

## OMB Control # 2137-0614

### One Rule Comments Specific to Haz Liquid Annual Report

#### Comments

##### Q1. General Comments

API and AOPL commented that mileage should be reported to the nearest mile rather than to three decimal places citing a lack of need or justification for the proposed level of precision. API and AOPL also commented that reporting by state should be limited to infrastructure data (e.g., miles by state) and that by-state reporting of IM data should be required for intrastate pipelines only because interstate hazardous liquid pipelines are operated as systems and operators do not keep or track data by state. They noted that reporting all data by state would be a significant increase in burden with no corresponding increase in safety.

##### A1. Response

PHMSA agrees that reporting of mileage to three decimal places is unnecessary yet notes that for those pipelines less than one mile in length it would be unclear whether zero or one should be reported, if reporting were by mile. PHMSA has revised the form to allow reporting to one decimal place and has indicated that rounding to the nearest mile is allowed.

PHMSA also agrees that reporting all IM data by state is unnecessary. PHMSA has revised the form and instructions to require that IM data be reported once for all interstate pipelines under an OPID. We will continue to require data for intrastate pipelines to be reported by state.

##### Q2. Part A - Operator Information

API and AOPL submitted a number of comments on this part. They recommended that PHMSA -

- Make explicit the implication in the first box of question 5 that lines that cannot affect an HCA need not be in an IM program.
- Clarify question 5 regarding how information for companies under a common IM program is to be collected. Specifically, they contended that operators of pipelines that are under a common

program should not be required to be report data that will be reported for the OPID under which the common program is managed.

- Delete question 7, which asks operators to list the states in which their inter- and intrastate pipelines are located, since this duplicates information collected elsewhere on the form.
- Combine the first two sub-blocks of Question 8, Part 3 because mergers and acquisitions can be confused.
- Revise question 4 to add space for state and zip code..

## A2. Response

PHMSA has revised Question 5 but has not accepted all of the suggestions. While in most cases pipelines that cannot affect an HCA are not in an IM program, that is not universally true. Some pipelines that cannot affect HCAs are covered by an IM program as a result of special requirements imposed by compliance orders or as conditions of a special permit, for example. PHMSA expects IM data for these pipelines to be reported as part of the annual report. IM data is to be reported by individual OPID and not as part of a common program, as discussed above. PHMSA has revised question 5 and the instructions to make this clear. The revised question simply asks whether the pipelines and pipeline facilities under the OPID being reported are under an IM program. If not, the form indicates which parts (i.e., those collecting IM-related data), need not be completed.

PHMSA has revised question 6. Although we received no comments on this question, review of the form to address other comments revealed that PHMSA had omitted biofuels/ethanol as a commodity type. On August 10, 2007, PHMSA published in the Federal Register (72 FR 45002) a determination that transport of unblended biofuels by pipeline is under its jurisdiction and has previously revised the accident report form (PHMSA F 7000-1) to include this commodity type. Operators would select this commodity type in question 6 for pipelines that predominantly carry unblended biofuels. Transportation of biofuels blended with refined petroleum products would be reported as Petroleum Products / Refined Products. PHMSA is aware of only a limited number of miles of U.S. pipelines in Florida and Texas that currently transport unblended biofuels, but notes that some operators have expressed an interest in constructing such pipelines.

PHMSA has retained question 7. There is little burden associated with answering these questions given that operators are aware of the states in which their pipelines are located. Answering this question in Part A helps position the operator to complete the remainder of the form. The answer also provides an opportunity for PHMSA to cross-check that necessary data is, indeed, reported for all appropriate states as part of its ongoing efforts to assure data quality.

PHMSA has revised question 8 in response to the API and AOPL comment and to comments made with regard to a similar question on the gas transmission and gathering pipeline annual report form. PHMSA has combined the blocks operators would use to report changes due to mergers and acquisitions because these two terms can be confused and there is no reason to report the events separately. PHMSA has also revised question 8 to indicate that operators who have experienced no changes need not complete many sections of the form for which data would be identical to that reported in the prior year. (Note that this is not applicable to reporting on this form for calendar year 2010 because the data will be reported for the first time during that year). This will reduce the reporting burden for operators who do not experience changes to their pipeline systems. Operators who experience changes due to any of the reasons listed in question 8 must complete the entire form.

There has been some confusion regarding the intent of question 8. In particular, comments submitted with respect to the gas transmission and gathering pipeline annual report form suggested that the question was unnecessary because virtually all operators would experience one of the listed changes during any given year. In response, PHMSA notes that simply experiencing such a change does not lead to a “yes” answer to this question. Instead, “yes” indicates that the numbers reported on the prior year’s form have changed as a result of one of the listed events. PHMSA intends to use the responses to this question to understand why reported data changes for a given operator from year-to-year and to help prioritize its inspection activities. In addition, by eliminating the requirement for operators who have not experienced changes that affect data reported previously to report the same data again will improve data quality by avoiding collection of inaccurate data due to data entry errors. For example, operators who experience a modification to their pipeline (one of the listed changes) but for whom that modification results in no change to the numbers reported on the prior year’s annual report would answer “no” to question 8 and would not have to complete the bulk of the form (except for the reporting of calendar year 2010 data). PHMSA has made editorial changes to the form to emphasize this.

PHMSA has also changed the form to allow state and zip code information to be entered for the operator headquarters' address.

### **Q3.** *Part C - Volume Transported in Barrel-Miles*

API and AOPL recommended allowing reporting for more than one commodity, adding columns for crude oil, refined products, HVL, and CO2. They maintained that these changes would return to the intent of the current form.

### **A3.** Response

PHMSA had revised this part of the form to reflect the requirement that operators must file separate annual reports for each pipeline carrying a different commodity type. PHMSA recognizes that the operator files only one annual report for each pipeline system based on the commodity predominantly carried. PHMSA has restored the option to report volume for all commodities, as suggested by API and AOPL, thus eliminating the possibility of double reporting mileage of batched systems.

### **Q4.** *Part D - Miles of Pipe by Corrosion Protection and Part H - Miles of Pipe by Nominal Pipe Size*

API and AOPL suggested that we revise the titles of these parts to explicitly apply to steel pipe.

### **A4.** Response

Corrosion prevention, the subject of Part D, only applies to steel pipe and PHMSA has revised the title of this part accordingly. Part H applies to all pipe. PHMSA recognizes that most pipe in hazardous liquid pipeline systems is steel, nevertheless, there is some non-steel pipe in some systems. PHMSA has not revised the title of Part H and expects operators to report this data for all pipe materials.

### **Q5.** *Part F - Integrity Inspections Conducted and Actions Taken Based on Inspection*

*API and AOPL suggested a number of changes for this part:*

- Refer to “could affect an HCA” vs. “HCA affecting.” The former is defined in the regulations while the latter is not.
- Refer to “anomalies repaired” vs. “conditions repaired” for consistency with the Plastic Pipe Data Committee reporting. They would have the instructions refer to API RP 1163 for a definition of “anomaly.”
- Clarify that repairs are to be reported for the year in which the repair is made rather than the year in which an assessment was conducted.
- Add actions (e.g., repairs) for ruptures that occur during pressure tests.
- Add an option to question 1 for a combination ILI tool, since use of combination tools is becoming more prevalent.
- Clarify that the state identifier is required only for intrastate pipelines.

#### A5. Response

PHMSA agrees it is better to use terms defined in the regulations, and has revised the form to use “could affect an HCA” rather than “HCA affecting.”

The regulations refer to repairs that must be made following IM assessments as “conditions” (i.e., immediate repair conditions, 60-day conditions, 180-day conditions). PHMSA has retained use of this term for those elements of questions in Part F that refer to repairs made that are required by the rule. PHMSA has revised the form to use the term “anomaly” for those elements that refer to repairs made as a result of an operator’s criteria, which may be different than those in the rule. PHMSA has not adopted the suggestion to refer to API RP 1163 for the definition of anomaly. API RP 1163 is not currently incorporated by reference into the Code of Federal Regulations. Further, PHMSA considers it more important to understand anomalies that operators determine require repair. Operators may use the definition in API RP 1163 or they may use a different definition. Data concerning the number of repairs made as a result of operator-defined repair criteria should be reported in terms of the number of repairs actually made, regardless of a formal definition of the term “anomaly.”

PHMSA has clarified that data to be reported for pressure test ruptures should reflect the number of repairs made. PHMSA has also revised the header for Part F to clarify that the state identifier is only applicable to intrastate pipeline systems.

PHMSA has not modified the list of tool types to include a combination tool. PHMSA recognizes that combination tools are becoming more common. When using such a tool, an operator is inspecting its pipeline using each of the tools included in the combination, and the number of miles inspected should be reported for each of those tool types. Reporting the data once for a “combination” tool would confuse the data concerning the prevalence of different ILI inspection methods.

**Q6.** *Part G – Miles of Baseline Assessments and Reassessments Completed (HCA-Affecting Segment Miles Only)*

API and AOPL would delete this part because the baseline period is over for all pipelines and collecting assessments by vintage would add confusion while adding no useful information. They further commented that PHMSA should clarify that the state identifier is only required for intrastate pipelines, if PHMSA retains this part.

**A6.** Response

PHMSA has not deleted this part. Contrary to API’s and AOPL’s assertion, the baseline period is not over for all pipelines. The baseline period is still running for rural low-stress pipelines recently made subject to Part 195, for example. New baseline assessments can also be expected as a result of new HCAs and new pipelines. PHMSA has revised this part to require data for baseline assessments and reassessments and has eliminated the need to report mileage by the vintage of reassessment (e.g., first, second). PHMSA agrees that this could be confusing, particularly when new HCAs develop near pipelines already assessed. PHMSA expects that data will show a significant drop in the number of conditions requiring repair as a result of reassessments compared to baseline assessments but does not expect the same trend between reassessments.

PHMSA has clarified that the state identifier is only required for intrastate pipeline systems.

**Q7.** *Part J - Miles of Pipe by Specified Minimum Yield Strength*

API and AOPL would limit this part to a report of pipe above or below 20% SMYS because the additional categories are of limited use.

## A7. Response

PHMSA has retained the proposed breakdown for this part. There are few categories in addition to the two suggested by API-AOPL (i.e., above and below 20 percent SMYS). The limited additional data required addresses non-steel pipe. Pipeline operators should acquire this data wherever possible. This data is important to pipeline operators so that they know where this pipe is and take it into account in the risk analyses required by IM regulations.

PHMSA has also modified this part to include rural low-stress pipelines not generally subject to the safety requirements of Part 195. Section 195.48, added by rulemaking on June 3, 2008 (73 FR 31634), imposed the reporting requirements of Subpart B, including the requirement to submit annual reports, on operators of these pipelines. These reporting requirements were necessary so that PHMSA could collect data for the second phase of its rulemaking addressing rural low-stress pipelines. The data must be segregated so that it can be used for this purpose. The changes to Part J accommodate reporting by these new reporting operators and PHMSA's data needs.

## Q8. *Part K - Miles of Regulated Gathering Lines*

API and AOPL would clarify that the first row in this part requires reporting of pipelines less than “or equal to” 20% SMYS. They would also delete the row for non-steel pipe operating at greater than 125 psi, since non-steel pipe is not allowed in hazardous liquid pipeline systems.

## A8. Response

PHMSA agrees that the first row should be “less than or equal to” 20% SMYS to be consistent with the definition of regulated gathering lines and has revised the form accordingly. PHMSA has not deleted reference to non-steel pipeline operating above 125 psi. The regulations acknowledge that some pipe of this type may exist within gathering pipeline systems (see 195.11(a)(3)(ii)).

## Q9. *Part L – HCA-Affecting Segment Miles of Pipe by Type of HCA*

API and AOPL recommended revising this part to report the total onshore and offshore HCA miles and not miles by HCA type. API and AOPL contended that operators do not keep data on mileage by HCA type given that all types are treated the same within an IM program.

#### **A9.** Response

PHMSA considers that the mileage of pipeline that could affect HCAs of various types is important to its ability to analyze risks. PHMSA also considers that this data should have value for operators performing risk analyses required by IM requirements. PHMSA has retained this part as proposed.

#### **Q10.** *Part M - Breakout Tanks*

API and AOPL requested that we revise this part to allow operators to alternatively report information on breakout tanks to either to the NPMS or on the annual report.

#### **A10.** Response

We considered the past practice of allowing the option of filing breakout tank information via either the annual report or via the NPMS and determined that this option causes potential ambiguities in the data. Accordingly, we are eliminating the option to file this information via NPMS.

#### **Q11.** *Instructions*

API and AOPL noted that the instructions need to address electronic filing and the process for applying for alternate reporting methods. API and AOPL also suggested that the instructions refer to Appendix A of Part 195 for examples of inter- and intra-state pipelines and that the definitions in the instructions be made consistent with those used for accident report forms.

The instructions for Part G instruct reporting parties to compare the total completed and scheduled assessment mileage to the mileage reported in Part B, to identify any discrepancies, and to submit corrections via a supplemental report, as needed. API and AOPL contended that this could be interpreted to require correction of data reported in prior years based on current-



year data. API and AOPL requested that PHMSA clarify its intent because this could misrepresent the IM data collected for prior years.

**A11.** Response

PHMSA has revised the instructions to address the requirements to apply for non-electronic filing and to refer to Appendix A to Part 195 for further information on determining inter- and intrastate pipeline systems.

PHMSA has also clarified the instructions for Part G to explain that supplemental reports should not be submitted for prior years based on current-year data. Errors in prior year reporting that may be identified as a result of collecting and reviewing data for a new annual report should be addressed by submitting a supplemental report for the appropriate year.