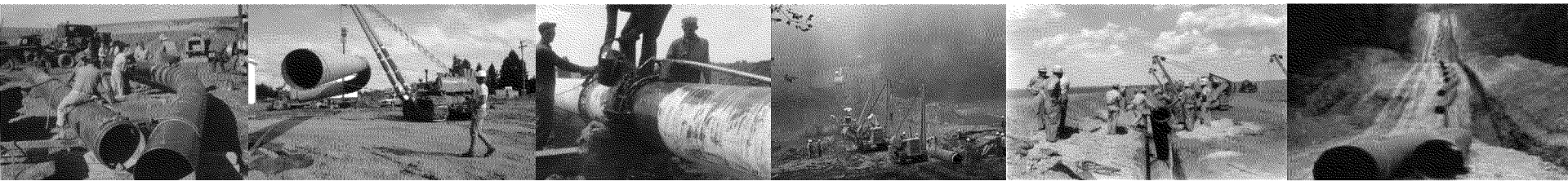




Draft Talking Points – PHMSA Proposed Revisions to Incident and Annual Reports

April 24, 2012



High Level View of Proposed Changes



- This is not rulemaking, this is making use of data collection provisions
 - It is a proposal, we can provide comments
 - Requires OMB review
- Revision of Incident Report to address girth weld failures
- Revision of Annual Report
 - Changes to data related to ILI anomalies and mitigation
 - To collect data that relates to records supporting MAOP
 - To collect data on mileage post-construction hydrostatic pressure tested to 125% x MAOP
 - To collect data on mileage “not able to accommodate passage of instrumented internal inspection devices”

Background

- Pre-regulation pipe – 192.607 required establishment of basis for MAOP
 - Operators could elect to use “five year high pressure” under 192.619
 - That provision is still in effect today
 - *Need detailed records for HCAs*
 - *Committed to extend IM Principles over time*
- Post regulations – MAOP established under 192.619

- First, we have to understand PHMSA's expectations with Part Q
 - They opted to use the annual report instead of a one time census
 - Inclusion of Part Q provides a basis for showing progress in identifying and evaluating records and validating MAOP
 - For Pre-Regulation pipe this means indicating the part of 192.619 that was used for establishing MAOP, including "grandfather clause"
- Operators have records for HCAs and can and will provide in next Annual Report filing
- Beyond HCAs will require time consistent with commitment to expand IM Principles (consider defining specific timing)

Data on Mileage of Post-Construction Hydrostatic Pressure Testing to 125% x MAOP



- Consider Commenting Requesting Inclusion of Additional Data
- Data to Apply FFS Process and Support Cost Benefit Analysis
- Mileage that has experienced a 1.1xMAOP Pressure Test
 - Post-construction pressure test to 1.1xMAOP
 - Post-construction strength test to 1.1xMAOP
 - Mill test of 1.25xMAOP
- Mileage > and also </ 30% SMYS
 - Key part of our FFS Process
 - Also addressed in legislation

Data on Mileage “not able to accommodate passage of instrumented internal inspection devices”



- Develop common understanding of the definition
- Consider proposing specific definition

Revision of Incident Report to Address Girth Weld Failures



- The proposed change addresses outside force acting upon girth welds
- Points to consider:
 - Make a point in comments that a JIP formed prior to the issuance of the notice to address this issue
 - Make a point in comments that INGAA believes that interactive threats have to be considered more broadly and is participating with AGA and other operators in a program led by the Gas Technology Institute

History of Requirements Related to Pressure Testing in Consensus Standards



- ASA B31.1, Section 8, in 1951, Chapter 5, Section 824* required:
 - 50 psi over “maximum service pressure” for cross country pipelines; relied on mill test to 80% SMYS on each pipe
 - 1.5x maximum service pressure for pipelines within legal boundaries of cities or villages
- ASA B31.1, Section 8, in 1955, Section 841.41* required:
 - Class 1 – 1.1xMAOP; Class 2 - 1.25xMAOP and Class 3 and 4 – 1.4xMAOP
 - Records for pressure tests contain minimum pressure and medium use for test (Section 841.417)
- ASME B31.8, 1968, Section 841.41* (version in effect when first PLS regulations were promulgated)
 - Class 1 – 1.1xMAOP; Class 2 - 1.25xMAOP and Class 3 and 4 – 1.4xMAOP
 - Records for pressure tests contain minimum pressure and medium use for test (Section 841.417)
- A provision in the regulations entitled, “*Initial Determination of Class Location and Confirmation or Establishment of Maximum Allowable Operating Pressure*”, at 49 CFR 192.607, was in effect in 1970. This required operators to confirm their MAOPs for half of their system by Jan. 1, 1972 and remaining portion of the system by Jan. 1, 1973. 49 CFR 192.607 was removed from the regulations in 1996 because the compliance dates had long passed.

*Class Location at Time of Construction

03/22/2012

- Review of items proposed by PHMSA
 - Incidents information on annual report
 - Concurrence and recommended changes and why
 - MAOP records, Pressure Tests, Accommodate ILI
 - Concurrence and recommended changes and why
 - Incident reporting form
- Review of items we propose to add
 - Incidents
 - MAOP records, Pressure Tests, Accommodate ILI
 - Incident reporting form
- Time requirements
 - For items proposed by PHMSA
 - For items proposed by INGAA

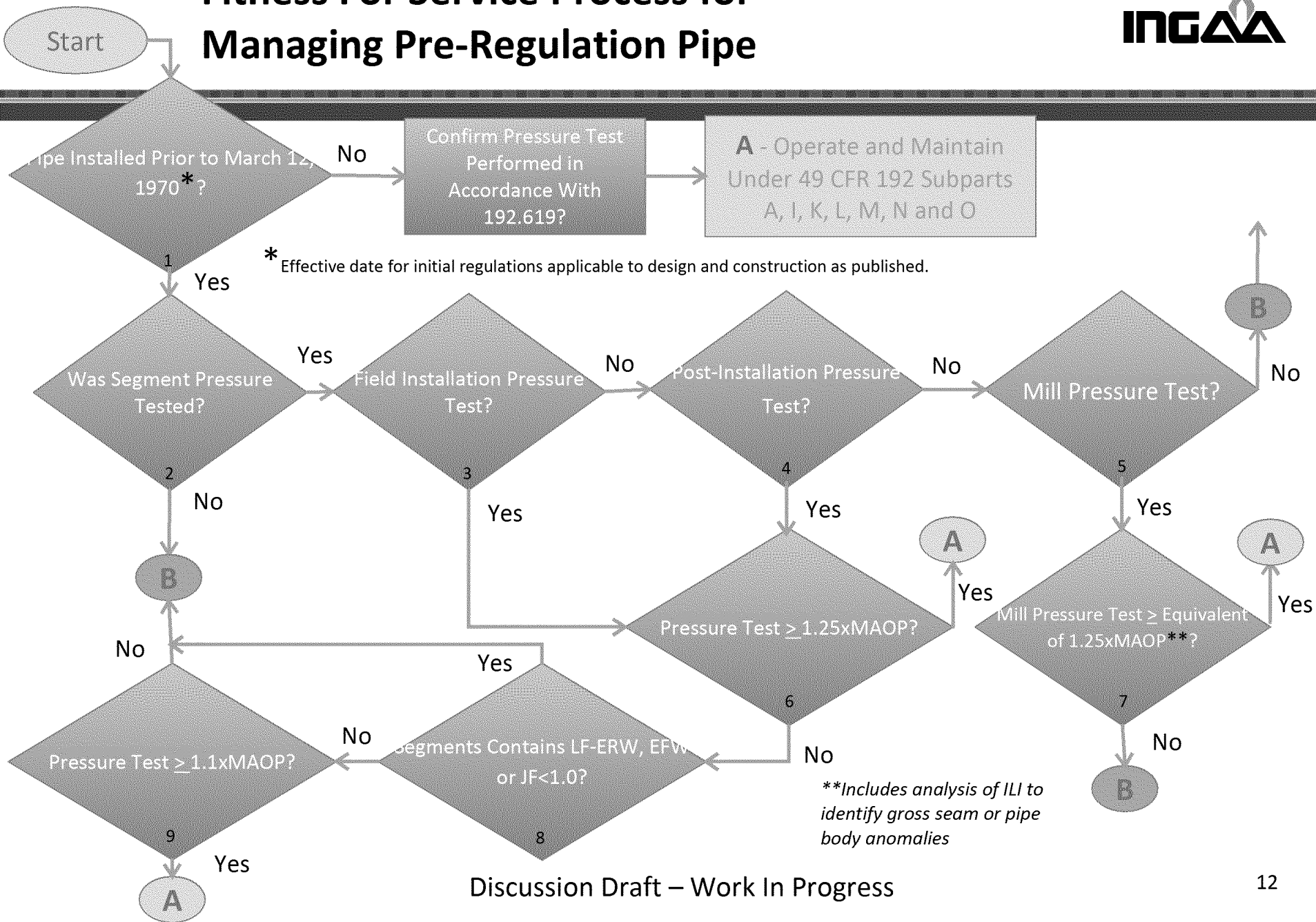
Timeline (Proposed for Discussion)



- Organizational kick-off
- Technical positions defined -
- Draft turned over to Redacted – June 1
- Filing – June 12



Fitness For Service Process for Managing Pre-Regulation Pipe



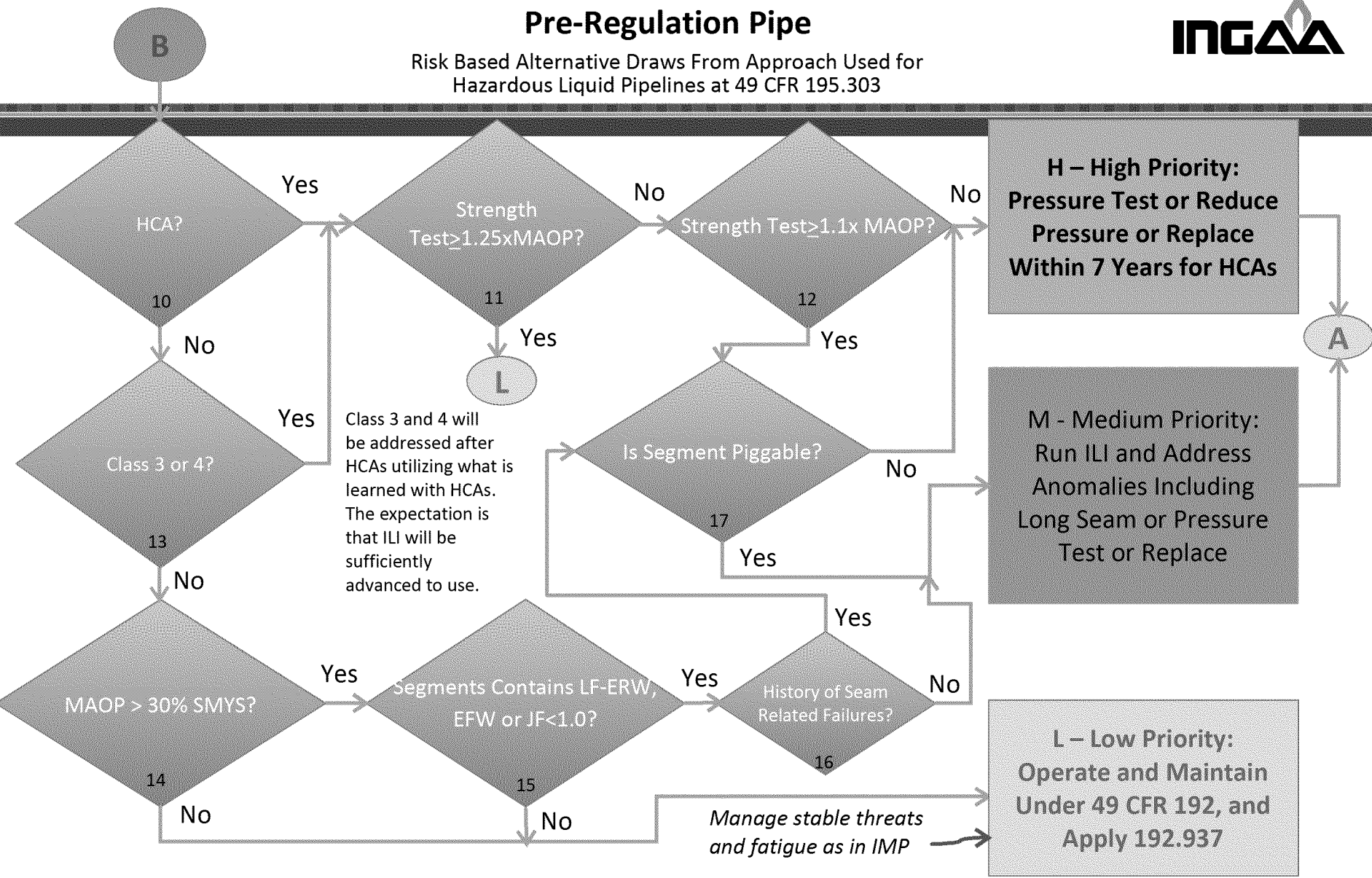
Discussion Draft – Work In Progress

Fitness For Service Process for Managing Pre-Regulation Pipe

Jan 12, 2012



Risk Based Alternative Draws From Approach Used for Hazardous Liquid Pipelines at 49 CFR 195.303



LF-ERW is low frequency electric resistance welded; EFW is electric fusion or flash welded; and JF is joint factor as defined at 49 CFR 192.113

Discussion Draft – Work In Progress

PHMSA Timeline Regarding Records, MAOP and Pressure Testing



- Advisory bulletin or rulemaking on records [Before July 3, 2012, possibly in April]
 - Enhancement to ADB-11-1, or
 - Separate advisory bulletin, or
 - Rulemaking (PHMSA has to be sensitive to an advisory stipulating requirements)
- PHMSA revision to Annual Report to collect data on an annual, sustainable basis [Proposed in FR on April 13, 2012]
 - Were considering use of one-time “census”; now using annual report
- NOPR or possibly an Interim Final rulemaking on requirements of pressure testing of previously untested pipelines operating greater than 30% SMYS
 - Will entail cost/benefit analysis
 - Will likely be scrutinized by OMB
- Final rule [July 2, 2013]

03/22/2012

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