**DEPARTMENT OF TRANSPORTATION**

**OFFICE OF THE CHIEF INFORMATION OFFICER**

**SUPPORTING STATEMENT**

**“Incident Reports for Natural Gas Pipeline Operators”**

**OMB Control No. 2137-0635**

**Docket No. PHMSA-2018-0046**

**RIN 2137-AF36**

Introduction

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests approval from the Office of Management and Budget (OMB) for a revision of a currently approved collection entitled “Incident Reports for Natural Gas Pipeline Operators” (OMB Control No. 2137-0635). The current expiration date for this information collection is January 31, 2023.

The amendment of this information collection is necessary due to the following PHMSA action that will affect the current collection of information:

**Docket No. PHMSA-2018-0046 - Pipeline Safety:  Gas Pipeline Regulatory Reform**

* Reduces burden by 42 responses and 504 hours for incident reporting activities.
* Revises the Gas Distribution Incident Report to collect incident data on mechanical joint failures that arise to the level of a reportable incident in 49 CFR 191.3.

Part A. Justification

1. Circumstances that make the 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 reporting 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 include49 U.S.C. 60102, 60103, 60104, 60108, 60117, 60118, 60124 and the recently revised 60139.

1. How, by whom, and for what purpose is the information to be used.

PHMSA uses this information to gather incident and failure information from gas pipeline operators, which includes operators of both gas distribution and gas transmission pipelines, and operators of liquefied natural gas facilities. These 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 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.

1. 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. PHMSA estimates that approximately 95% of submissions are completed electronically. Pipeline operators are encouraged to file the incident and annual reports on-line at www. phmsa.dot.gov.

1. 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 transmission or gathering pipelines.

1. Efforts to minimize the burden on small businesses.

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. For those operators to whom electronic submissions would pose an undue burden and hardship, PHMSA allows alternative options for submission.

1. Impact of less frequent collection of information.

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.

1. Special Circumstances.

There are no special circumstances within this request.

1. Compliance with 5 CFR 1320.8(d).

PHMSA published a Notice of Proposed Rulemaking [85 FR 35240] on June 9, 2020. Comments received were addressed in the preamble section of the Final Rule.

1. Payment or gifts to respondents.

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

1. Assurance of confidentiality.

PHMSA does not have the authority to guarantee confidentiality.

1. Justification for collection of sensitive information.

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

1. Estimate of burden hours for information requested.

|  |  |
| --- | --- |
| Current Number of Reponses: 301 | Proposed Number of Responses: 259 |
| Current Burden Estimate: 3,612 hours | Proposed Burden Estimate: 3,108 hours |

Currently PHMSA estimates to receive 301 (300 gas distribution and gas transmission and 1 LNG) incident report submissions annually. PHMSA expects each operator to spend 12 hours preparing and submitting each incident report. This includes the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. PHMA proposes to raise the monetary threshold in 49 CFR 191.3 for reporting incidents from $50,000 to $122,000. Due to this change, PHMSA expects to receive 28 fewer gas distribution incidents and 14 fewer gas transmission incidents each year for an overall burden reduction of 504 hours annually. The rule also affects LNG operators, however PHMSA expects that fewer than one LNG incident report will be eliminated per year This would result in an overall annual burden of 3,108 hours (259 reports \*12 hours per report) for this information collection.

PHMSA is also revising Form F7100.1, the Gas Distribution Incident Report form, to collect incident data on mechanical joint failures that arise to the level of a reportable incident in 49 CFR 191.3. Operators can now indicate, by way of Form F7100.1, the Gas Distribution Incident Report, whether a mechanical joint failure was the cause of the reportable incident. The burden for Form F7100.1 already accounts for identifying the cause of the incident therefore PHMSA does not expect the addition of this data element to cause an increase to the overall burden for the reporting of Gas Distribution incident data.

**Table 1: Estimated Burden**

|  |  |  |  |
| --- | --- | --- | --- |
| **IC** | **Responses** | **Burden Per Response** | **Total Burden** |
| Gas Distribution Incident Report | 122 | 12 hours | 1,464 hours |
| Gas Transmission and Gathering Incident Report | 136 | 12 hours  | 1,632 hours |
| LNG Incident Report  | 1 | 12 hours | 12 hours |
| **Total** | **259 annual responses** |  | **3,108 annual burden hours** |

1. Estimate of the total annual costs burden.

Preparing incident reports will require input from a diverse array of occupations, including technical input, legal review, database development/entry, and senior executive approval. PHMSA developed a weighted average labor cost based on wage rates for several relevant occupational categories that are likely to be involved in the reporting process. Table 2 below shows the calculations used to derive the average labor cost utilized by PHMSA.

**Table 2: Estimated Labor Costs (2019 $)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Occupation Code** | **Occupation Category** | **Mean Wage Rate** | **Total Labor Cost** | **Estimated % of Reporting Hours** |
|
|
| 13-1041 | Compliance Officers | $38.05 | $54.75 | 40% |
| 23-1011 | Lawyers | $69.86 | $100.52 | 20% |
| 17-2171 | Petroleum Engineers | $59.72 | $85.93 | 20% |
| 11-1000 | Top Executives | $57.60 | $82.88 | 10% |
| 15-1240 | Database and Network Administrators and Architects | $45.72 | $65.78 | 10% |
| Total | Average Loaded Wage Rate | $51.47 | $74.05 | 100% |

Source: U.S. Department of Labor’s BLS March 2020 Occupational Employment Statistics (2019 Data), modified July 6, 2020, [www.bls.gov/oes/tables.htm](http://www.bls.gov/oes/tables.htm). [NAICS code: 486200 - Pipeline Transportation of Natural Gas]

Note: The wage rate was scaled upward to account for the total cost of performing these tasks. Wages composed an estimated 69.5% of total employee costs for private industry workers (BLS 2019), https://www.bls.gov/news.release/archives/ecec\_06182019.pdf

For each category of labor cost, PHMSA calculated those values based on the BLS data indicating that wages constitute 69.5 percent of total labor cost. For example, the total labor cost for compliance officers (second row of Table 2) is computed as follows: $38 / 69.5% = $54.75.

Based on these calculations, PHMSA estimates an average loaded wage rate of $74.05 per hour. This figure was calculated from the wage rates for the various occupation codes in North American Industry Classification System (NAICS) 486200 – Pipeline Transportation of Natural Gas.

The cost burden associated with this information collection is estimated to $74.05 x 3,108 hours = $230,147.

1. Estimates of costs to the Federal Government.

PHMSA spends an estimated cost of $184,445 to operate and maintain this information collection. Operations and maintenance includes PRA compliance, interface improvements, database management, planning, revisions, and customer service.

**Table 3: Costs to the Federal Government**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cost Category** | **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 | 1,410 | $181,185 |
| Total | 124.5 hours | 167.32/hr | 1,494 hours | $184,445 |

1. Explanation of the program change or adjustments.

The Pipeline Safety:  Gas Pipeline Regulatory Reform Final Rule raises the monetary threshold in 49 CFR 191.3 for reporting incidents from $50,000 to $122,000. Due to this change, PHMSA expects to receive 28 fewer gas distribution incidents and 14 fewer gas transmission incidents for an overall burden reduction of 504 hours annually. PHMSA is also revising Form F7100.1, the Gas Distribution Incident Report form, to collect incident data on mechanical joint failures that arise to the level of a reportable incident in 49 CFR 191.3 PHMSA does not expect there to be an increase in the overall burden for the reporting of Gas Distribution incident data.

1. Publication of results of data collection.

The results of the accident reports will be summarized and posted on PHMSA’s website.

1. Approval for not displaying the expiration date of OMB approval.

PHMSA is not seeking approval to not display the expiration date.

1. Exceptions to the certification statement.

There is no exception to PHMSA’s certification of this request for information collection approval.