The American Gas Association (AGA), founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 71 million residential, commercial and industrial natural gas customers in the U.S., of which almost 92 percent - more than 65 million customers - receive their gas from AGA members. Today, natural gas meets almost one-fourth of the United States’ energy needs.

I. Introduction

AGA appreciates the opportunity to comment on the PHMSA Request for Information regarding whether applying the transmission integrity management program (TIMP) requirements, or certain elements of TIMP, to areas beyond currently defined high consequence areas (HCAs) would mitigate the need for class location requirements for gas transmission pipelines. AGA appreciates PHMSA’s extension of the comment period for this information request and is providing general comments on the concept of revising the Class Location requirements and associated factors for gas transmission pipelines, as they currently exist under Part 192 regulations. We believe additional discussion will be needed to fully investigate how this concept will affect the existing regulations and potential future regulations.

Section 5 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Pipeline Safety Act of 2011) requires the Secretary of Transportation to evaluate and issue a report on whether IMP requirements, or elements thereof, should be expanded beyond HCAs and
whether such expansion would mitigate the need for class location requirements. AGA believes the information presented in this response is integral to the decision on whether class location requirements, and related factors, should be eliminated or significantly revised.

AGA’s comments on Class Location requirements are specific to the August 1, 2013 request for information, and are consistent and complimentary to AGA’s comments on PHMSA’s draft Integrity Verification Process (IVP) submitted on August 6, September 9 and October 8, 2013. While PHMSA evaluates the potential expansion of transmission IMP and develops regulations for pressure testing of previously untested gas transmission pipelines in HCAs operating at greater than 30% SMYS, it is important for PHMSA to evaluate how to focus industry’s efforts on verifying the safety of the system in an efficient and cost effective manner. Prospective changes to Class Location-related factors should be complimentary to existing regulations and should allow operators to continue to design, construct, operate and maintain their gas transmission infrastructure as required under current regulations.

II. AGA Position on Class Location

AGA wants to first clarify that TIMP is the full codified program in 49 CFR, Part 192, Subpart O which must be used in HCAs. AGA is using the term integrity management (IM) to refer to appropriate elements of the TIMP that are or may be used outside of HCAs. It appears that the PHMSA federal register notice uses the terms IMP and IM interchangeably. It is critical to distinguish these concepts because expanding the use of a TIMP element, such as in-line inspection, outside of HCAs through over-testing is vastly more efficient than attempting to apply the entire IMP to non-HCAs.

Second, AGA believes that expanding integrity management concurrent with maximum allowable operating pressure (MAOP) verification testing can have potential adverse safety consequences. As stated in AGA’s comments to the IVP docket, the first two versions of the PHMSA draft IVP process attempted to address MAOP testing and the expansion of integrity management in one process. The overwhelming response from commenters was that the process was too complex to be practicable. AGA supports separating MAOP testing from the expansion of integrity management. AGA believes that PHMSA can use the information provided by commenters to explain this potential problem when PHMSA provides its report to Congress.
Experience has shown that industry will implement integrity management assessments and make repairs in non-HCA areas at least three times the order of magnitude than in HCAs. This is due to many factors, including the location of in-line inspection (ILI) launchers and receivers, valve locations, and information obtaining through inspections. It is relatively easy to use ILI or pressure tests for long segments that include HCA and non-HCA areas. PHMSA is currently capturing in its annual report submissions the extent of these integrity assessments, which indicates how operators are expanding the use of integrity management in a manner that is logical to their unique pipeline systems.

The use of Class Location-related factors is one of the elements contained in the existing Part 192 regulations that assist operators with establishing a risk-based safety margin pertaining to the design, construction, operation and maintenance of natural gas transmission pipelines. There are at least twenty-three instances where Class Locations are used to provide appropriate, risk-based safety factors in 49 CFR, Part 192.

Due to the integral role of Class Location-related risk factors in the regulations, AGA does not support the revision, replacement or complete removal of the use of Class Location-driven requirements for gas transmission pipelines, nor does it support adding additional Class Location definitions (e.g. Class Location 5, 6 or 7) or revising the currently specified factors as their use throughout Part 192 is an integral part of pipeline safety (see PHMSA Questions 1 through 4). AGA does support the investigation and development of a second and parallel methodology for managing natural gas transmission pipelines in instances where the construction of additional buildings intended for human occupancy has resulted in a change in Class Location. This concept would utilize the potential impact radius (PIR) approach currently allowed in Subpart O for HCA determination and utilize certain elements of transmission IMP. AGA also supports the use of transmission IM assessments as an alternative to pipe replacement or MAOP reductions when additional buildings intended for human occupancy are constructed that result in a change in Class Location. Once a methodology is developed that utilizes a PIR approach and the extension of IM principles, AGA recommends that the regulations allow an operator to determine which method (use of existing Class Location-driven factors or use of the PIR-driven approach) is most appropriate for a pipeline segment. This concept is similar to the approach used in §192.112, §192.328 and §192.620 related to Alternative MAOPs for certain steel pipelines. AGA believes that regardless of whether an operator uses PIR or Class Location, the change-out criteria should be modified to acknowledge
that if certain integrity management criteria are met, perfectly good pipe should not have to be replaced because of an increase in the population density.

The issues related to a transition from the current Class Location-related factors to the use of PIR element methodology as an alternative to the currently defined Class Location unit (660 feet on either side of the pipeline, one mile long) needs extensive evaluation by a variety of stakeholders. AGA believes it is too complex to attempt to change a large number of code requirements though the notice and comment process. AGA will support any effort PHMSA initiates to evaluate how Class Location related factors could be transitioned to a methodology that uses PIR.

III. Additional Considerations

In accordance with 49 CFR §192.611, when changes in Class Location occur, operators are required to confirm or reduce a pipeline’s MAOP or replace portions of the pipeline in accordance with a specific set of requirements. The requirements of 49 CFR §192.611 result in the establishment of additional safety margin for higher stress transmission pipelines in response to population encroachment. With the use of inspection technologies and IM assessments, operators have increased their ability to assess the condition of pipelines. Having completed an IM assessment and, where needed, remediation, the operator will have verified the integrity of the pipeline. Periodically completing the assessment process at regularly defined intervals verifies the safety of the pipe. AGA supports enhancing the regulations to allow IM assessments to serve as a validation of the pipe’s integrity when changes in Class Location occur, resulting in an MAOP that is no longer commensurate with present Class Location. This change in code would allow operators to continue to manage the safety of gas transmission pipelines using IM elements and focus resources on addressing other key issues, such as pressure testing of untested transmission pipelines in HCAs operating at greater than 30% SMYS.

PHMSA has also asked for comments on increasing the existing Class Location design factors in densely populated areas. AGA believes the existing design factors contained in Subpart C are conservative and have provided appropriate factors of safety for many years. The additional TIMP requirements in HCAs add an additional layer of safety. AGA is supportive of the
extension of integrity management principles\(^1\) beyond HCAs. The extension of IM principles beyond HCAs is feasible without the need to revise or modify the other sections of code that utilize the Class Location-related factors for the design, construction, operation and maintenance of gas transmission lines.

Another important consideration to be evaluated when considering the modification of Class Location-related factors in the Federal code is the impact these changes may have on State regulations. There are many situations where State regulators have incorporated the use of Class Locations into their State pipeline safety code. Adjustments of the use of Class Location factors in Federal code could result in a conflict between Federal and State regulations and operators using two different approaches for Federal and State regulations. Alternatively, this scenario could require State regulators to make modifications to each of their respective pipeline safety codes.

**IV. Conclusion**

AGA appreciates PHMSA’s continuing commitment to pipeline safety and is pleased to be a part of PHMSA’s efforts to improve 49 CFR, Part 192. AGA encourages PHMSA to continue to allow the use existing Class Location-related factors as currently prescribed in Part 192 for the design, construction, operation and maintenance of natural gas transmission pipelines. AGA supports the investigation and development of a second and parallel methodology for transmission pipelines that experience a change in Class Location outside of the original design and pressure testing factors which potentially affects the MAOP. This methodology would utilize a PIR approach and incorporate elements of transmission integrity management program. Once a methodology is developed that utilizes a PIR approach, AGA recommends that the regulations allow for an operator to determine which method is most appropriate for a pipeline segment on a case by-case basis, similar to the determination of HCA using Method 1 or Method 2 as allowed under §192.903. We believe additional discussion will be needed to fully investigate how this concept will affect the existing regulations and potential future regulations.

AGA also encourages PHMSA to add provisions that allow operators to use IMP elements as an alternative to replacing or reducing MAOPs for pipelines where additional building has resulted in Class Location changes that are inconsistent with the design and testing conducted on a

\(^1\) For AGA, Integrity Management Principles means understanding the risks to your system, determining ways to mitigate those risks, taking actions to mitigate or remove the identified risks, analyzing the results and then beginning the cycle anew.
specific transmission pipeline segment. This approach would be similar to the optional requirements for Alternative MAOPs for certain steel pipelines contained in §192.112, §192.328 and §192.620.

Respectfully submitted,

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