

**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-2019-0172**

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 May 31, 2024.

The revision of this information collection includes the following changes:

- Revises the form and instructions for the Incident Report—Natural and Other Gas Transmission and Gathering Pipeline System (PHMSA F 7100.2) to include details on when operators are to answer questions E6 through E8 of the incident report.

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 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 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.

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. 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.

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 transmission or gathering pipelines.

5. 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.

6. 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.

7. Special Circumstances.

There are no special circumstances within this request.

8. Compliance with 5 CFR 1320.8(d).

On December 17, 2020, PHMSA published a 60-day Notice (85 FR 82028) in the Federal Register soliciting comments on the proposed revisions to this information collection. During the 60-day comment period, PHMSA received comments from the National Association of Pipeline Safety Representatives and a joint comment from the American Gas Association, the American Petroleum Institute, the American Public Gas Association, and the Interstate Natural Gas Association of America.

The comments received have been summarized and addressed in the 30-Day Notice (86 FR 26600) published in the Federal Register on May 14, 2021.

Additionally, PHMSA maintains an “open-door” policy with its stakeholders where continual engagement on ways to improve pipeline safety are routine. In this vein, PHMSA has participated in various discussions where updates on this information collection were provided. PHMSA included updates on this information collection in its regulatory updates presentation that is used to update stakeholders on the status of pending actions. PHMSA has taken all feedback received into consideration in the proposed adjustments.

9. Payment or gifts to respondents.

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

10. Assurance of confidentiality.

PHMSA does not have the authority to guarantee confidentiality, however, this information collection does not include anything of a sensitive nature or of any matters considered private.

11. Justification for collection of sensitive information.

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

12. Estimate of burden hours for information requested.

Current Number of Responses: 259	Proposed Number of Responses: 259
Current Burden Estimate: 3,108 hours	Proposed Burden Estimate: 3,108 hours

PHMSA estimates to receive 259 (258 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. This results in an overall annual burden of 3,108 hours (259 reports *12 hours per report) for this information collection.

As the proposed changes serve primarily to provide operators clarity in how to report certain data elements, PHMSA expects that the **currently-approved burden for this information collection will remain the same**. PHMSA is not proposing the collection of any additional data elements and, as such, does not anticipate operators will incur an increase in the burden for reporting due to this revision.

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

13. 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. [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 $\$74.05 \times 3,108$ hours = \$230,147.

14. 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

15. Explanation of the program change or adjustments.

PHMSA has modified the form and instructions for the Incident Report—Natural and Other Gas Transmission and Gathering Pipeline System (PHMSA F 7100.2) to provide clarity on when operators are to answer questions E6 through E8 of the incident report. PHMSA is not proposing the collection of any additional data elements and, as such, does not anticipate operators will incur an increase in the burden for reporting due to this revision.

16. Publication of results of data collection.

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

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

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

18. Exceptions to the certification statement.

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