REAUTHORIZATION, SAN BRUNO, AND PHMSA'S ADVISORY BULLETIN

WHAT DOES IT MEAN FOR YOUR MAOP?

SAN BRUNO SEPTEMBER 2010

NAPA

AP

ADB-11-01

- One of the fundamental tenets of the IM program is that pipeline operators must be aware of the physical attributes...
- PHMSA inspections and investigations have revealed deficiencies in individual operators' risk analysis approaches, the integration of data into these risk assessments, the abilities to adequately support the selection of assessment methods...

ADB-11-01

- Operators must review and scrutinize…to ensure company records accurately reflect the pipeline's physical and operational characteristics. These records should be traceable, verifiable, and complete to meet §§192.619…

NTSB RECOMMENDATIONS TO PHMSA

- Amend Title 49 Code of Federal Regulations 192.619 to delete the grandfather clause and require that all gas transmission pipelines constructed before 1970 be subjected to a hydrostatic pressure test that incorporates a spike test.

- Amend ... manufacturing- and construction-related defects can only be considered stable if a gas pipeline has been subjected to a postconstruction hydrostatic pressure test of at least 1.25 times the maximum allowable operating pressure.

PIPELINE SAFETY, REGULATORY CERTAINTY, AND JOB CREATION ACT OF 2011

- … shall require each owner or operator of a pipeline facility to conduct, not later than 6 months after the date of enactment of this section, a verification of the records of the owner or operator relating to the interstate and intrastate gas transmission pipelines of the owner or operator in class 3 and class 4 locations and class 1 and class 2 high consequence areas.

- … shall identify and submit … documentation relating to each pipeline segment of the owner or operator described in subsection (a)(1) for which the records of the owner or operator are insufficient…

ISSUES WE HAVE SEEN

- Unknown pipe specifications
- “Known” (but really unknown) information
- File drawers – Project files not properly indexed or recallable – poor housekeeping.
- Lost records – acquisitions, mishaps

KEEP IN MIND

- What are we all after?
  - Operators must know their systems, including risks and potential weaknesses.
  - In San Bruno, we didn't know what we didn't know.
  - Suspect pipe, not meeting any standard.

WHAT DOES ADB 2012-06 REQUIRE?

- The ADB was directed to ALL pipeline operators – gas transmission, gas distribution and liquid.
- The ADB does **NOT** create any new requirements.
- The ADB reminded operators of expectation that operational decisions are based on good information.

WHAT DOES ADB 2012-06 REQUIRE?

- The ADB information clarifies that adequate records should be:
  - Traceable
  - Verifiable
  - Complete

TRACEABLE

- Traceable records are those which can be clearly linked to original information about a pipeline segment or facility. Examples might include:
  - Pipe mill records, purchase requisition or as-built documentation indicating minimum pipe yield strength, seam type, wall thickness and diameter.
  - Careful attention should be given to records transcribed from original documents. Information from a transcribed record, in many cases, should be verified with complementary or supporting documents.

VERIFIABLE

- Verifiable records are those in which information is confirmed by other complementary, but separate, documentation.
- Two or more complementary records that are positively linked can be used together as a verifiable record.
- A single record which has all needed information does not need a separate, complementary, document.

VERIFIABLE

- In general, the only acceptable use of an affidavit would be as a complementary document, prepared and signed at the time of the test or inspection by an individual who would have reason to be familiar with the test or inspection.

COMPLETE

- Complete records are those in which the record is finalized as evidence by a signature, date or other appropriate marking.
- Incomplete or partial records are not an adequate basis for establishing MAOP or MOP.
- If records are unknown or unknowable, a more conservative approach is indicated.

(Obviously, records must pass the red-faced test.)

WHAT DOES THE ADB ADVISE?

- PHMSA hopes to use data from a revised gas transmission annual report to meet Congressional mandate due 7/2013.
  - Act requires PHMSA to direct gas transmission operators to provide verification that their records accurately reflect MAOP of Class 3/4 location and Class 1/2 HCAs
  - Information Collection Activity for revision of gas transmission annual report working through the process.
- PHMSA will later provide guidance on how to bring into compliance those pipelines without verifiable records.

WHAT DOES THE ADB FORESHADOW?

- PHMSA advises operators that information collection related to proposed changes to the gas transmission annual report will be used to inform a potential rulemaking related to:
  - The removal of the grandfather clause for gas pipelines;
  - A requirement to hydrostatically pressure test gas pipelines to establish MAOP.