

**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 November 11, 2011. 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-2004-19854 (RIN-AE60) Mechanical Fitting Rule (DIMP 2 Rule)
  - Revises **Gas Distribution Annual Report** to only incorporate performance measures from the Distribution Integrity Management Program (DIMP) Rulemaking which will add 5,760 hours.
  - Include a new form for Gas Distribution operators to report **Mechanical Fitting Failures** which will add 18,000 Responses and 18,000 hours.

**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.

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.

PHMSA uses this information to gather annual, and incident, and failure information from gas pipeline operators. The term “gas pipeline operators” includes Gas Transmission operators, Gas Distribution operators, and LNG pipeline facility operators.

This collection is broken down into two categories (Annual reporting and Incident Reporting).

A. Annual Reporting: PHMSA collects annual information from gas pipeline operators via annual reports. 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 annual report forms are identified as follows:

- **Gas Distribution Annual Report** (Revisions detailed in question “15”)
- Gas Transmission Annual Report
- LNG Annual Report

Gas Distribution operators are now required to submit **Mechanical Fitting Failure reports (PHMSA F-7100.1-2)** on an annual basis. This new requirement is detailed under question “15”. PHMSA will use the new mechanical fitting failure report to look for trending information relative to such failures in an effort to find ways to reduce future failures. These reports will be filed by operators of gas distribution pipeline systems.

B. Incident Reporting: Gas pipeline operators are required to provide immediate notification, in accordance with § 191.5, following pipeline incidents as defined in § 191.3. PHMSA uses these immediate notifications to address ongoing safety issues related to an incident.

In addition, PHMSA requires gas pipeline operators to submit incident reports. These incident reports 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 incident reports are identified as follows:

- Gas Distribution Incident Report
- Gas Transmission Incident Report
- LNG Incident Report

The information from annual and incident reports 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.

3. Extent of automated information collection.

As specified in the recently published “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. Pipeline operators are encouraged to file the incident and annual reports on-line at [www.opsweb.phmsa.dot.gov](http://www.opsweb.phmsa.dot.gov). In an effort to facilitate electronic collection, PHMSA has established a process to collect base information from operators prior to their submissions. This information will be used by PHMSA to create a “profile” for each operator that is used for each report submission. “Base information” includes basic identifiers such as Company Name, Address, and Contact information. These identifiers appear on each of the Report forms covered by this information collection.

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.

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.

A. Incident Reporting: PHMSA would not be able to assess the rate and locations of incidents to the gas distribution/transmission and gathering pipelines without this information collection. Lack of immediate notification to the National Response Center via phone or e-mail as specified in § 191.5 may increase the risks to people and property if the release is ongoing.

B. Annual Reporting: 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-2004-19854 (DIMP)	Pipeline Safety: Integrity Management Program for Gas Distribution (DIMP)	74 FR 63906 (Final Rule)	December 4, 2009
Comments: The comment period ended February 4, 2010. The detailed comments and PHMSA responses are specified in the Supplemental Notice described below.			
PHMSA-2004-19854 (Supplemental Notice)	Pipeline Safety: Information Collection Gas Distribution Annual Report Form	75 FR 36615 (Final Rule)	June 28, 2010
Comments: PHMSA set up this supplemental request for comments to discuss the comments received from the 60-day notice specified above and gather comments on the resulting revision to the Gas Distribution Annual Report. The comment period ended July 28, 2010. The detailed comments and PHMSA responses are specified in the attached draft of the Mechanical Fitting 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.

This information collection does 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.

This information collection does not involve questions of a sensitive nature.

12. Estimate of burden hours for information requested.  
Estimate of annual burden hours:

- 53,627 hours (Currently approved)
- 5,760 hours (Revised Gas Distribution Annual Report)

+ 18,000 hours (Mechanical Fitting Failure Report)  
**77,387 hours Total Annual Burden Hours**

*(a) Immediate Notice of Incidents (Section 191.5) w/570 Responses*

Gas Pipeline operators are required to provide immediate notification of incidents as detailed in § 191.5. Based on past estimates, there was an annual average of 570 immediate notifications. PHMSA estimates that these notifications 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).

*(b) Incident Reports for gas distribution systems (Section 191.9) and gas transmission, liquefied natural gas, 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. There PHMSA estimates and annual burden hour total of 3,000 hours (300 responses \* 10 hours/response).

*(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)

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

Annual reports are required for all 2,375 (1,343 distribution + 950 transmission+82 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:

**1. Distribution Systems Annual Report (REVISED 23,040 hours)**

Currently, PHMSA estimates that 1,343 Distribution operators will submit an estimated 1,440 reports. This will yield an estimated 17,280 hours (12 hours \* 1,440). PHMSA estimates that the revisions to the Distribution Systems Annual Report will add 4 hours to each report for a total of 16 hours per report. This will result in an annual burden hour

estimate of **23,040 hours** (16 hours \* 1,440 reports). This is a burden **increase of 5,760 hours** (23,040 hours – 17,280 hours)

2. Transmission Systems Annual Report (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 recent form changes from the One Rule, not including the Integrity Management Reporting portion, resulted in an additional 2 hours to complete for an estimated burden of 20,160 hours ((1,440 reports \*(12+2 hours)). In addition, PHMSA used the One Rule to add 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).

3. LNG Annual Report (1,356 hours)

PHMSA estimates that there are 82 LNG pipeline operators for 113 LNG facilities. PHMSA estimates the information collection burden related to preparing the newly added LNG annual reports would be approximately 1,356 hours (113 LNG facilities\* 12 hours to prepare the report) per year.

*(d) Mechanical Fitting Failure Reports for gas distribution systems w/18,000 responses*

**Mechanical Fitting Failure Reports (NEW; 18,000 hours)**

PHMSA is incorporating a new mechanical fitting failure report for Gas Distribution operators. PHMSA is requiring that operators submit this information on annual basis along with an option to report throughout the year. PHMSA estimates that 1,343 Distribution operators will submit an estimated 18,000 reports. PHMSA estimates that it will take each operator approximately 1 hour to file each report for an annual burden of 18,000 hours (1 hour per report \* 18,000 reports).

***(e) Total Hours:***

Telephonic Notification (285 hours) + Incident Reports (3,010 hours) + Annual Reports (23,040+31,696+1,356) + Mechanical Fitting Failure Report (**18,000 hours**) = **77,387 hours**.

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 \$5,308,748.20 (= \$68.60 \* 77,387 hours)

13. Estimate of total annual costs to respondents.

There are no costs to respondents other than the annual estimated costs specified in Question 12.

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 Gas Distribution Systems Annual Report to include Distribution Integrity Management Program Performance Measures. (Mechanical Fitting Rule (DIMP 2))**

**Result:** Additional 5,760 hours (Annual Basis).

**Summary:** PHMSA is using this information collection to incorporate the Integrity Management performance measures for Gas Distribution operators into the annual gas distribution report. On December 4, 2009, PHMSA published a final rule to require operators of gas distribution pipelines to develop and implement integrity management (IM) programs. The final rule was effective February 12, 2010. To address the annual reporting requirement impacted by the new rule, PHMSA has revised the Gas Distribution System annual report form [PHMSA F 7100.1-1] to incorporate new data elements and sections related to the gas distribution IM performance measures.

**B. New Mechanical Failure Report that was taken out of the proposed revision to the Gas Distribution Annual Report based on comments received. (Mechanical Fitting Rule (DIMP 2))**

**Result:** Additional 18,000 Responses and 18,000 burden hours (Annual Basis).

**Summary:** PHMSA is using this information collection to implement the use of a new form for gas distribution operators to collect mechanical fitting Failure information. This information was initially proposed to be included in the Gas Distribution Annual report. Upon further review, PHMSA determined to create a separate form to collect mechanical fitting failure report information.

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:

<b>Attachment</b>	<b>Description</b>
DIMP Final Rule	The DIMP final rule included a 60-day request for comments on the proposed revisions to the Gas Distribution Systems Annual Report
Supplemental FR Notice	PHMSA issued a supplemental 30-day notice to provide responses to the 60-day notice and allow for additional comments on the resulting revisions to the Gas Distribution Annual Report
Draft of Mechanical Fitting Final Rule	This is a draft of the final rule that incorporates PHMSA's revisions to the pipeline safety regulations to close out the DIMP final rule. The final rule also details PHMSA responses to the comments received on the Supplemental FR Notice and will announce either OMB's approval or pending approval.



**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.