?**
  - » What practices are currently in use? Are they governed by industry or consensus standards and, if so, which ones?
  - » What voluntary preventative/mitigative measures have been taken and how do the measures affect pipelines in HCAs and non-HCA mileage?
  - » What, if any, additional prescriptive requirements are needed to improve selection and implementation?
  - » What, if any, measures should require implementation; should they apply to all HCAs or particular ones; and should they include any/all of the following: additional line markers; depth of cover surveys; cathodic protection verification by close interval surveys; coating survey and required recoating; more ROW patrols; shorter intervals for ILI runs; additional quality monitoring, sampling and ILI tool runs; and improved pipeline marking standards? Why?
  - » Should the same, some, or other additional preventative/mitigative measures be established for non-HCA pipeline segments?
- **Should criteria for timely repair of defects/anomalies be extended to pipeline segments currently outside HCA coverage and/or should changes be made to the criteria for greater protection from defects?**
  - » Should the threshold for immediate repair be revised?
  - » Should repair safety margins be the same as new construction standards?
  - » Should class location changes without pipe replacement have more stringent repair criteria than others?
  - » Should metal-loss criteria be established that require an immediate or specified length of time to repair regardless of whether within an HCA?
  - » Should non-HCA pipeline anomalies require repair conditions subject to IM repair schedules and, if so, which ones, what is the cost, and what are the benefits?
  - » Should risk tiering be considered and, if so, what are the risk factors and how should risk be evaluated and/or measured?
  - » What repair schedule should apply to discovered anomalous conditions in non-HCA pipelines?
  - » Do advances in ILI tool capabilities lead to a need to update dent/metal-loss repair criteria?
  - » How are assessment tool uncertainties addressed when comparing results with repair criteria? Should explicit voluntary standards regarding the same be adopted, including prescription of wall loss detection threshold depth detection, detection probability, and sizing accuracy standards for ILI vendors/operators; validation of ILI tool performance via excavation and as-found/as-detected comparisons; and assessment methods for integrity threats?
  - » Should smart pig ILI standards, qualification of one interpreting ILI data, review of results and quality/accuracy of ILI tool performance be developed? If so, should they be voluntary or mandatory?

- **Should more prescriptive requirements be adopted regarding the collection, validation, integration, and reporting of pipeline data gathered by operators to be used in its particular risk assessments to determine whether preventative/mitigative measures are needed and to set reassessment intervals?**
  - » What practices are now used to acquire/integrate/validate pipeline data and do the practices include excavation?
  - » Is data collected to validate record information when a pipeline is exposed? If so, what is the process if a discrepancy is found? Should such actions be required in all areas or in HCAs?
  - » Is data regarding pipe, seams, testing, reports, coating, leaks and other records verified periodically?
  - » Should more prescriptive requirements be placed on an operator's collection and validation/assessment practices?
- **Should PHMSA implement prescriptive requirements related to the nature and application of risk models to improve usefulness of analyses in decision making regarding risks?**
  - » Should particular risk models or functions be mandated? If so, which and how?
  - » Are relative index models used and are they sufficient to support decisions as required by the regulation?
  - » Are existing models used to inform executive management of existing risks, and can they be used to understand what is contributing to risk and how to manage the contributing factors?
  - » How can current risk model usefulness be improved?
- **Should additional requirements be placed on operators regarding use of the information gained through implementation of their IM program?**
  - » Should operators be required to review/investigate/repair identified corrosion, integrity issues, and threat interaction?
  - » Is the information gained regarding integrity issues overlaid on an HCA map?
  - » Should updated aerial patrol information be required for IM assessments? If so, how often and why?
  - » Should a maximum review/validation period be prescribed for pipeline risk assessments?
  - » Is there additional knowledge gained from IM programs that should be used to improve pipeline safety?
  - » How robust are operator data integration practices and databases? What information is included?
- **Should PHMSA further regulate selection and use of baseline and periodic assessment methods?**
  - » Have anomalies been detected through currently used methods?
  - » Should ILI assessment be required when possible? Should use of other methods be restricted?
  - » If direct assessment is used, how do you determine appropriate knowledge of pipeline and confidence in data (i.e., confidence no data gaps exist)?
  - » How much of your system has been modified to accommodate ILI tools and should there be expanded requirements for modification?
  - » What assessment standards are used and should they be incorporated by reference or voluntary?
- **Should PHMSA adjust valve spacing and/or require remotely or automatically-controlled valves to assure prompt response to accidents?**
  - » Are current spacing requirements for sectionalizing block valves and remotely- or automatically-controlled valves adequate? What changes should be considered and on what basis?
  - » Should there be a maximum response time to reach block valves which must be closed manually?
  - » What factors other than class location should be considered in valve spacing requirements?
  - » What conditions should lead to a requirement for placement of a new valve on an existing line?
  - » What percentage of current sectionalizing block valves are remotely operable or automatically operable, and should PHMSA require all sectionalizing block valves be remotely controlled?
- **Should PHMSA revise the corrosion control regulations to address stress corrosion cracking (SCC) susceptibility and to further address cathodic protection, coating damage, and internal corrosion?**
  - » What are operators' current experiences and practices related to SCC occurrence, detection, and mitigation?
  - » What additional corrosion management regulations should be implemented?

- **What additional IM and pressure testing requirements should be implemented, particularly regarding pipe manufactured using longitudinal seam welding techniques which have not been pressure tested under subpart J?**
  - » Should all pipelines not pressure tested at or above 1.1 x MAOP be required to be pressure tested in accordance with current regulations or are there certain types of pipeline which should be (and, if so, which ones)?
  - » Are alternative minimum test pressures appropriate?
  - » Can ILI be used to find seam integrity issues? If so, what technology should be used and what inspection/acceptance criteria should be applied? Are other technologies available to locate and remediate these issues reliably?
- **Should PHMSA regulate underground gas storage facilities?**
  - » What current standards apply to these facilities and what do these standards require, test, inspect, analyze, etc.?
- **Should PHMSA add requirements regulating the Management of Change (MOC) process?**
  - » What current standards exist and/or are applied to guide MOC?
  - » What do these standards consider, require, and analyze, and what documentation is maintained regarding the process?
- **Should PHMSA impose requirements regarding Quality Management Systems (QMS), particularly with respect to new construction materials and control equipment, and to control contractor work in construction, operation, and maintenance of the pipeline system?**
  - » What industry standards are currently used to control quality?
  - » Is a formal QMS system implemented by operators?
  - » What, if any, QMS requirements should PHMSA establish?
- **Should PHMSA eliminate exemptions for pre-code installations? If so, which exemptions and why?**
- **Should gathering lines be regulated?**
  - » Should the definition be changed?
  - » Should reporting requirements apply to these lines?
  - » Are RP 80 definitions difficult to apply and, if so, which ones and how?
  - » Should rural, large diameter, high-stress lines be regulated on a risk-based basis and, if so, what requirements should apply to these lines?
  - » Should short runs of pipe downstream from processing/compression equipment be considered a continuation of gathering and how should the scope be defined?
  - » Should specific requirements apply to landfill gas systems?
  - » Should internal corrosion regulations be applied to gathering lines, including periodic cleaning requirements?
  - » Should gas IM regulations be applied to onshore gas gathering lines?

Comments on the ANPRM can be made to PHMSA via the website, fax or mail methods below.

*All comments should reference Docket No. PHMSA-2011-0023.*

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