

**Department of Transportation
Office of the Chief Information Officer**

**Supporting Statement
“Incident and Annual Reports for Gas Pipeline Operators”
OMB Control No. 2137-0522**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA, we) requests approval from the Office of Management and Budget (OMB) for an amendment of a currently approved collection entitled “Incident and Annual Reports for Gas Pipeline Operators” (OMB Control No. 2137-0522). The current expiration date for this information collection is January 1, 2013. The amendment of this information collection is necessary due to PHMSA actions that affect this information collection. The specific action is as follows:

- Docket No.: PHMSA-2008-0291 Updates to Pipeline and Liquefied Natural Gas (LNG) Reporting Requirements (One Rule)
 - Adds 114 responses and 15,782 burden hours as follows
 - o 1 Response and 10 hours (New LNG Incident Reporting Rqt)
 - o 113 Responses and 1,356 hours (New LNG Annual Reporting Rqt)
 - o 14,416 hours (Revised Gas Distribution Annual Report)

Part A. Justification

1. Circumstances that make collection of information necessary.

Gas pipeline releases can cause human injuries, fatalities, economic losses, and environmental damage. Rapid reporting, detailed incident reports, and annual summary reports all help to inform PHMSA and the public of release incident risks and trends. The National Transportation Safety Board (NTSB), the U.S. Department of Transportation’s Office of the Inspector General, and the General Accounting Office all urged PHMSA to collect this information. The information is an essential part of PHMSA’s overall effort to minimize natural gas transmission, gathering, and distribution pipeline failures. This information collection is being expanded to apply to LNG pipeline facilities.

The requirements for reporting incidents are in 49 CFR Part 191. The legislative authority for the requirements in 49 CFR Part 191 is at 49 U.S.C. 5121, 60102, 60103, 60104, 60108, 60117, 60118, and 60124. Additional authority for the requirements is at 49 CFR 1.53.

2. How, by whom, and for what purpose is the information used.

Pipeline operators will contact PHMSA immediately following pipeline incidents meeting the definition above. In addition, the operators must submit reports for every gas distribution/transmission and gathering pipeline incident and annual reports on an annual report form. The annual report form has query fields regarding incident cause categories, impacts, failure mechanisms, locations, and other details about natural gas pipeline incidents. PHMSA uses the information to track incidents and help guide future regulations to reduce future pipeline incidents. The new reporting (Incident and Annual) requirements for LNG facilities will be used in same manner.

PHMSA uses immediate telephonic notification (Section 191.5) to address ongoing safety issues related to an incident. The individual reports, for each incident (Sections 191.9 and 191.15) enable PHMSA to identify and evaluate existing and potential pipeline safety problems and perform safety trend analyses. The information is also essential for FERC reporting compliance.

The annual reports for gas distribution/transmission and gathering (Sections 191.11 and 191.17) are used for identifying existing or potential pipeline safety problems, to develop statistical and data/safety reports, and to develop benefit-cost analyses pertaining to pipeline safety. The new annual reports for LNG facilities can be used in the same manner.

Without the information collection, PHMSA would not be guaranteed timely notification of gas pipeline incidents, would lack the ability to track safety, and would lack a method to proactively identify trends and avoid potential safety issues.

3. Extent of automated information collection.

Pipeline operators are encouraged to file the incident and annual reports on-line, except in cases of imminent danger. As specified in the “One Rule”, PHMSA is requiring operators to submit all required reports electronically with an exception for those operators to whom electronic submissions would pose an undue burden and hardship.

4. Efforts to identify duplication.

PHMSA is the only federal agency that collects information related to distribution pipeline failures. No similar information is requested by the government or industry on distribution pipeline failures that occur between the point-of-sale to a distribution company and a customer’s meter.

The information collection on gas transmission and gathering pipelines is extremely limited in terms of scope and population of gas pipeline operators covered. The Department of Interior (DOI) collects information that is in some ways similar to that

collected by PHMSA, but the information DOI collects does not cover all gas transportation or gathering pipelines.

Operators are only required to submit one annual report for gas pipelines. Incidents will show up on both the incident form and the annual report. This duplication is necessary as PHMSA needs to be alerted immediately about incidents to respond to them, and at the year close to summarize the total number of incidents.

5. Efforts to minimize the effects on small business.

For PHMSA to be able to effectively carry out its legislative mandate and monitor natural gas pipeline safety, it is essential that both large and small operators of pipelines provide incident and annual reports.

6. Impact of less frequent collection of information.

PHMSA would not be able to assess the rate and locations of incidents to the gas distribution/transmission and gathering pipelines without the proposed information collection. Lack of telephonic notification may increase the risks to people and property if the release is ongoing. The biennial report to Congress mandated by 49 U.S.C. 60124(b) would not have current information without the annual reports. Less frequent information collection could compromise the safety and economic viability of the U.S. pipeline system.

7. Special circumstances.

There are two anticipated potential special circumstance regarding information collection with this renewal. First, operators having more than one reportable incident or accident within an officially recognized business quarter would have to file an incident report for each. Second, an operator may have one or more reportable incidents or accidents in the same quarter that their annual report is due. Operators, through their safety measures and vigilance, can avoid such circumstances. As such, PHMSA is not mandating information collection occur twice within a single quarter.

8. Compliance with 5 CFR 1320.8.

Docket #	Official Title	FR CITE	FR DATE
PHMSA-2008-0291 (One Rule)	Pipeline Safety: Updates to Pipeline and Liquefied Natural Gas Reporting Requirements	74 FR 31675 (NPRM)	July 2, 2009
Comments: The comment period ended August 31, 2009. The detailed comments and PHMSA response are specified in the attached draft of the final rule.			

9. Payments or gifts to respondents.

There is no payment or gift provided to respondents associated with this collection of information.

10. Assurance of confidentiality.

The recordkeeping requirements of this information collection do not include anything of a sensitive nature or of any matters considered private. Therefore, we do not foresee any need to assure confidentiality of the information to be collected.

11. Justification for collection of sensitive information.

The recordkeeping requirements of this information collection do not involve questions of a sensitive nature.

12. Estimate of burden hours for information requested.

Estimate of annual burden hours:

37,845 hours (Currently approved)
10 hours (LNG Incident Report)
1,356 hours (LNG Annual Report)
+ 14,416 hours (Revised Gas Transmission Report)
53,627 hours Total Annual Burden Hours

Telephonic Notice of Certain Incidents (Section 191.5) w/570 Responses

Based on past estimates, there was an annual average of 570 telephonic reports. PHMSA estimates that these reports are estimated to require 30 minutes for operators to complete. The total time is expected to be 285 hours (= 570 reports x 0.5 hours).

Incident Reports for gas distribution systems (Section 191.9) and gas transmission, liquefied natural gas (+1), and gathering systems (Section 191.15) w/301 responses

(Gas transmission/gathering and distribution Incident Reports)

Based on the number of incident submission over the past decade (1999 – 2008), natural gas incidents on distribution/transmission and gathering lines are estimated be submitted at an annual rate of 300 incident reports/year (approx. 150 transmission incident reports and 150 distribution incident reports). PHMSA estimates that each form takes 10 hours to complete. This results in an estimated burden hours total of 3,000 hours (300 responses * 10 hours/response).

(New LNG Incident Reports)

PHMSA estimates the information collection burden related to the new incident reporting requirements LNG facility operators would be approximately 10 hours annually (1 LNG report per year *10 hours to prepare each report)].

Incident Burden Total

The total burden due to all of the above types of incident reports is 3,010 hours (3,000 hrs gas distrib and transmission + 10 hrs LNG)

*Annual Reports for gas distribution systems (Section 191.11) and gas transmission, and gathering systems, **LNG Facilities (+113)** (Section 191.17) w/2,993 responses*

Annual reports are required for all 2,293 (1,343 distribution + 950 transmission+113 LNG) operators of gas distribution, gas transmission and gathering pipelines, and LNG facilities. PHMSA estimates that, with the exception of transmission and gathering system annual reports, each annual report will require 12 hours of work to complete. An explanation of the estimated burden hours for annual reports is detailed as follows:

A. Distribution Systems Annual Report (17,280 hours)

Currently, PHMSA estimates that 1,262 Distribution operators will submit an estimated 1,440 reports. The number of operators is about 114% of the number of distribution operators. This will yield an estimated 17,280 hours (12 hours * 1,440).

B. Transmission Systems Annual Report (**REVISED +31,696 hours**)

PHMSA averages approximately 1,440 gas transmission annual reports each year. Previously, each report took approximately 12 hours to complete for estimated burden of 17,280 hours (1,440 reports*12 hours). PHMSA estimates that with the form changes, not including the Integrity Management Reporting portion, will result in an additional 2 hours to complete for an estimated burden of 20,160 hours ((1,440 reports *(12+2 hours)). In addition, PHMSA is adding the bi-annual Integrity Management Program (IMP) Reporting requirements into the gas transmission annual report. The Gas Transmission IMP reporting requirements only apply to 721 operators. Each of these operators is estimated to take approximately 16 hours to complete their Gas Transmission IMP reporting requirements for a total of 11,536 hours (721 operators * 16 hours) on the IMP reporting requirements alone. Therefore, the total burden hour estimate for gas transmission annual report is **31,696 hours** (20,160 hours + 11,536) with an average of 22.01 hours per form (31,696 hours/1440). This calculates as an estimated increase of 14,416 hours (31,696 hours – 17,280 hours).

C. LNG Annual Report (**NEW 1,356 hours**)

PHMSA estimates the information collection burden related to preparing the newly added LNG annual reports would be approximately **1,356 hours** (113 LNG facility operators * 12 hours to prepare the report) per year.

Total Hours:

Telephonic Notification (285 hours) + Incident Reports (**3,010 hours**) + Annual Reports (17,280+**31,696**+**1,356**) = **53,627 hours**

13. Estimate of total annual costs to respondents.

PHMSA assumes that the reporting would be made by an engineering manager, who is expected to cost, fully loaded, \$68.60 per hour.

The total annual estimated costs for this information collection with all of the incorporated proposals would be \$3,678,812.20 (= \$68.60 * 53,627 hours)

14. Estimate of cost to the Federal Government.

PHMSA already reviews the incident and annual reports. PHMSA does not expect there will be any additional cost for the Federal government.

15. Explanation of program changes or adjustments.

A. Revising 49 CFR § 191.15 to include require incident reporting for LNG Facilities (One Rule).

Result: Additional 1 Response and 10 burden hours (Annual Basis).

B. Requiring LNG facility operators to file annual Reports (One Rule).

Result: Additional 113 Responses and 1,356 burden hours (Annual Basis).

C. Merging the NG transmission integrity management (IM) Semi-Annual Performance Measures Report with the gas transmission annual reports in addition to other revisions to the gas transmission annual report. (One Rule).

Result: Burden Hour Increase of 14,416 hours. (Annual Basis).

16. Publication of results of data collection.

PHMSA will summarize the incident and annual reports post the results on PHMSA's website.

17. Approval for not displaying the expiration date for OMB approval.

PHMSA will display the expiration date.

18. Exceptions to certification statement.

There are no exceptions to the certification statement.

Attachments:

Attachments (in ROCIS) Include:

Attachment	Description
One Rule NPRM	

Draft of One Rule (final)	Includes Summary of comments and PHMSA response
Clean Gas Distribution Annual report (PHMSA F-7000-1)	Finalized Form

Part B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.

1. Describe potential respondent universe and any sampling selection method to be used.

There is no potential respondent universe or any sampling selection method being used.

2. Describe procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

There are no procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

3. Describe methods to maximize response rate.

There are no methods to maximize the response rate.

4. Describe tests of procedures or methods.

There are no tests of procedures or methods.

5. Provide name and telephone number of individuals who were consulted on statistical aspects of the information collection and who will actually collect and/or analyze the information.

There were no individuals consulted on statistical aspects of this information collection.