

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

Supporting Statement

**“Incident and Annual Reports for Gas Pipeline Operators”
OMB Control No. 2137-0522
Docket No. PHMSA-2011-0023**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests approval from the Office of Management and Budget (OMB) for an extension and 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 October 31, 2017. This request is necessary due to the following PHMSA action that will affect the current collection of information:

Docket No. PHMSA-2011-0023:- Safety of Gas Transmission and Gathering Pipelines
- Adds 16 responses and 96 burden hours for reporting.

The revisions to this information collection are detailed under Part A, 15.

Part A. Justification

1. Circumstances that make collection of information necessary.

The reports contained within this information collection support the Department of Transportation’s strategic goal of safety. 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 annual reporting and incidents are in 49 CFR Part 191. The PHMSA delegation of authority is found in 49 CFR 1.97 which allows for PHMSA to exercise the authority vested in the Secretary in under Chapter 601 of title 49, U.S.C. The specific legislative authority cites for the requirements in 49 CFR Part 191 include 49 U.S.C. 60102, 60103, 60104, 60108, 60117, 60118, 60124 and the recently revised 60139.

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 Transmission Annual Report
- LNG Annual Report

Gas Distribution operators are also required to submit Mechanical Fitting Failure reports (PHMSA F-7100.1-2) on an annual basis. PHMSA uses the 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 are 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.

PHMSA requires 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 online at www.opsweb.phmsa.dot.gov.

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 no special circumstances within this request.

8. Compliance with 5 CFR 1320.8.

PHMSA published a Notice of Proposed Rulemaking in the Federal Register [81 FR 20722] on April 8, 2016. Comments will be addressed following the close of the comment period.

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.

While this information collection does not include any matters considered private, PHMSA does not have the authority to guarantee confidentiality.

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:

- Currently Approved Hours: 92,321 (69,281) hours
- Estimated Annual Burden Hours: 84,836 hours

PHMSA estimates that this revision will add **500 responses** and **15,555 burden hours** to the currently approved information collection to account for the new reporting requirements in the proposed rule detailed below:

PHMSA is revising the Gas Transmission Incident report to incorporate Moderate Consequence Areas and to address Gathering line operators that are only subject to reporting. PHMSA estimates that operators of currently exempt gas gathering pipelines will have to submit incident reports for 27.5 incidents over the next three years, an average of 9 reports annually. However, the proposed rule is expected to reduce the number of incidents by at least 10 each year which would result in a cumulative increase of zero incidents.

PHMSA is also revising the Gas Transmission and Gas Gathering Annual Report to collect additional information including mileage of pipe subject to the IVP and MCA criteria. Based on the proposed revisions, PHMSA estimates that an additional annual 500 reports to the current 1,440 reports will be submitted based on the required reporting of non-regulated gathering lines and gathering lines now subject to certain safety provisions. Further PHMSA estimates that the Annual report will require an additional 5 hours/report to the currently approved 42 hours due to collection of MCA data and IVP provisions. Therefore the overall burden allotted for the reporting of Gas annual reports will increase by 30,700 hours from 60,480 hours (42 hours*1,440 reports) to 91,180 hours (47 hours*1,940 reports).

(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 past incident data, 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). PHMSA is revising the Gas Transmission Incident report to incorporate Moderate Consequence Areas (MCAs) and address gathering line operators that are only subject to reporting. PHMSA estimates that operators of currently exempt gas gathering pipelines will have to submit incident reports for 27.5 incidents over the next three years, an average of 9 reports annually. However, the proposed rule is expected to reduce the number of incidents by at least 10 each year which would result in a cumulative increase of zero incidents.

(LNG Incident Reports)

PHMSA estimates the information collection burden related to incident reporting requirements for LNG facility operators to 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 hours gas distribution and transmission + 10 hours LNG)

(c) Annual Reports for gas distribution systems (Section 191.11), gas transmission, and gathering systems, LNG Facilities (Section 191.17) w/3,493 responses (includes 500 additional 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 (23,040 hours)

PHMSA estimates that 1,343 Distribution operators will submit an estimated 1,440 reports. PHMSA estimates that each Distribution Systems Annual Report will take 16 hours to prepare and submit. This will result in an annual burden hour estimate of 23,040 hours (16 hours * 1,440 reports).

2. Transmission Systems Annual Report (91,180 hours (**incl. +30,700 hours**))

PHMSA averages approximately 1,440 gas transmission annual reports each year. Currently, PHMSA estimates that each annual report form takes an average of 42 hours

to complete for a total of 60,480 hours (1,440 reports * 42 hours). Based on the revisions to the annual report form due to the proposed rule, PHMSA estimates that the average for each annual report form will increase by 5 hours for a total burden of 47 hours per report. PHMSA is also proposing to increase the reporting scope to include gathering line operators that were previously not regulated. PHMSA estimates that this will result in 500 additional reports and **30,700 additional burden hours** for this collection. This will result in a total of 1,940 annual reports (1,440 +500) for a total of **91,180 hours** (1,940 annual reports * 47 hours).

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 LNG annual reports to 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/8,300 responses

Mechanical Fitting Failure Reports (4,150 hours)

PHMSA requires operators to submit mechanical fitting failure reports for Gas Distribution operators on annual basis along with an option to report throughout the year. PHMSA estimates that 1,343 Distribution operators will submit an estimated 8,300 reports. PHMSA estimates that it will take each operator approximately 30 minutes to file each report for an annual burden of 4,150 hours (30 minutes per report * 8,300 reports).

(e) Total Hours:

Immediate Notification (285 hours) + Incident Reports (3,010 hours) + Annual Reports (23,040+91,180+1,356) + Mechanical Fitting Failure Report (4,150 hours) = 123,021 hours.

(f) Total Responses:

Immediate Notification (570 responses) + Incident Reports (301 responses) + Annual Reports (1,440+1,940+113 responses) + Mechanical Fitting Failure Report (8,300 responses) = 12,664 responses.

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 \$7,078,285.20 (\$68.60 * 103,182 hours).

14. Estimate of cost to the Federal Government.

PHMSA spends an estimated cost of \$405,101 to operate and maintain this information collection. Operations and maintenance includes PRA compliance, interface improvements, database management, planning, revisions, and customer service.

| | Monthly Average (Hrs) | Hourly Rate | Annual Hours | Total Costs |
|--|-----------------------|-------------|--------------|-------------|
| Salary Costs* | 7 | \$38.82/hr | 84 | \$3,260 |
| Contracting Costs** - Gas Incident Forms (GT, GD, LNG) | 117.5 | \$128.50/hr | 1410 | \$181,185 |
| Contracting Costs- MFF Form | 23.5 | \$120.38/hr | 282 | \$33,947 |
| Contracting Costs- Gas Annual Forms (GT, GD, LNG) | 129.25 | \$120.38/hr | 1551 | \$186,709 |
| TOTAL | | | | \$405,101 |

15. Explanation of program changes or adjustments.

a) Revision of gas transmission incident report

PHMSA is revising the Gas Transmission Incident report to incorporate Moderate Consequence Areas and to address Gathering line operators that are only subject to reporting.

b) Revision of annual report and burden

PHMSA is revising the Gas Transmission/Gathering Annual Report to collect additional information relating to the mileage of pipe subject to the proposed Integrity Verification Programs and MCA criteria. PHMSA is also revising some of the sections in the forms related to repairs. PHMSA estimates that these changes to the annual report will require an additional 5 hours per report. This increases the currently approved 42 hours per annual report to 47 hours per annual report.

PHMSA is also proposing to increase the reporting scope to include gathering line operators that were previously not regulated. PHMSA estimates that this will result in 500 additional reports. This will result in an estimated total of 1,940 annual reports (1,440 +500) for a total of 91,180 hours (1,940 annual reports * 47 hours).

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.