



**VIA ELECTRONIC FILING**

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**Re: Docket No. PHMSA 2011 – 0023: Proposed Rule on Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines; Federal Register Vol. 81, No. 68 (Friday, April 8, 2016); RIN 2137-AE72**

The GPA Midstream Association (“GPA Midstream” or the “Association”) appreciates the opportunity to provide comments in response to the Pipeline and Hazardous Materials Safety Administration’s (“PHMSA”) Notice of Proposed Rulemaking (“NPRM” or “Notice”) on the Safety of Gas Transmission and Gathering Pipelines.<sup>1</sup> GPA Midstream members own and operate hundreds of thousands of miles of gathering lines which represent over 90 percent of all gathering lines in the US.”

GPA Midstream has served the U.S. energy industry since 1921 as an incorporated non-profit trade association. GPA Midstream is composed of over 100 corporate members that are engaged in the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as “midstream activities.” Such processing includes the removal of impurities from the raw gas stream produced at the wellhead, as well as the extraction for sale of natural gas liquid products (NGLs) such as ethane, propane, butane and natural gasoline. GPA Midstream members account for more than 90 percent of the NGLs produced in the United States from natural gas processing.

On August 25, 2011, PHMSA published an Advance Notice of Proposed Rulemaking titled “*Pipeline Safety: Safety of Gas Transmission Pipelines*”.<sup>2</sup> GPA Midstream filed comments on January 20, 2012, and limited the focus of its comments at that time to Section “O” related to onshore gas gathering. In addition, many of its member companies are also members of Texas

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<sup>1</sup> *Pipeline Safety: “Safety of Gas Transmission and Gathering Pipelines,”* Notice of Proposed Rulemaking, 81 FR, 20722 (April 8, 2016)

<sup>2</sup> 76 FR 53086 - 53102

Pipeline Association (“TPA”) and participated in the development of the comments submitted on behalf of their Association.

PHMSA published the NPRM on April 8, 2016, proposing substantial revisions to the Pipeline Safety Regulations applicable to the safety of onshore gas transmission and gathering pipelines. Most notably for GPA members, the NPRM proposes to expand the regulation of onshore gas gathering lines to impose new reporting requirements on rural gathering pipelines, and to extend the definition of regulated gathering to encompass Type A gathering lines in Class 1 locations with a diameter of 8 inches or greater, and a maximum allowable operating pressure (“MAOP”) equal to or greater than 20% of specified minimum yield strength (“SMYS”).

GPA Midstream is concerned that some of the proposed requirements in the Notice may go beyond or be inconsistent with PHMSA’s statutory authority under Title 49 USC 60101 *et seq.*,<sup>3</sup> whether or not PHMSA has adequately justified its proposal on the basis of risk or public opinion. Where GPA Midstream identifies this issue, GPA Midstream will comment on the nature of the objection and ask PHMSA to clarify or to modify its proposal.

GPA Midstream members have a significant interest in all aspects of the NPRM. GPA Midstream has provided comments in greatest detail for those provisions that pose the greatest burden to its membership as well as PHMSA and state partner agencies but which are likely to result in little or no safety benefit, and those provisions that may be impracticable to implement. Further, based on our analysis of member information, GPA Midstream is confident the actual total cost of the proposal far exceeds the \$47 million plus per year cost to industry asserted by PHMSA. In some instances, PHMSA has offered little, if any, evidence to show that the proposed changes are reasonable or necessary. For other provisions of the proposed regulations, GPA Midstream states its support or requests additional clarification on a particular issue to be included in the final rule.

#### **A. General Comments on Rulemaking.**

GPA Midstream members are committed to the safety of the nation’s gas gathering pipelines. While GPA Midstream is opposed to several of the provisions as proposed, we are committed to working with PHMSA to make changes to the regulations that allow for common-sense, risk-based requirements for the midstream sector. GPA Midstream members are open to changes in the regulations for gathering pipelines to address the substantial infrastructure build-out that has occurred in the last several years. However, GPA Midstream is concerned that PHMSA’s proposals are not based on evidence or the actual risk posed by gathering pipelines. The Pipeline Safety Laws set out a framework that PHMSA must follow when changing its gathering line regulations. This statutory framework requires PHMSA to regulate gathering lines based on risk, as evidenced by data collected from gathering operators. GPA Midstream is

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<sup>3</sup> 49 U.S.C. §60101 *et seq.*

concerned that PHMSA's current proposals are not consistent with the statutory framework, including the provisions of the 2011 Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 (the 2011 Act).<sup>4</sup> GPA Midstream members are willing to commit resources to implement lawful and appropriate changes in gathering regulations, but our members are not in a position to do so where the changes in regulation are not based on risk, and would not provide a meaningful safety benefit.

The statutory scheme sets out an orderly process for PHMSA's consideration of whether and how to subject additional gathering lines to federal regulation. First, PHMSA must collect appropriate data about those pipelines to determine the risks they may pose. Second, after collecting data, PHMSA must consider specific physical and operational characteristics in making a determination of whether and what extent to regulate additional gathering lines. Third, PHMSA must comply with a series of rulemaking requirements designed to ensure that its regulations are practicable. Finally, the 2011 Act required PHMSA to study gathering line regulations nationwide, and then issue a report of its findings and recommendations, in light of specific factors, to Congress.

### **1. Changes Based on Risk Data**

In the early 1990's Congress amended the pipeline safety laws to require PHMSA to define gathering and regulated gathering, and to allow limited regulation of rural gas gathering pipelines if appropriate.<sup>5</sup> In support of this requirement, Congress included a provision to allow PHMSA to "require owners and operators of gathering lines to provide [PHMSA] information pertinent to [PHMSA's] ability to make a determination as to whether and to what extent to regulate gathering lines."<sup>6</sup> This language was included so that PHMSA would only regulate rural gathering lines to the extent appropriate based on information collected about them. In the legislative history for the 1992 amendments, Congress observed "[PHMSA] should find out whether any gathering lines present a risk to people or the environment, and if so how large a risk and what measures should be taken to mitigate the risk."<sup>7</sup>

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<sup>4</sup> PL 112-90, Jan. 3, 2012.

<sup>5</sup> 49 U.S.C. § 60101(b).

<sup>6</sup> 49 U.S.C. § 60117(b)(2).

<sup>7</sup> H.R. REP. 102-247(I), 1992 U.S.C.C.A.N. 2642, 2653.

PHMSA has not exercised this information collection authority, but is nonetheless moving forward with significant proposed changes to the regulations. The agency has included no safety data pertaining to gathering pipelines in the record to justify its proposed changes to either the definition of an onshore gas gathering line or its proposed criteria for regulating certain rural gathering lines.<sup>8</sup> In contrast, in PHMSA’s parallel rulemaking proceeding for hazardous liquids pipelines, the agency has elected to follow the statute and collect more data about currently unregulated rural gathering lines before deciding whether and how to change the regulations to cover them.<sup>9</sup> There is no rational basis for PHMSA to move forward with a data collection in an essentially parallel gathering line rulemaking but skip it here.

## **2. Consideration of Specific Statutory Factors**

When PHMSA prescribes a new definition for a “gathering line,” the statute requires the Agency to “consider functional and operational characteristics of the lines to be included in the definition.”<sup>10</sup> PHMSA must also consider certain factors in determining whether to regulate gas gathering lines, including “location, length of line from the well site, operating pressure, throughput, and the composition of the transported gas . . .”<sup>11</sup> As further discussed in GPA Midstream’s specific comments on the proposed rule, PHMSA has proposed to regulate rural gathering lines of 8-inches in diameter or greater and operated above 20% SMYS or 125 psig, but it has provided no explanation of why it is appropriate to select those thresholds and presented no data to show that those thresholds are reasonable thresholds above which gathering lines should be regulated because of specific physical characteristics.

## **3. PHMSA Must also Consider General Rulemaking Factors Before Changing its Gathering Line Regulations**

When prescribing any standard applicable to regulated gathering lines, PHMSA must consider certain generally-applicable factors, including all relevant available gas pipeline safety information and environmental information, the of the standard for the particular type of pipeline

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<sup>8</sup> NPRM at 20,801-20,808. Also cite PHMSA’s statements during the June 8, 2016 webinar.

<sup>9</sup> 80 Fed. Reg. 61,610, 61,617.

<sup>10</sup> 49 U.S.C. § 60101(b)(1).

<sup>11</sup> 49 U.S.C. § 60101(b)(2).

facility, the reasonableness of the standard, the reasonably identifiable or estimated costs and benefits of a proposed standard (based upon a risk assessment), and the comments and information received from the public.<sup>12</sup> Any such standard must also “designed to meet the need for gas pipeline safety...”<sup>13</sup> PHMSA has not explained either how it considered these required statutory factors or how it determined the proposal is reasonable and appropriate.

While PHMSA has provided information about costs and benefits in its Preliminary Regulatory Impact Analysis (“RIA”), the predicate risk assessment required by the statute is nowhere to be found.<sup>14</sup> It appears that PHMSA has either instead substituted a “Regulatory Analysis” in Section 2 of the RIA as a proxy for any meaningful risk assessment, or simply ignored that mandate altogether. Either way, in many cases the cost and benefit information set forth in the RIA does not accurately account for the impacts on gathering lines or demonstrate what safety benefit would be realized under the proposal.<sup>15</sup>

4. **Gathering Recommendations and Factors Required by the Gathering Provision of the 2011 Act.**

The 2011 Act required PHMSA to review federal and state gathering regulations and report the results of that review to Congress by January 2014, along with recommendations on whether existing regulations were sufficient.<sup>16</sup> In making recommendations, PHMSA was required to consider the “economic impacts, technical practicability, and challenges of applying existing Federal regulations to gathering lines that are not currently subject to Federal regulation when compared to the public safety benefits.”<sup>17</sup> PHMSA was also required to consider, “subject to a

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<sup>12</sup> 49 U.S.C. § 60102(b)(2).

<sup>13</sup> 49 U.S.C. § 60102(b)(1).

<sup>14</sup> See 49 U.S.C. § 60102(b)(2)(D), (E).

<sup>15</sup> Preliminary Regulatory Impact Assessment (March 2016). PHMSA used estimated costs obtained in 2004 adjusted for inflation. PHMSA failed to account for increased expectations for many of the programs, such as performance evaluations for public awareness programs and outreach to emergency response community. PHMSA has not accounted for the expansion of Operator Qualification programs to the proposed regulation of gathering lines in Class 1 location in this RIA or in the RIA developed for the Miscellaneous II regulation (Vol. 80 Friday, No. 132 July 10, 2015)

<sup>16</sup> Pub. L. 112-90 Sec. 21.

<sup>17</sup> Sec. 21(b)(2)(B).

risk-based assessment, the need to modify or revoke existing exemptions from Federal regulation for gas ... gathering lines.”<sup>18</sup>

In May 2015, PHMSA delivered a report to Congress on the regulation of gas gathering lines. That report, apparently completed in September 2013, summarized existing federal and state regulations for gathering lines. The report did not provide any analysis of the adequacy of those regulations or make the required recommendations to Congress on the need for future action. In the letters transmitting the study to members of Congress, PHMSA committed to develop recommendations and consider the statutory factors in its rulemaking proceedings.<sup>19</sup> Yet, PHMSA states in the NPRM that the report was not considered in developing any of the proposed modifications to the gathering rules.<sup>20</sup>

The 2011 Act set out Congress’ expectation that PHMSA would carefully consider the issue and make recommendations to Congress before subjecting additional lines to federal regulation. PHMSA has not done so here, and has failed to consider the additional, important factors in the 2011 Act for determining the appropriateness of future gathering regulation.

Based on the inadequacies in the proposed rulemaking with respect to PHMSA’s statutory obligations, GPA Midstream requests that PHMSA withdraw its proposed changes to the gathering line regulations and modify its proposal to collect data on the risks posed by gathering pipelines. Only on an analysis of that data can PHMSA develop proposals that are practicable, risk-based and consistent with the Pipeline Safety Laws. Although GPA Midstream believes that PHMSA should address these substantive issues before proposing any new requirements for gathering pipelines, GPA Midstream is willing to consider certain of PHMSA’s proposals, with modifications. GPA Midstream’s specific comments on the proposed gathering comments are set out below.

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<sup>18</sup> Sec. 21(b)(2)(C)

<sup>19</sup> Review of Existing Federal and State Regulations for Gas and Hazardous Liquid Gathering Lines transmitted to Congress May 8, 2015 (Gathering Report). The report was required by the Section 21 of the 2011 Act which required PHMSA to shall conduct a review of existing Federal and State regulations for gas and hazardous liquid gathering lines, report to Congress on the sufficiency of existing Federal and State laws and regulations to ensure the safety of gas and hazardous liquid gathering lines, and provide recommendations regarding the economic impacts, technical practicability, and challenges of applying existing Federal regulations to gathering lines that are not currently subject to Federal regulation when compared to the public safety benefits.

<sup>20</sup> As required by Section 21 of the 2011 Act, PHMSA transmitted copies of the Gathering Report to the Committee on Transportation and Infrastructure and the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate. Each Chair and Ranking member received a cover letter in which PHMSA stated it was reviewing the need to propose changes and said review would be risk-based and would take into account economic impact, technical practicability, and the challenges of applying any proposed regulations on gathering lines that are not currently regulated.

## **A. Changes to Reporting Requirements—Part 191**

PHMSA is proposing to amend 49 CFR, Part 191 Transportation of Gas by Pipeline: Annual Reports, Incident Reports, and Safety-Related Condition Reports. PHMSA is proposing that operators of regulated and non-regulated gathering lines comply with the reporting requirements in Part 191, with the exception of submission of data to the National Pipeline Mapping System (“NPMS”).

First, PHMSA is proposing in section 191.1(a) to extend the reporting requirements in Part 191 to all pipeline facilities, including regulated and non-regulated onshore gas gathering, with certain exceptions as set forth in section 191.1(c). PHMSA does not address whether it has the statutory authority to require reporting for non-regulated gathering pipelines to the extent it has proposed, which are by definition excluded from the scope of the pipeline safety laws set forth under 49 USC 60101 et seq. In addition, the only exemptions from Part 191 are set forth in section 191.1(c), which provides that pipelines operated at less than 0 psig, that are not otherwise regulated as determined under §192.8, or that are located in inlet waters to the Gulf of Mexico are not required to obtain OPID Validation pursuant to §19.22(b) or to submit NPMS data pursuant to section 191.29. Even the limited scope of those exemptions are inconsistent with proposed section 191.29, which excludes all gathering pipelines from the NPMS, and with 49 U.S.C. §60132(a), which provides a parallel statutory exclusion from the NPMS for all gathering lines. PHMSA should clarify in the final rule that all gathering pipelines are excluded from the NPMS.

Further, PHMSA should clarify that newly regulated Type A, Area 2 gathering lines are exempt from the requirements of both §§191.22(b) and (c). In the RIA (Table 3-94), PHMSA indicates that changes as described in §191.22(c) would be reported per event. Since Table 3-95 depicts §191.22(c) as being not applicable to non-regulated gathering, GPA Midstream assumes PHMSA intended to exclude National Registry Reporting Requirements for non-regulated gathering. The rule language proposed in §191.1(c) does not include an exemption for non-regulated gathering from reporting obligations under §191.22(c). GPA Midstream sees no value in reporting these activities to PHMSA. Assuming it is new pipe being installed, the data will be present on the operator’s next annual report.

Second, PHMSA does not distinguish between regulated and non-regulated lines in requiring operators to report safety-related conditions, which include exceedances of MAOP. It is not clear from PHMSA’s analysis that reporting of safety-related conditions on non-regulated gathering lines, even if technically feasible, offers sufficient safety benefits relative to the practicability and cost of compliance. Nor does PHMSA offer an explanation of how reporting MAOP exceedances on newly-regulated or unregulated gathering lines is consistent with PHMSA’s statutory authority, both as to extension of regulation to unregulated pipelines and as to the imposition of standards that were inapplicable prior to the effective date of the proposed regulation. This is especially important because PHMSA has defined safety related conditions

to include exceedances of MAOP on all gathering pipelines in proposed § 191.23(a)(5). By doing so, PHMSA has in effect required operators of both newly-regulated Class 1 gathering pipelines and non-regulated Class 1 gathering pipelines to establish MAOP for all such pipelines in order to comply with the reporting requirements of Part 191. To emphasize the significance of this proposal, in order to comply with this reporting requirement, every operator would be required to establish or confirm the MAOP of what PHMSA estimates to be approximately 239,000 miles of Class 1 gathering lines not previously subject to regulation, including requirements to establish MAOP or maintain records needed to establish MAOP. PHMSA has not included the cost of this predicate compliance task in the RIA, but such cost could dwarf the costs PHMSA estimated for reporting in the RIA.

For example, even if operators are allowed to use operating history records to establish the MAOP of gathering lines for which they do not have design, construction, and testing records, pursuant to 192.619(c), operators of Class 1 gathering pipelines may not have complete pressure history records for these pipelines, because such Class 1 lines have not previously been subject to Part 192. Assuming acceptable records are available for 50% of all mileage subject to the reporting requirements, and using PHMSA's per mile cost to pressure test 12" intrastate pipe (for simplification) in 5-mile segments (RIA Table 3.18, page 44), the cost would exceed \$14,000,000,000 (\$14 billion) if the standards to substantiate MAOP proposed in §§192.607 and 192.624 are expected. While the occurrence of safety-related conditions on gathering pipelines will be relatively infrequent, the costs associated with documenting the MAOP of all gathering pipelines are very real and have not been taken into consideration in evaluating the appropriateness of proposed §§ 191.1(a) and 191.23.

While the data and cost associated with the actual filing of the report are included in the analysis, GPA Midstream believes PHMSA has neglected to account for the costs and burden associated with the initial compiling of the data needed to complete the forms. In many cases, the information may not be recorded or may not have been provided during mergers or acquisitions, and where it is available it is likely stored in "project" files. Extracting the data will be a manual process requiring thousands of hours. PHMSA has not communicated its expectations for these situations. GPA Midstream believes any requirement to have reliable, traceable, verifiable, and complete ("RTVC") records for gathering pipelines constructed prior to the effective date of the final rule grossly exceeds that the plain language and the congressional intent of Section 23 of the Act, which expressly applies to gas transmission pipelines in Class 3 and 4 locations, and Class 1 and 2 High Consequence Areas ("HCAs"). If it is PHMSA's expectation that operators physically excavate to obtain the data, as set forth in the proposed new §§192.607 and 192.624, the costs will reach into the hundreds of millions.

Third, although PHMSA has identified in the RIA the "One Time" costs associated with all of the data reporting activities in Part 191 to reflect the adjusted burden hours needed to comply with the proposal, PHMSA has grossly underestimated those costs. We concur with PHMSA that reporting Safety-Related Conditions and incidents are event driven and very

difficult to project the number of occurrence per year. However, the assumed “One Time” costs tabulated in Section 3.8.3.4.4 of the RIA do not reflect the actual programmatic costs incurred by operators to add previously unregulated pipeline mileage to the reporting system. PHMSA has assumed that simply because an operator has regulated mileage already, it will not incur any programmatic costs to roll up the mileage not previously reported. Operators currently filing Annual Reports {7100.2.1, OMB No. 2137-0522} that also have gathering that is not currently regulated will experience increased costs and burden to collect data from the “field” and incorporate it into the reporting management process. As PHMSA notes, this entails data for some 332,000 miles of pipeline. The largest burden will be incurred the first year, but there will be associated costs each year as systems are expanded or pipe is replaced or abandoned. PHMSA has estimated a one-time cost of \$5.06 per mile for Group 2 operators, those that currently have regulated mileage, to report newly-regulated Type A, Area 2 gathering lines (RIA Table 3-99). First, we believe this number to be low because it does not take into account the costs to assemble the information into formats suitable for incorporation into report forms. Second, the report(s) included in this one-time cost are the same reports that will be required for the remaining non-regulated 266,526 miles. The costs for those will be the same, not the \$0.08 per mile PHMSA has estimated. This places the costs at \$1,348,621 and not the \$22,500 as estimated. It is logical that the Group 1 operator costs are also underestimated based on this same analysis.

Also, PHMSA has not recognized that exploration activities greatly influence the amount of new pipe that is installed each year in gathering applications. As such, when commodity prices make drilling cost effective, the increased activity will cause more burden hours used to file each report, unlike the more stable mileage numbers associated with transmission. These changes obviously affect the projected 15-year annualized figures as well as the overall cost to benefit ratio, which is already negative on the benefit side for the gathering line proposals.

Finally, the GAO<sup>21</sup> report recommended that data collection be conducted “subsequent to an analysis of the benefits and industry burdens associated with such data collection.” GPA Midstream supports PHMSA’s goal of collecting data necessary to make informed rulemaking decisions, but believes that this can be accomplished by developing an abbreviated annual reporting form which includes only the data contained in Sections A, C, D, I, J (gathering only), L (gathering only), & the M1 data fields (gathering only) from the Gas Transmission Annual Report (F7100.2-1). The information collected annually through this process could then be paired with Incident reporting on Form F 7100-2. Once sufficient data is collected (*i.e.*, a minimum of five years’ worth), PHMSA can analyze the data to determine if new or modified regulatory requirements are necessary and, if so, to what degree. PHMSA’s justification for creating such extensive reporting requirements for non-regulated pipelines is that the data resulting from this reporting will help support an evaluation of the effectiveness of current regulations and the determination of new requirements. However, PHMSA does not address

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<sup>21</sup> <http://www.gao.gov/products/GAO-12-388>

whether imposing significant new reporting requirements is the most efficient and cost-effective way to accomplish these goals, nor whether this approach is consistent with its statutory authority.

GPA Midstream notes that PHMSA recently clarified its intent with respect to the applicability of the Part 191 reporting requirements to gathering line operators in a series of webinars conducted after the publication of the NPRM. PHMSA indicated that it intends to apply all of the Part 191 reporting requirements to operators of regulated gathering lines, *i.e.*, Type A, Area 1, Type A, Area 2, and Type B, but that it only intends to apply the annual and incident reporting requirements in Part 191 to operators of unregulated gathering lines, *i.e.*, those that do not meet the criteria to warrant regulation as Type A or Type B lines under the proposed rules. Of particular importance, PHMSA specifically acknowledged that it does not intend to apply the safety-related condition reporting requirements (including the MAOP exceedance provisions) to operators of unregulated gathering lines. GPA Midstream appreciates these clarifications and believes the information provided in the preceding paragraphs demonstrates why PHMSA should make additional changes to the proposed reporting requirements in the final rule.

*GPA Midstream encourages PHMSA to undertake the modified data collection effort described above for future use in determining whether further oversight is warranted, and if so, to what degree.*

*GPA Midstream also wishes to reiterate its belief that the costs, both one-time and recurring, for annual reporting are dramatically underestimated.*

## **B. New or Revised Definitions-- Part 192**

In the Notice, PHMSA proposes to add 15 new definitions and revise two current definitions. GPA Midstream is providing comments on eight (8) of these proposals. For the remainder, we either support PHMSA's proposal or have no objections or suggested changes.

PHMSA is proposing to add a new definition for **Close Interval Survey** and revise the current definition of **Electrical Survey**. As proposed, the two appear to be almost duplicative. The proposed close interval survey is a fairly representative depiction of what is commonly understood in the industry when that term is used. The definitions of electrical survey, as it currently exists in the regulations and as PHMSA has proposed, are far more restrictive than as defined by the National Association of Corrosion Engineers (NACE) in NACE SP0169: Control of External Corrosion on Underground or Submerged Metallic Piping Systems. For example, Current Voltage Gradient (DCVG/ACVG), Pipeline Current Mapper (PCM/PCM-A-frame), and Guided Wave Ultrasonic (GWUT) all fall within this broader definition. When the Research and Special Programs Administration ("RSPA"), PHMSA's predecessor agency, first proposed the

current definition {68 FR 53895} multiple commenters argued that the proposed definition was too restrictive and limited the ability to select the most appropriate tool(s) to identify problems.

*GPA Midstream recommends that PHMSA adopt the definition of “close interval survey” as proposed and adopt the definition of “electrical survey” as defined in NACE SP0169 instead of the definition it has proposed.*

GPA Midstream is reasonably confident that PHMSA’s proposal to introduce a new definition for **Dry gas or dry natural gas** is intended only for use in identifying those circumstances when it is permissible to use the standard NACE SP0206–2006. However, in the past, gas quality has been used to determine the function of a particular pipeline; the transportation of “dry gas” has been viewed as transmission service rather than gathering, on the assumption that water is removed in the course of gathering and processing. However, this approach is not consistent with all natural gas production, the definitions in API Recommended Practice-80 (First Edition, April 2000) (RP-80), or the proposed new definition of gathering.

*Therefore, GPA Midstream requests that PHMSA clearly state that the proposed definition is not for use in determining the transportation function of a particular pipeline. Other definitions, existing and proposed, serve that purpose.*

PHMSA is proposing to eliminate the Incorporation by Reference (IBR) of the publication known as RP-80. GPA Midstream member companies, along with others, played key roles in the development of the document. GPA Midstream met with RSPA officials in 1999 and GPA Midstream welcomed their involvement during the development of RP-80. GPA Midstream recognizes the objections voiced by National Association of Pipeline Safety Representatives (“NAPSR”) and others to reference the document during the rulemaking initiative for gas gathering in 2003-2006 {Docket PHMSA-1998-4868}. PHMSA has described difficulties in applying and enforcing the variety of descriptors used in RP-80 to achieve consistent results. Instead of commenting on the proposed definitions as they appear alphabetically, GPA Midstream will address each of the definitions related to determination of gathering line classification as a group.

GPA Midstream notes the proposed definition of **Gas Processing Plant** uses at its basis the definition contained in Section 2.4.1 of RP-80. GPA Midstream supports this. GPA Midstream also recognizes recent events and confusion surrounding delineation of authority between PHMSA regulations and OSHA regulations and the extensive amount of work that has taken place to clarify those boundaries.

*For that reason, GPA Midstream proposes PHMSA modify the definition by inserting the clause denoted by the underlined italics as follows:*

**Gas processing plant, as used to define Gathering line (Onshore), means a natural gas processing operation, other than production processing, operated for the purpose of**

**extracting entrained natural gas liquids and other associated non-entrained liquids from the gas stream and does not include a natural gas processing plant located on a transmission line, commonly referred to as a straddle plant. A gas processing plant is not subject to this Part.**

PHMSA is proposing a new definition for **Gathering Line (onshore)**. The definition states, in part: **...transport it to the furthestmost point downstream of the endpoints described in paragraphs (1) through (4) of this definition:**

**(1) The inlet of 1st gas processing plant, unless the operator submits a request for approval to the Associate Administrator of Pipeline Safety that demonstrates, using sound engineering principles, that gathering extends to a further downstream plant other than a plant located on a transmission line and the Associate Administrator of Pipeline Safety approves such request;...**

**(4) The point where separate production fields are commingled, provided the distance between the interconnection of the fields does not exceed 50 miles, unless the Associate Administrator of Pipeline Safety finds a longer separation distance is justified in a particular case (see § 190.9).**

*GPA Midstream seeks clarification concerning the process which must be used to gain approval or seek a determination. Typically, PHMSA references §190.9, Petition for Finding or Approval. But requests submitted under §190.9 are directed to the Administrator, not the Associate Administrator. Thus, GPA Midstream requests PHMSA clearly cite to the authority under which any request is to be submitted, or revise the references to be consistent with the procedures in Part 190. Any required notice should reference applicable state agencies in the case of intrastate facilities.*

Further, in paragraph (5) of the Gathering Line definition, PHMSA proposes that gathering may continue beyond the four identified endpoints under certain circumstances. GPA Midstream believes this to be PHMSA's attempt to correct what are alleged to be editorial errors in linking RP-80 definitions to the limitations on the endpoints of gathering described in §§192.8(a)(2),(3), and (4), as discussed in two interpretation letters issued to CDX Gas and the Kansas Corporation Commission.<sup>22</sup> GPA Midstream believes the proposed limitation of one mile is too restrictive. GPA Midstream believes a maximum extension of ten miles strikes a more appropriate balance between the need to accommodate differences in pipeline systems and the need to establish a more definite endpoint, while limiting the unintended consequences of

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<sup>22</sup> **Interpretation #09-0002** July 14, 2009; **Interpretation #09-0008** (Jul. 30, 2009). PHMSA acknowledged that operators could use the incidental gathering designation in the March 2006 final rule, at 71 Fed. Reg. at 13,292. While expressing a desire to revisit that issue in a subsequent rulemaking proceeding, PHMSA also confirmed that the incidental gathering line designation could be used in the letters of interpretation issued to CDX Gas and the Kansas Corporation Commission in July 2009.

forcing a reclassification of miles of what are currently defined as gathering pipelines. Consideration of neighbors and surrounding land use are key factors when locating and siting large scale facilities, such as compressors and processing plants, resulting in distances longer than one mile. PHMSA must be cognizant of the fact that any extension of an existing pipeline past the endpoint of gathering, as proposed, will be classified as transmission resulting in significantly increased costs and compliance burdens for operators of such lines, and PHMSA must assess such costs in the RIA. As discussed later in our comments, PHMSA has not taken this impact into consideration in § 192.619.

Second, PHMSA is proposing to recognize the extension of gathering beyond those “furthestmost” facilities as long as certain conditions exist. The proposed text, in part, is as follows:

...

**Gathering may continue beyond the above endpoints to the point gas is delivered into another pipeline, provided ~~that it only does the following:~~**

**(i) ...;**

**(A)...**

*GPA Midstream questions the need to include the language that is stricken, italicized, and underlined above. This is inconsistent with past PHMSA regulatory structure and adds no clarifying value. Placement of the colon after the term “provided” would be consistent with the structure in the remainder of the document.*

One of the proposed criteria for defining when a gathering line may continue beyond the furthestmost facility is the determination that the line does not cross a “highway” or “active railroad”. Both terms, highway and active railroad, have existed within Part 192 since its inception, but have only been defined through the use of interpretation letters<sup>23</sup>. However, elsewhere within this proposal, PHMSA is proposing to introduce a new term, Moderate Consequence Area, for which PHMSA incorporates terms used in the Federal Highway Administration’s<sup>24</sup> (“FHWA”) classification of highways in order to clearly identify which roadways are covered. GPA Midstream comments further on this proposed new definition below, but recommends that PHMSA use the same FHWA definitions in the definition of Gathering Line to ensure consistency throughout the regulation. GPA Midstream is also concerned about the use of this criterion in determining the endpoint of gathering, because it is not related to the use of the pipeline but rather to the proximate surface uses, unlike the other criteria in this definition.

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<sup>23</sup> Daniel Meyers Interpretation 192.11 29, June 7, 1978, Olin Greene Interpretation 192.11 15 December 6, 1974

<sup>24</sup> Highway Functional Classification: Concepts, Criteria and Procedures, 2013 Edition

*GPA Midstream urges PHMSA to use consistent definitions to refer to roadways, and to eliminate the reference to roads and railroads as a criterion in determining the endpoint of gathering.*

*The following revised definition of endpoint is recommended:*

- (5) Gathering line may continue...provided: ~~that it does the following:~~**
- (i) It delivers gas into another gathering line;**
  - (A) It does not leave the operator’s facility surface property (owned or leased, not necessarily the fence line);**
  - (B) It does not leave an adjacent property owned or leased by another pipeline operator’s property—where custody transfer takes place; or**
  - (C) It does not exceed a length of ten miles, and it does not cross ~~a state or federal highway or a right-of-way for a designated interstate, freeway, expressway, and other principal 4-lane arterial roadway as defined in the Federal Highway Administration’s Highway Functional Classification Concepts, Criteria and Procedures~~ or an active railroad; or ...**

In the last part of the definition of a gathering line, paragraph (6), PHMSA expressly excludes service lines that are commonly referred to as farm taps from the definition of gathering line. The NPRM states that these service lines originate from gathering lines, but PHMSA has previously described these service lines as originating from production, gathering or transmission pipelines, such as in the July 10, 2015 NPRM. In order to ensure consistency and eliminate confusion, GPA Midstream proposes that the last sentence read:

**Pipelines that serve residential, commercial, or industrial customers that originate at a tap on production, gathering, or transmission lines; they are service lines and are commonly referred to as farm taps.**

PHMSA has proposed a new definition for **Onshore production facility or onshore production operation**. Unlike the approach taken with the proposed new definition for **Gathering line (Onshore)**, PHMSA’s proposal differs significantly from the definition contained in RP-80. API members, some of which are also GPA Midstream members, engage in the production of gas as their primary business. These members are more capable of articulating the problems with the definition PHMSA has proposed.

*GPA Midstream supports the positions put forth in the comments filed by the API on this topic.*

PHMSA is proposing to introduce two new terms for use in identifying pipelines which may be subject to new testing and verification processes. These are **Legacy construction techniques** and **Legacy pipe**. GPA Midstream seeks clarification with regards to one of these terms.

Within the proposed definition of **Legacy construction**, PHMSA has used the term “now abandoned,” which GPA Midstream understands to mean the described construction practices are no longer used. However, the term abandoned is used elsewhere to designate pipelines that

have been permanently taken out of service. Although this is a remote prospect, GPA Midstream recommends that PHMSA use a different term to communicate its meaning, so that there is no implication that pipelines that have been taken out of service may somehow be subject to the proposed testing and verification in §192.624(c). Also, although this term is used only for determining which lines are subject to the testing and verification called out in §192.624, which is titled in part “Onshore Steel Transmission...”, GPA Midstream is concerned that if the term is used more broadly in the future, it will come to encompass practices that are perfectly acceptable when used in applications such as distribution and lower pressure, smaller diameter gathering lines.

*GPA Midstream suggests PHMSA modify the definition as follows;*

**Legacy construction techniques mean usage of any historic, ~~now-abandoned~~ no longer permitted, construction practice to construct or repair pipe segments of steel transmission lines, including any of the following techniques; ...**

PHMSA has proposed the inclusion of a new definition for **Moderate Consequence Area (MCA)** for use in determining which areas, outside of HCAs, will be subject to the proposed regularly scheduled assessments as proposed in the new §192.710. One of the criteria which will be used to determine if an area is considered a MCA is the term “**Occupied Site,**” which, too, is a new definition.

Paragraph 1 of the proposed **Occupied Site** definition describes outdoor areas used for occasional but recurring activities, such as campgrounds, theaters, beaches, and recreational facilities. In providing such examples, PHMSA has not clearly indicated whether the definition includes other outdoor locations which are used in transient but more commercial activities, such as parking lots. PHMSA should clearly include or exclude parking lots, golf courses, and similar commercial use locations where people congregate on an otherwise-similar basis.

Paragraph 2 of the proposed **Occupied Site** definition describes a building which is occupied by five (5) or more persons on at least five (5) days a week for ten (10) weeks in any twelve (12)-month period. GPA Midstream has several concerns with this portion of the proposed definition. The proposed occupancy rate is 25% of that for HCAs as defined in §192.905(b), and essentially dilutes the greater focus on HCAs intended by the Integrity Management Program regulations. Moreover, although the examples PHMSA has provided are “quasi commercial” or commercial in nature, the definition is not expressly limited to commercial buildings. As written, any residence housing a family of five would be included, although the feasibility of determining such residential occupancy is not addressed. Current class location studies and public awareness programs do not include information about number of persons residing in any structure intended for human occupancy, nor is reliable data on occupancy available to pipeline operators. Even if operators could obtain or develop such

information, PHMSA has not included the costs of such information gathering and management in its RIA.

Even if PHMSA limits this definition (as GPA Midstream believes was the intent) to commercial and quasi commercial establishments, PHMSA has still not provided further direction as to how the duration of the occupancy should be determined. For example, would the presence of five persons for 10 minutes a day in a general store constitute an **Occupied Site**? If this criterion remains in the final rule, GPA Midstream believes PHMSA should define the minimum hours of occupancy for the days occupied at not less than four hours.

Finally, within the proposed definition of MCA, which includes an area within a potential impact circle containing a major roadway or highway, PHMSA has incorporated a reference to a FHWA standard classifying such highways. GPA Midstream has reviewed the document and determined that the FHWA classification includes many more categories of roadway than the terms used in the proposed definition, raising the question of whether PHMSA intended to cover every type of roadway included in the FHWA document. As proposed, therefore, the definition may not be as clear or easy to apply as PHMSA envisions. PHMSA could simplify and clarify the definition by limiting the criterion to only interstate highways, for example, and including the specific FHWA definition in this regulation. If, after consideration of all comments submitted on this topic, PHMSA desires to reference the FHWA document, it should clearly state that the definition is restricted to those arteries PHMSA used in describing the proposed assessment requirements, "...interstates, freeways, expressways, and other principal four-lane arterial roadways," and no others.

PHMSA states in the RIA<sup>25</sup> that it has evaluated pipelines that may "...overlap with interstates, freeways, expressways, and other principal four-lane arterial roadways," implying that these are the only roadways which fall into the definition of MCA and pipelines subject to the required assessments. However, from the referenced FWHA document,<sup>26</sup> the document describes roads which contain very few access points. GPA Midstream urges PHMSA clearly define in final rule language these are the only roadways included, if roads are to be included at all. As proposed and depicted in the Table below from the FWHA document, the definition may not be as clear as PHMSA envisions.

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<sup>25</sup> Id: 52

<sup>26</sup> Highway Functional Classification: Concepts, Criteria and Procedures, 2013 Edition

**Table 2-1: Relationship between Functional Classification and Travel Characteristics**

Functional Classification	Distance Served (and Length of Route)	Access Points	Speed Limit	Distance between Routes	Usage (AADT and DVMT)	Significance	Number of Travel Lanes
Arterial	Longest	Few	Highest	Longest	Highest	Statewide	More
Collector	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Local	Shortest	Many	Lowest	Shortest	Lowest	Local	Fewer

All of the terms used; longest, few, highest and more are inconclusive for use in implementing such a costly regulatory requirement.

The estimated cost for performing the investigations necessary to make the determinations was not included in the RIA, (Page 33<sup>27</sup>). There is a dramatic difference in the effort necessary to search for areas potentially containing twenty or more persons compared to structures occupied by five persons. Even when aided by the use of aerial photography, on the ground follow-up will be required for each structure in question even if PHMSA ultimately limits it to “commercial” structures. One GPA Midstream member has conducted a cursory evaluation of the estimated cost to perform evaluations to identify **Occupied Sites** and has concluded that this task will require approximately 10,000 personnel hours per year. At PHMSA’s cost for a field technician, this equates to \$550,000 per year, or \$8.25MM over the 15-year period, for one operator. If only one-third of the GPA Midstream membership experiences similar expenditures, the cost for this portion of the proposal will be approximately \$22MM per year. Lastly, PHMSA has not defined a timeline for initial identification of these new MCA’s. It has not communicated expectations for ongoing evaluations or treatment of newly-identified locations.

*GPA Midstream recommends that the criterion used in the MCA definition be limited to interstate highways.*

*GPA Midstream urges PHMSA to eliminate the definition of **Occupied Site** and remove this criterion from the proposed definition of **MCA**. Doing so would more clearly distinguish between MCAs and HCAs and provide greater clarity to identifying and managing MCAs.*

*If PHMSA does not eliminate **Occupied Site** from the final rule, then PHMSA should define it as follows;*

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<sup>27</sup> Because operators must have already performed analysis in order to have identified HCAs, or verify that they have no HCAs, PHMSA assumed that the cost of identifying MCAs is negligible compared to the cost of assessments and did not quantify the cost to identify MCAs.

*Occupied site* means each of the following areas:

(1) ,,,; or

(2) A **non-residential** building that is occupied by five (5) or more persons on at least five (5) days a week **for at least four hours per day** for **any** ten (10) weeks in any twelve (12) month period. (The days and weeks need not be consecutive.) Examples include, but are not limited to, religious facilities, office buildings, community centers, general stores, 4-H facilities, or roller skating rinks.

*PHMSA should clearly communicate expectations regarding timelines for identifying MCAs and for periodic updates.*

*The recurring costs for the identification of MCA's and Occupied Sites MUST be clearly identified in the RIA.*

### **C. Subpart A – General**

#### **§192.5 Class Location**

GPA Midstream does not dispute PHMSA's assertion that accurate records related to class location are a necessary component in assuring the MAOP is commensurate with the current class location and for establishing inspection intervals for activities, such as patrols. GPA Midstream does not see any value in keeping the records of every study conducted, if no changes are noted, for the life of the pipeline. The data used for initial determination of the MAOP is relevant. The same is true for surveys which indicate the class location has changed. When a change is noted, the new survey takes precedence and other documentation for compliance with §192.611 will be in place as applicable. Any surveys conducted which indicate no change serve no purpose beyond a check mark on an inspection form.

*GPA Midstream requests PHMSA change the proposed requirement to read as follows:*

**(d) After ~~insert effective date~~, records for transmission pipelines documenting class locations and demonstrating how an operator determined class locations used for initial determination of the MAOP and any subsequent surveys which indicate a change in class location in accordance with this section must be retained ~~for the life of the pipeline.~~**

#### **§192.7 Incorporation by Reference**

PHMSA has proposed to incorporate by reference several new industry consensus standards and GPA Midstream's focus here is on the three related to the conduct of inline inspections. PHMSA is proposing to reference API 1163 (2005), NACE SP0102 (2010), and ASNT PQ 2005. In the ANPRM, question C.7 asked if PHMSA should adopt standards associated with conducting inline inspections. The vast majority of the responders that directly

addressed the question posed did not object to the use of the standards but did oppose PHMSA's adoption of them merely because of the slow process of updating to more current editions. Historically, standards tend to keep pace with advances in technological change resulting in documents which better reflect the available accuracies and practices, in this case. PHMSA's proposal reinforces this argument. PHMSA is proposing to reference the 1<sup>st</sup> Edition API 1163 and ASNT PQ 2005, when both have been updated already, and not necessarily recently, to the 2<sup>nd</sup> Edition 2013 and 2010 respectively.

*GPA Midstream stands with its original comments filed in 2012 that PHMSA should not reference the documents, but make reference to them as guidance documents. If PHMSA does not heed that suggestion, then GPS urges PHMSA to reference to the most recent Edition of the standards.*

### **§192.8 How are onshore gathering lines and regulated onshore gathering lines determined?**

PHMSA has proposed to extend its oversight of onshore gas gathering lines into Class 1 locations through the creation of a "Type A, Area 2" grouping which would include all lines eight inches (8") in diameter and greater and which have an MAOP that is equal to or greater than 20% SMYS for metallic lines, or which have an MAOP greater than 125 psig for non-metallic lines.

PHMSA's reasoning for the proposed regulatory expansion is based on three pretexts: first, the purported extrapolation of incident data from regulated gathering to the unregulated mileage; second, a General Accountability Office ("GAO")<sup>28</sup> report; and lastly, current public opinion. When discussing the potential expansion of gathering with PHMSA's Technical Pipeline Safety Standards Committee (TPSSC, now known as GPAC) on March 24, 2013, PHMSA stated that it thought it appropriate to extend oversight to the "larger-diameter, higher pressure" rural gathering. The GAO report cited by PHMSA included in the discussion of its findings "that some newly built gathering pipelines have larger diameters and higher operating pressures that more closely resemble transmission pipelines than traditional gathering pipelines. For example, while gathering pipelines have traditionally been 2 to 12 inches in diameter ..." PHMSA, in the RIA<sup>29</sup>, states "Gathering lines are being constructed as large as 36 inches in diameter with maximum operating pressures up to 1480 psig. These characteristics far exceed past design and operating parameters of typical gathering lines." In all documents, testimony, and discussions between the agency and various non-industry interest groups, sentiment has been consistent that the "larger-diameter, higher pressure, higher risk" gathering should be regulated. While GPA Midstream is opposed to expanding the regulation of gathering pipelines, GPA Midstream believes that if it is to occur, such regulation should be consistent with the rationale that has been promoted in PHMSA's previous statements and writings: larger-diameter, higher-pressure pipelines.

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<sup>28</sup> GAO Report 14-667

<sup>29</sup> Id 101

However, PHMSA's proposal departs from its earlier statements, by seeking to regulate an arbitrarily larger population of gathering pipelines, both directly and, as discussed earlier, indirectly through new reporting requirements for non-regulated gathering lines. PHMSA has proposed to include much smaller diameter pipelines than previously discussed in its new Type A, Area 2 category of metallic gathering pipelines of 8 inches or greater in diameter, and operated at 20% or more of SMYS, and non-metallic gathering lines operated at more than 125 psig. PHMSA's proposal to use the 8-inch diameter, rather than the larger diameters typical of the "new" shale plays identified as an illustration of the need to change the regulatory approach to gathering lines, is not supported by the safety incidents it cites in the Notice. PHMSA briefly describes incidents on three non-regulated gathering lines, saying that these incidents show that non-regulated gathering lines are subject to the same kinds of failures as regulated pipelines. However, two of the three incidents involve excavation damage, which is already addressed through damage prevention programs and not through the proposed rules. Of those two incidents, one was caused by an excavator who did not make the required one-call notifications and ignored both markers and previous knowledge of the pipeline's location. Notably, none of these three incidents involved a pipeline with a diameter of 8 inches. If anything, these incidents illustrate the unfortunate principle that it is not possible to eliminate the role of human action or inaction in accidents, pipeline or otherwise.

PHMSA states in Section 6.2 of the RIA that it has no incident data on the unregulated gathering, so it used data on comparable regulated transmission lines. In the attempt to characterize the perceived risk, PHMSA used gas transmission incident data from Class 1 and 2 locations, and assumed that non-regulated gathering would have a higher rate of incidents. There are two inherent flaws in this analysis. First, it stands to reason that the consequence costs are higher for pipelines in Class 2 locations, because these locations have higher population densities, resulting in more evacuations, business interruptions and potentially more property damage. These data cannot represent gathering pipelines in Class 1 locations. Second, there is no data supporting the proposition that unregulated gathering performs more poorly on measures of safety than transmission as claimed. API / GPA Midstream data submitted by Emmert in 2012 provided PHMSA with actual numbers of fatalities and injuries for 2007 to 2011 on Class 1 gathering not regulated by PHMSA, so GPA Midstream has used these years to compare with PHMSA's RIA assumptions. In the 2007 to 2011 timeframe, there were 6 fatalities and 16 injuries on the 236,548 miles of non-regulated gathering reported by the participating companies. This is a rate of 1:10752 miles of pipeline. PHMSA reports show 12 fatalities and 85 injuries or 1:3111 miles for the same time period on transmission (RIA Table E-1). Clearly, there is a significant difference between the safety metrics associated with Class 1 and 2 transmission pipelines and those corresponding to nonregulated gathering during the same time period, but that difference does not support PHMSA's creative, if not incorrect, assumptions. GPA Midstream also questions PHMSA's claim of reduction in methane releases. PHMSA shows the estimated number of releases averted as escalating over the fifteen year period of the RIA, when the actual number of incidents had shown a decline, with none occurring in years 2013 and 2014.

If the expected releases averted is questionable, then so are the expected benefits identified in Tables 6-10 and 6-11.

The transmission incidents PHMSA cites highlight the disparity between the evidence PHMSA points to and the parameters it proposes in the NPRM, as well as the actual relationship between diameter and MAOP as a percentage of SMYS. Of those incidents, the Sissonville, West Virginia incident involves the smallest diameter pipeline, at twenty inches (20”), and was operating at 921 psig. The public records do not indicate the MAOP of this line, but a calculated potential impact radius (“PIR”) for the Sissonville pipeline at its operating pressure would have been 420 feet. In contrast, an eight inch (8”) pipeline at a MAOP of 720 psig would have a PIR of 149 feet; the same 8” pipeline operating at 200 psig would have a PIR of only 79 feet. In order to arrive at a PIR that is similar to that of the Sissonville line requires a sixteen inch (16”) line with a MAOP of 1480 psig, resulting in a 425’ PIR. A 16” line operating at 300 psig would produce a PIR of less than half that figure, or 192 feet. If PHMSA is concerned about the potential impact of a failure on the surrounding area, PHMSA must take into account the physical relationship between pipeline diameter and its MAOP. Smaller diameter pipelines, such as an 8-inch line, must be operated at a pressure much higher than 20% of SMYS in order to have the same PIR as a larger diameter pipeline. Furthermore, for a steel pipeline of standard specifications, a MAOP equal to 20% of SMYS represents a much lower pressure for a pipeline with a 30-inch diameter than for a pipeline with an 8-inch diameter. In fact, for a standard 20-inch diameter pipeline, an operating pressure equal to 20% of SMYS would be less than 300 psig, suggesting that the Sissonville pipeline was operating considerably above 20% of SMYS, whatever its MAOP may have been.

Gathering pipelines are rarely operated at pressures close to their MAOP. This is one major reason the risk from gathering lines is far lower than transmission. When a new “play”, such as Barnett or Marcellus, is first explored, very little infrastructure is in place to transport the production to processing and then to market. The initial gathering lines flow at higher pressures because capacity is limited and because it is needed in order to facilitate delivery into the gas transmission lines at sales locations. The main reason diameters are large in these new fields is to accommodate volume. As development progresses and gathering compression is added in the field, pressures are lowered significantly for gathering lines, because they are located on the suction side of the compressors by design. Keeping the pressure as low as possible on a gathering line allows more gas to flow from the connected wells. Thus, although a gathering line has an MAOP of 1440 psig, it may never operate above 150 to 200 psig. GPA Midstream believes the risk should be evaluated against this, instead of a MAOP that is designed, tested, and established at a much higher level primarily to keep everything uniform. This is particularly true in the newer shale play build outs.

As proposed, PHMSA will allow six months to evaluate an estimated 344,000 miles of gathering pipe to determine the beginning and endpoints, identify all pipe of a diameter 8” and greater, determine whether the identified pipe meets the criteria for classifying it as Type A, and

then have all prescribed programs implemented within another 18 months. This is an unrealistic expectation. Unlike cross country transmission that is typically diameter consistent from beginning to end, gathering systems are built in segments to facilitate new production as it is brought online. Each gathering line segment is sized to accommodate the anticipated production amount expected from a well times the number of wells expected to be connected eventually. The larger trunk lines are built with a vision of the overall development of a region within the play and may be telescoping in nature, growing larger as it nears final compression or processing. For this reason, identification of larger line sizes can be achieved more quickly. However, while the identification of the larger lines may be achievable more quickly, determining whether or not the MAOP is greater than or equal to 20% SMYS may be difficult and lengthy process, particularly if PHMSA intends to require reliable, traceable, verifiable, and complete (“RTVC”) material documentation records for line pipe, valves, flanges, and components for gathering lines. That topic is discussed in greater detail below. Even if PHMSA does not impose this standard, operators may not have the records needed to establish either MAOP or SMYS for pipelines that are newly regulated. PHMSA does not address this possibility, nor does PHMSA include the costs of determining such parameters where records are limited or missing in the RIA. Finally, by using such parameters to determine whether a Class 1 gathering line is regulated, PHMSA is in effect imposing retroactive requirements on these pipelines, which is expressly prohibited in 49 USC 60104. Operators may have sufficient operating history records to determine MAOP for such lines, pursuant to 192.619(c), but determination of SMYS requires various design criteria, such as wall thickness, outside diameter, and yield strength, that are not available and were not previously required for Class 1 gathering pipelines.

In addition to the retroactivity prohibition, GPA Midstream believes that a blanket six-month implementation timeline fails to recognize the overall complexity of what is being proposed in this Notice. As such, GPA Midstream offers the following example of a mileage and diameter-based guide for the implementation of any final rule.

Diameter Basis	500 total system miles of pipe	On-shore Regulated Gas Gathering Only						Transmission MOC
		Identify (ID) affected pipeline	ER Plans following ID	Pub. Awareness following ID	Corr. Control following ID	Ann. Leak Survey following ID	MAOP verification following ID	
Greater than 12"	Op'd. miles over	48 mos.	24 mos.	24 mos.	48 mos.	30 mos.	84 mos.	48 mos.
	Op'd. miles under	40 mos.	24 mos.	24 mos.	40 mos.	24 mos.	80 mos.	48 mos.
Greater than 16"	Op'd. miles over	36 mos.	20 mos.	24 mos.	36 mos.	24 mos.	72 mos.	48 mos.
	Op'd. miles under	30 mos.	20 mos.	24 mos.	30 mos.	20 mos.	60 mos.	48 mos.
20" and Greater	Op'd. miles over	18 mos.	12 mos.	24 mos.	24 mos.	18 mos.	48 mos.	48 mos.
	Op'd. miles under	18 mos.	12 mos.	24 mos.	20 mos.	12 mos.	36 mos.	48 mos.

Implementation timelines for these activities begin AFTER the Identification (ID) phase

The cost to benefit ratio, even using PHMSA’s numbers, are negative on the benefit side. Throughout these comments, GPA Midstream has provided costs that reflect current information from our members, and these indicate that the actual costs of the proposed regulation will be much higher than PHMSA has estimated. PHMSA has used costs provided by IPAA back in 2005, which were used to support the 2006 rulemaking. GPA Midstream does not dispute the validity of the numbers as used then. However, PHMSA has simply applied a rate of inflation to

project costs anticipated for compliance for this proposal. While this may be a valid method in some instances, it does not accurately reflect costs when program requirements have changed over time. For example, when those IPAA figures were submitted, PHMSA had just implemented enhanced requirements for Public Awareness programs, and therefore the costs associated with the requirement to evaluate effectiveness were not factored in. The same is true of emergency response plan development and implementation including the expectations related to interactions with the emergency responder community. Class 1 locations tend to be covered by volunteer fire departments which present more challenges to reach and conduct the required liaison, often at night, resulting in overtime pay. Section 3.8.2.3 of the RIA states that “[f]or this analysis, PHMSA assumed that many operators already substantially comply with some portions of the proposed rule.” GPA Midstream does not dispute that our member companies may conduct many of these activities, but training and implementation costs for a larger scope of work will create administrative costs which have not been considered in the PHMSA analysis.

GPA Midstream has examined realistic updated numbers based on what member companies have recently spent on regulated gathering and transmission mileage. Several member companies have provided actual costs related to the impacts of the proposed requirements for Type A, Area 2 compliance activities which demonstrate both the gross underestimation in the numbers for cost used by PHMSA in the RIA, and how PHMSA could more closely align the costs to the perceived benefits by adjusting the pipeline diameters in its criteria.

- Operator “A” indicates it will cost approximately \$187 per mile for recurring costs to cathodically protected pipe to implement the proposed eight compliance activities. This is \$20 per mile more than PHMSA estimates in Table 3-92 for Operator Group 2, adding \$1.4MM to the recurring costs.
- Operator “B”’s costs are \$280 per mile based on what it currently spends per mile on the specified programs for its regulated assets.
- Operator “C” has indicated it will incur costs of \$1000 per mile to obtain PHMSA compliant cathodic protection levels and it will cost \$150 per mile in recurring cathodic protection costs alone. This brings the total recurring costs, without factoring in the elevated costs for pipe that is not cathodically protected, to \$19,249,720, not the \$13,791,875 PHMSA estimated. This \$1.4MM to \$5,457,845 per year difference will add between \$21MM and \$81MM without adjusting for inflation to the total 15 year cost just for the Type A, Area 2, without giving any consideration to the impact of complying with the MAOP records verification component, if PHMSA intended it to apply to gathering.

- Operator “D” comes in with \$713 per mile on its currently regulated mileage, which is a large amount of mileage and is spread over several states. At this rate, including pipelines of 8” and greater in Class 1 is projected to add over \$10MM per year to their regulatory program costs.
- Operator “E” will have recurring costs of \$173 per mile for corrosion control activities only, bringing their cost per mile for seven of the eight activities to \$575 per mile per year. The costs shown for Operator “E” do not include establishing the MAOP on the potentially affected mileage.

It is apparent to GPA Midstream that PHMSA did not consider pipelines constructed using materials that are not yet authorized under Part 192, such as composites and polyethylene manufactured to standards other than ASTM D2513, although such pipelines may be safely operated at higher pressures than standard “plastic” pipelines, and will therefore be considered Type A. Operators commonly use these technologies where they can to eliminate threats such as internal corrosion and to minimize environmental impact during construction since they do not require as much right-of-way. In the 2012 data submitted to the docket, members reported over 11,400 miles of Type A, Class 1 pipe classified as “Other”. Since plastic was reported separately, it is a relatively safe assumption these lines are composites. There were over 7100 miles of Type A, Class 1 reported as plastic. What cannot be determined from this data set is how much is ASTM D2513 and how much is ASTM F2619 or API 15LE polyethylene for oil and gas gathering. And because the decline in commodity prices did not halt new gathering construction until well into 2014, it is probably safe to assume that mileage increased another 10% in 2013 to 2014 bringing the total to approximately 20,000 miles combined. It is plausible that the vast majority of this 20,000 miles will be impacted since composites may be produced in diameters of eight or possibly ten inch with pressure ratings up to 3,000 psig, and ASTM F2619 poly can be produced in diameters as large as sixty five inch, but use of sixteen to twenty inch is not uncommon in gathering applications at pressures up to three hundred (300) psig. This places both of these material types into the Type A category as defined in §192.8. If adopted as PHMSA has proposed in the NPRM, the result will be an indirect prohibition of non-metallic gathering lines through pressure limits and other requirements. Additionally, PHMSA has not taken any steps to adopt by reference the most recent performance standards relating to non-metallic pipelines and composite materials. Non-metallic lines are currently in use in the industry and offer safer, more corrosion resistant service than steel lines for many applications. Currently, these composite lines are safely operated in many areas carrying linear and aromatic hydrocarbons, hydrogen sulfide (H<sub>2</sub>S) and carbon dioxide (CO<sub>2</sub>) gasses, and low pH highly saline brines. We feel these unnecessary limits will not encourage advancements for improving safety in gathering lines. PHMSA has not provided any discussion of how these materials will be accommodated with respect to the standards they were manufactured or expectations for establishing MAOP. Nowhere in the RIA have costs associated with requiring replacement of

any pipe been included, and certainly not 20,000 miles of Class 1 gathering pipe. PHMSA could alleviate this problem by limiting the scope of any expansion to include steel lines only.

GPA Midstream does understand PHMSA's need to respond to the concerns raised by public representatives and the findings put forth by the GAO, but balance must be achieved by focusing on larger diameter, higher pressure pipelines. GPA Midstream is confident that PHMSA understands that simply because it does not regulate these lines does not mean they are not regulated. The report<sup>30</sup> required by Section 21 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, which PHMSA transmitted to congress May 8, 2015, clearly indicates that gathering lines are not without regulatory oversight in most locations. As shown in the data submitted in 2012 to the docket, a substantial savings on the costs of the proposed regulations could be achieved by establishing a higher diameter threshold for determining regulated gathering, which would also be consistent with the larger-diameter, higher-pressure, "riskier" pipelines that PHMSA seeks to regulate.

*GPA Midstream believes PHMSA should defer extending oversight until sufficient data is collected to permit a data driven, risk-based analysis.*

*If PHMSA insists on continuing with this portion of the rulemaking, GPA Midstream urges PHMSA to modify the criteria applicable to steel gathering pipelines in the final rule to a diameter of greater than 16 inches, and an MAOP greater than 20% of SMYS. PHMSA should also clarify the standards for determining MAOP applicable to gathering lines, both for purposes of definition and for purposes of compliance.*

*Given the use of newer composite materials in pipeline fabrication, GPA Midstream urges PHMSA to evaluate whether the same MAOP standard should apply to different types of non-metallic and composite lines, and to consider addressing these differences in a subsequent rulemaking.*

### **§192.9 What requirements apply to gathering lines?**

The proposed modifications to §192.9(c) includes exceptions for gathering lines that are Type A, Area 1. The proposal states that §192.13 is not applicable to Type A, Area 1 gathering lines, but §192.13(a) and (b) provides for the applicability of design, installation, construction, initial inspection, initial testing requirements to pipelines based on in-service dates, or dates of replacement, relocation or change of those pipelines. GPA Midstream believes this may be a drafting error. GPA Midstream thinks that §192.13(a) and applicable portions of § 192.13(b) are necessary to establish starting points properly apply the regulations.

Other proposed exceptions for Type A, Area 1 include §§192.150, 192.319, 192.461(f), 192.465(f), 192.473(c), 192.478, 192.710, 192.713. As with the proposed blanket exception for §192.13 above, GPA Midstream is confident PHMSA did not intend to exclude Type A, Area 1

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<sup>30</sup> Review of Existing Federal and State Regulations for Gas and Hazardous Liquid Gathering Lines

from all of the requirements currently stipulated in §192.319, but intended to exclude only the proposed §192.319(d). In addition, none of these same exceptions were provided for the Type A, Area 2 or Type B lines. GPA Midstream believes that §192.9(d)(1) should be revised to exclude §§192.150, 192.319(d), 192.710, and 192.713 from the requirements applicable to Type A, Area 2, and Type B lines. The same changes are warranted §192.9(d)(2) as it relates to the proposed §§ 192.461(f), 192.465(f), 192.473(c), and 192.478.

In proposing that the newly-defined Type A, Area 2 gathering follow the requirements previously established for Type B gathering, GPA Midstream believes PHMSA failed to recognize the relative utility of one of the risk control activities required for such Type B lines. In a recent rulemaking,<sup>31</sup> PHMSA added a requirement for leakage surveys to be conducted on Type B gathering lines. The requirement to use leak detection equipment was predicated on the propensity for these lines to leak in a similar fashion as gas distribution lines. Leaks which occur on “larger-diameter, higher-pressure” gathering will be detectable without the use of leak detection equipment.

*GPA Midstream urges PHMSA to modify the language in §192.9 to accurately reflect its intended application of Part 192 to newly regulated Type A and Type B gathering lines. If the published proposed rule does reflect PHMSA’s intention, then GPA Midstream objects to the regulation because the RIA does not reflect the costs of the limited exceptions.*

*GPA Midstream urges PHMSA to modify the language in §192.9(d)(7) to not require the use of leak detection equipment for Type A, Area 2 gathering lines when conducting leak surveys. Leak detection equipment is not required by §192.706 to perform leakage surveys for transmission lines or currently regulated Type A, Area 1 gathering lines. It does not make sense to require leak detection equipment on a Type A, Area 2 gathering line.*

### **§ 192.13 What general requirements apply to pipelines regulated under this part?**

PHMSA is proposing several changes to §192.13, including Management of Change (“MOC”) requirements and recordkeeping requirements. The changes related to effective dates as they apply to gathering are discussed in the previous section of GPA Midstream’s comments, and will not be restated here. PHMSA is proposing to add an MOC requirement for transmission pipelines. In the Notice, PHMSA states “In addition, PHMSA also proposes to add a new subsection §192.13(d) that would apply to onshore gas transmission pipelines.” PHMSA has not included the necessary exceptions in §192.9 to make it clear the requirement is not applicable to gathering lines. Under PHMSA’s proposal, MOC procedures would be significantly expanded and extended beyond Subpart O’s pipeline Integrity Management (“IM”) provisions. PHMSA has not demonstrated a need to extend MOC requirements beyond those required for IM programs. Compliance with documentation requirements for every routine design change,

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<sup>31</sup> Miscellaneous Changes to Pipeline Safety Regulations: [Docket No. PHMSA-2010-0026; Amdt. Nos. 191-23; 192-120; 195-100] RIN 2137-AE59

change in maintenance procedures, or operational change would be both unnecessary and extremely burdensome. GPA Midstream concurs with the TPA assertion that this proposal is unwarranted and unduly burdensome. If PHMSA leaves this requirement in the final rule, GPA Midstream recommends that PHMSA insert “after effective date” language to ensure the requirement applies only to activities undertaken after the effective date of the final rule.

The insertion of the new paragraph (e) §192.13 appears nowhere in the preamble discussion, no reasons are provided to support the introduction of these requirements, no costs are detailed in the RIA, and as proposed, these requirements become applicable to every type of pipeline operator, except where noted in subparagraph (e)(1). Throughout the ANPRM and the NPRM, the acceptability standard for records has pointed to the terms PHMSA used in Advisory Bulletins: ADB 11-01 and ADB 2012-06. ADB 2012-06 used the terms Verifiable, Traceable, and Complete to describe which records might be used and how differing records might complement each other to substantiate the MAOP. PHMSA has not only inserted these three terms into the proposed §192.13(e) without explanation, it has done so without also providing a definition or reference to the existing standards to help explain how these standards should be applied. Although there is some precedent, as noted above, for the phrase “verifiable, traceable and complete,” PHMSA has also introduced a new term, “Reliable,” without explanation or definition, leaving the meaning of this term uncertain and its application highly subjective.

The proposed §192.13(e)(2) and (3) appear to be a dramatic and unwarranted expansion of the provisions in Section 23 of the 2011 Act regarding verification of MAOP for transmission lines in Class 3 and 4 locations, or HCAs in Class 1 and 2 locations. The Act did not include gathering lines within this mandate, nor did the Act incorporate the “verifiable, traceable, reliable and complete” standard for records that PHMSA has proposed here or elsewhere in the Notice. As written, the proposed regulatory provisions do not apply to Type A, Area 1 gathering, but will be applicable to all segments of Type A, Area 2 and Type B gathering and transmission lines which are new, relocated, replaced, or otherwise changed per §192.9(d)(1). PHMSA has provided no cost estimates in the RIA for generating and maintaining records for pipelines which may be impacted by this requirement. If PHMSA intended to exclude gathering lines, whether Type A, Area 1 or Type A, Area 2 and Type B from the requirements of §192.13(e), PHMSA must clarify in the final Rule to eliminate this uncertainty. If PHMSA did intend to apply these requirements to all gathering and transmission lines, PHMSA has not met its obligations to provide adequate review and comment, and did not adequately assess the costs and benefits of this proposal. PHMSA should also clarify that §192.13(e) does not apply to compliance records corresponding to pipeline operations prior to the effective date of the final rule.

*GPA Midstream urges PHMSA to remove §§192.13(e)(2) and (3), or if it is still believed they are necessary, GPA Midstream recommends that PHMSA initiate a new rulemaking or include them in another rulemaking with an accompanying explanation of the reasons, expected costs, and expected benefits.*

*GPA Midstream urges PHMSA to remove the proposal to require MOC for pipelines other than those covered by the Integrity Management program.*

*Finally, as stated above, if the requirement for MOC is to remain, §§192.13(d), and 192.9(d)(1) should be modified and §192.9(c) should be corrected to accurately reflect that §192.13(d) is not applicable to gathering pipelines.*

#### **D. Subparts C and D**

##### **§192.127 Records: Pipe Design**

##### **§192.205 Records: Pipeline Components**

PHMSA has proposed to add new sections within Subparts C and D stating that certain records for transmission lines must be retained. PHMSA has provided little discussion why it believes this additional language is necessary. Because these requirements are not excluded from the requirements applicable to gathering lines, they will apply to both gathering and transmission pipelines. PHMSA has also failed to address the retroactive applicability of these provisions to pipelines existing before the effective date of the final rule. Although transmission pipeline operators have been required to meet substantive design, installation, construction, inspection, and testing requirements for decades, there has been no affirmative requirement to retain detailed and comprehensive records. Operators of regulated gathering lines have not been required to meet all underlying requirements in Subparts C and D for pipelines put in service before March 15, 2007, and operators of newly regulated Type A, Area 2 lines may not have created or maintained on a consistent basis records of this type prior to the effective date of this rule.

*GPA Midstream recommends PHMSA eliminate this proposal, as well as the proposed §192.205, because they are unnecessary and, as written, have retroactive application.*

#### **E. Subparts E and F**

##### **§ 192.227 Qualification of welders**

##### **§ 192.285 Plastic pipe: Qualifying persons to make joints**

PHMSA has proposed to add new paragraph (c) in §§192.227 and 192.285 requiring certain records for transmission lines be retained for the life of the pipeline. PHMSA has extrapolated from Section 23 of the 2011 Act to support this new requirement. Section 23 of the Act requires the Secretary of Transportation to require verification of records used to establish MAOP to ensure they accurately reflect the physical and operational characteristics of certain pipelines and to confirm the established MAOP of the pipelines. However, individual qualifications for welders, welding operators, and plastic pipe joiners, while necessary for proper construction of a pipeline, are not relevant to the establishment of MAOP. The factors necessary

to establish a MAOP are clearly stated within §192.619 and include identification of the materials used and the demonstration of a successful post construction pressure test. For steel pipelines with an MAOP greater than or equal to 20% of SMYS, the additional records required by §192.243 are applicable.

*GPA Midstream urges PHMSA to delete both of these proposed record keeping requirements as neither are relevant when demonstrating the proper establishment of MAOP nor has PHMSA demonstrated a need or provided expected costs or benefits in the RIA. In addition, these requirements may only apply to pipelines constructed or replaced after the effective date of this regulation.*

## **F. Subpart G**

### **§ 192.319 Installation of pipe in a ditch**

PHMSA has proposed a new paragraph in §192.319 to require inspection via ACVG/DCVG of all transmission lines as a post construction activity. GPA Midstream has several comments regarding this proposal.

In defining the compliance activities required for Type A, Area 1 gathering lines (§192.9(c)), PHMSA has stated §192.319 is not applicable. While GPA Midstream's membership is not opposed to this in principle, GPA Midstream does not believe that PHMSA intended to exempt gathering lines from the current requirements to provide proper support and protect pipe during the backfill process. Conversely, PHMSA has provided no exception for all new, relocated, replaced, or otherwise changed Type A, Area 2 or Type B gathering lines. Type A, Area 2 and Type B gathering are subject to all transmission regulations for each segment that is new, relocated, replaced, or otherwise changed, as provided in §192.9(d)(1).

PHMSA has not adequately justified this new requirement. One failure out of the thousands of miles of pipe per year that are installed hardly demonstrates the need to promulgate new regulations. In fact, GPA Midstream contends that the regulations already address the issue adequately in the existing §192.319(b)(2) and isolated events are an inspection and enforcement issue, not cause for a new regulation.

PHMSA has not taken the cost impact of the new requirement into account within the RIA. PHMSA states in the RIA (page 106): "The compliance costs for new, replaced, or changed pipelines are insignificant because operators would be able to account for compliance with PHMSA requirements as part of the decision-making and planning process." While it is true that such costs can be accounted for in the planning process, these are nonetheless real costs which have not been factored into the overall cost of the rule as proposed. Moreover, GPA Midstream disagrees with PHMSA's assertion that the costs to comply with the proposed §192.319(d) will be insignificant. Even PHMSA, in the RIA for the newly proposed §192.465(f), states "Coating survey costs range from \$2,000 to \$50,000 per mile depending on

several factors: the environment, traffic control, and the amount of miles being surveyed.” Since proposed new §192.319(d) would require coating repairs for any moderate to severe coating damage, as demonstrated by voltage drops, GPA Midstream is unclear how PHMSA can consider this a negligible cost. The type of installation method and location may make this requirement infeasible or impracticable, such as horizontal directionally drilled locations under rivers, lakes, and multi-lane interstate highways. PHMSA has provided for no alternatives or exceptions.

*GPA Midstream believes PHMSA should revise the proposed insertion of §192.319(d) to provide exceptions for areas where conducting tests are impracticable and include a minimum mileage criteria, one mile or more of line pipe.*

### **G. Subpart I**

#### **§ 192.461 External corrosion control: Protective coating**

PHMSA has proposed to include a new paragraph (f) in §192.461, which will require each operator of a transmission line to perform a coating assessment and possible remediation for any segment of pipeline 1000 feet or greater in length that has been repaired or replaced. While PHMSA provided exceptions for Type A, Area 1 gathering lines in §192.9(c), the same relief was not provided for in §192.9(d)(2). Type A, Area 2 and Type B gathering are subject to all transmission regulations for each segment that is new, relocated, replaced, or otherwise changed per §192.9(d)(1) and must follow the corrosion control requirements per §192.9(d)(2). This impact has not been taken into consideration within the RIA.

*If it was PHMSA’s intent to exclude gathering from this requirement, then §192.461(f), 192.9(d)(2), or both should be modified to accurately reflect the intentions. If inclusion was done intentionally, then GPA Midstream objects to this proposed regulation because no cost consideration is included in the RIA.*

*PHMSA should adjust the cost figures for both ACVG/DCVG coating assessments and close interval surveys in class 1 & 2 areas to reflect a more realistic minimum of \$8000 per mile.*

#### **§ 192.465 External corrosion control: Monitoring and remediation**

The NPRM contains a proposal to revise paragraph (d) and introduce a new paragraph (f) in §192.465. The revision to paragraph (d) appears fairly consistent with PHMSA’s Guidance for Corrosion Control,<sup>32</sup> which states: “The definition of “prompt” will vary with the circumstances. Enforcement should be sought when the investigator is convinced that corrective action was not initiated or started in a timely manner.” The guidance continues: “These time frames should give consideration to the population density and environmental concerns of the

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<sup>32</sup>[http://www.phmsa.dot.gov/pv\\_obj\\_cache/pv\\_obj\\_id\\_8E901C2708D127EB2E23FDD7227D4DEF4B910700/filena me/Corrosion\\_Enforcement\\_Guidance\\_Pt192\\_012213.pdf](http://www.phmsa.dot.gov/pv_obj_cache/pv_obj_id_8E901C2708D127EB2E23FDD7227D4DEF4B910700/filena me/Corrosion_Enforcement_Guidance_Pt192_012213.pdf)

area that could potentially be affected by release of gas. They may also consider climatic conditions, availability of material, workloads, and an estimate of a relative rate of detrimental corrosion. As a rule of thumb, the OPS would expect that, *under normal conditions* (GPA Midstream emphasis), the operator should have the evaluations and decisions made and action started within a few months, proportionally less where required monitoring is less than a year or where deficiencies could result in an immediate hazard to the public, and correction completed by the time of the next scheduled monitoring<sup>33</sup>.”

GPA Midstream is concerned with the loss of flexibility for extenuating circumstances and for items with short monitoring periods that cannot be remediated quickly, such as backordered replacement parts for a rectifier or the ability to obtain the necessary permits or right-of-way to replace a ground bed. Where the enforcement guidance found delays permissible provided the operator can demonstrate it is taking actions to resolve the problem in a timely fashion, the proposed rule fails to provide flexibility.

As proposed, PHMSA will require a coating assessment be conducted for every low reading found during the monitoring process. However, some low readings result from an easily identified problem that can be readily corrected, such as a loose connection on a test lead, a bond that has lost connection, damage to a rectifier is identified, or power to a rectifier is disconnected. In those circumstances, a coating assessment may be redundant or unnecessary.

PHMSA’s cost estimation in Table 3-71 of the RIA associated with conducting these coating surveys uses \$200 per occurrence for segments in Class 1. For the vast majority of Class 1 pipelines, this cost does not even cover the drive time for a service provider to reach the location. The actual price, according to a cathodic protection service provider<sup>34</sup>, to assess a 1000’ segment in a Class 1 location would run approximately \$6,500 and, for comparison, assessment of one mile of 12” pipeline (the bid he was working on when contacted) would be \$7,950. Much of the cost is in the associated mobilization, demobilization, and travel. Thus, for the estimated 240 PHMSA-anticipated events, the cost will be a minimum of \$1.56 MM and not the \$298,000 included in the RIA for transmission mileage. As read to include Type A, Area 2, assuming the same 1% non-compliant as PHMSA’s RIA, the cost added to gathering is \$4,468,685.

*GPA Midstream requests PHMSA use the guidance material it has in place as a model to revise the language to accommodate extenuating circumstances without the undue burden of requesting relief via the special permit process.*

*If it was PHMSA’s intent to exclude gathering from this requirement, then §192.465(f), 192.9(d)(2), or both should be modified to accurately reflect the intentions. If this was done*

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<sup>33</sup> PHMSA Part 192 Corrosion Enforcement Guidance – Pages 61-62:  
[http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Pipeline/Corrosion\\_Enforcement\\_Guidance\\_Pt192\\_012213.pdf](http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Pipeline/Corrosion_Enforcement_Guidance_Pt192_012213.pdf)

<sup>34</sup> Telephone interview May 23, 2016

*intentionally, then GPA Midstream challenges this point because no cost consideration is included in the RIA.*

*PHMSA should adjust the cost figures for close interval surveys in class 1 & 2 areas to reflect a more realistic minimum of \$8000 per mile for all mileage targeted for inclusion in this proposed rule.*

*GPA Midstream urges PHMSA to eliminate the mandatory and unnecessary cost associated with these assessments when the cause for low readings is readily determinable.*

#### **§ 192.473 External corrosion control: Interference currents**

PHMSA has proposed the addition of a new paragraph (c) and sub-paragraphs (1)-(3) to §192.473, which is stated to be applicable to transmission. However, as with the above, exceptions for Type A, Area 1 were included but similar exceptions for Type A, Area 2 or Type B gathering was not expressly provided under 192.9(d).

*If it was PHMSA's intent to exclude gathering from this requirement, then §192.473(c)(1)-(3), 192.9(d)(2), or both should be modified to accurately reflect the intentions. If inclusion was done intentionally, then GPA Midstream objects to this requirement on the grounds that no cost consideration related to gathering pipelines is included in the RIA.*

#### **§ 192.478 Internal corrosion control: Onshore transmission monitoring and mitigation**

PHMSA has proposed to include a new §192.478, which will require each operator of a transmission line to develop and implement a program for evaluating and monitoring conditions which may be indicative of a potential internal corrosion threat. While PHMSA provided exceptions for Type A, Area 1 gathering lines in §192.9(c), the same relief was not provided for in §192.9(d)(2). Type A, Area 2 and Type B gathering are subject to all transmission regulations for corrosion control per §192.9(d)(2). This impact has not been taken into consideration within the RIA.

For any population of pipeline PHMSA intends to apply this requirement, GPA Midstream believes there is additional clarification warranted. In the proposed new §192.478(b)(1)-(3), it is unclear if PHMSA expects all of the listed activities to be performed concurrently, or if PHMSA intended for operators to determine which of the actions listed in subparagraphs (1) and (2) are needed for their systems, followed by the evaluation required by the proposed subparagraph (3).

PHMSA has estimated only thirteen new installations will be required in Class 1 locations. PHMSA bases this assumption on another assumption that most interstate operators have these in place already. No mention or consideration of intrastate pipelines is given. The \$10000 per installation may cover the cost of equipment if power, cell service, and other necessary infrastructure are available. If that is not the case, as is likely in Class 1 locations, then

costs can escalate dramatically. PHMSA estimates no annual costs for the required evaluations. This is hardly accurate. Since PHMSA expects operators to “evaluate the partial pressure of each corrosive constituent by itself or in combination to evaluate the effect [.]” this cost could escalate into thousands of dollars per year for those operators which have multiple input points, such as in producing regions of the country. Using PHMSA’s rate for a manager, and assuming ten input locations per year that must be reviewed, the annual cost for the company will be nearly \$7000 per year. Assuming forty companies are impacted to this level, operators will incur another \$4.2 MM for the 15-year period which PHMSA has not factored into its analysis.

The proposed §192.478(c) is duplicative of the existing §192.477 and unnecessary. The proposed §192.478(d) is also duplicative of the requirements in the proposed §192.478(b)(3) and existing §192.477 and unnecessary.

*PHMSA must modify the final RIA to reflect the recurring costs associated with the proposed required monitoring and evaluation for conditions which may pose an internal corrosion threat.*

*If it was PHMSA’s intent to include gathering in this requirement, GPA Midstream objects to this requirement on the grounds that no cost consideration related to gathering pipelines is included in the RIA.*

*PHMSA should eliminate the duplication created by the proposed §129.478(b)(3) and §129.478(d).*

### **§ 192.493 In-line inspection of pipelines**

PHMSA has proposed to require adherence to three industry consensus standards, API STD 1163, *In-line Inspection Systems Qualification Standard*; ANSI/ASNT ILI-PQ-2005, *In-line Inspection Personnel Qualification and Certification*; and NACE SP0102-2010, *In-line Inspection of Pipelines* when conducting in-line inspection of pipelines required by this part.

GPA Midstream has commented in greater detail on this topic under the heading for Section §192.7.

*GPA Midstream stands with its original comments filed in 2012 that PHMSA should not incorporate the standards by reference, but should make reference to them as guidance documents. In the alternative, GPA Midstream urges PHMSA to at least incorporate references to the more recent versions of the two standards.*

## **H. Subpart J: Test Requirements**

### **§192.503 General Requirements**

PHMSA is proposing several modifications to establishment, reestablishment, and verification of MAOP’s, which are addressed in other locations within this document. As part of that larger initiative, PHMSA is proposing to modify §192.503(a)(1) by inserting references to

the proposed new §§192.620 and 192.624 to make the “link” between the requirements. While this does provide some clarity, we are slightly concerned it may create the expectation that all three referenced Sections apply.

*GPA Midstream recommends the following revisions to this section:*

- (1) It has been tested in accordance with this subpart and §§192.619, 192.620 or 192.624, **as applicable**, to substantiate the maximum allowable operating pressure; and ...

### **§ 192.506 Transmission lines: Spike hydrostatic pressure test for existing steel pipe with integrity threats**

PHMSA has proposed to include a new Section to the pressure testing Subpart. The applicability is stated as:

- (a) Each segment of an existing steel pipeline that is operated at a hoop stress level of 30% of specified minimum yield strength or more and has been found to have integrity threats that cannot be addressed by other means such as in-line inspection or direct assessment must be strength tested by a spike hydrostatic pressure test in accordance with this section...”

GPA Midstream finds the wording as proposed problematic, because all pipelines have integrity threats. Most would consider Part 192 a “risk control” document designed to address such threats through a variety of controls implemented in each phase of a pipeline’s life, starting with the design and materials that may be used and continuing through operations and maintenance. As identified in other portions of this proposal, PHMSA is prescribing use of a spike hydrostatic pressure test for certain threats and in certain circumstances. These requirements appear in §§192.624(c)(1)(ii), 192.921(a)(3), 192.929(b)(4(ii), and 192.937(c)(3), which all contain references back to section 192.506. Providing direct references to these sections in §192.506(a), would clarify the relationship among these sections and section 192.506 and eliminate any suggestion that section 192.506 creates a separate requirement to conduct spike hydrostatic testing. PHMSA recently clarified that it does not intend to apply § 192.506 to gathering line operators in a series of webinars conducted after the publication of the NPRM. GPA Midstream appreciates that clarification and believes the information provided above demonstrates why PHMSA should make additional changes to the proposed regulation before issuing the final rule.

*GPA Midstream’s comment on this paragraph is not to be taken as an endorsement of this proposal, but simply a request for clarification should PHMSA deems it appropriate to keep this Section in the final rule.*

*GPA Midstream believes including the spike test requirement in §192.506 is misplaced. Subpart J establishes minimum leak test and strength test requirements for pipelines post-construction, before they may be put into service and the test results are used to establish the original MAOP of the pipeline. As proposed, PHMSA is attempting to introduce an “integrity management” assessment method into this section, even though this approach is at best superfluous in the context of the initial testing required for pipelines at the beginning of their lifecycle.*

*GPA Midstream supports the comments on the remainder of this Section as submitted by the Interstate Natural Gas Association of America (INGAA) and the American Petroleum Institute (API).*

## **I. Subpart L: Operations**

### **§ 192.605 Procedural manual for operations, maintenance, and emergencies**

PHMSA has proposed to revise §192.605(b)(5) to include more words pointing to the requirements for overpressure protection and the limitations imposed by §192.201. The current regulation (§192.605(b)(1)) states, in part: “The manual... must include procedures for the following, if applicable, to provide safety ...

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

GPA Midstream disagrees with PHMSA’s assertion<sup>35</sup> that current regulation “does not prescribe this aspect of the procedural controls.” The references to Subpart L and Subpart M incorporate all of the references PHMSA has proposed in the revision, and existing section 192.605(b)(5) already contains an indirect reference to section 192.201. GPA Midstream views this revised subsection as redundant and unnecessary.

*PHMSA should retract this proposed revision as duplicative of current requirements.*

### **§ 192.607 Verification of Pipeline Material: Onshore steel transmission pipelines**

PHMSA is proposing that each segment of onshore, steel, gas transmission pipeline that does not have reliable, traceable, verifiable, and complete material documentation records for line pipe, valves, flanges, and components which is located in an HCA as defined in §192.903 or is in a Class 3 or 4 location follow the prescriptive requirements contained in the remainder of the Section. PHMSA has not included this section in the list of exemptions applicable to Type A, Area 1 gathering, nor from the requirements applicable to new, replaced, relocated or changed Type A, Area 2 and Type B gathering. Section 23 of the Act clearly states that its mandate is applicable to interstate and intrastate gas transmission pipelines. GPA Midstream is certain that most members of Congress would not be aware that Part 192 requires many gathering lines (currently only Type A in Class 2, 3 and 4 locations) to meet the requirements applicable to transmission pipelines. PHMSA indicates in the RIA that 4,363 miles of pipeline lack RTVC records and are therefore subject to this proposed rule. The data was taken from 2014 PHMSA Annual reports 7100.2.1. Part Q of that form and accompanying instructions are clear that only transmission data was reported and therefore only transmission pipelines lacking RTVC records are considered in the RIA.

GPA Midstream questions whether the confidence levels proposed for ultimate tensile strength, Charpy v-notch toughness, and chemical composition can be achieved using

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<sup>35</sup> Vol. 81, No. 68: Page 20811

nondestructive testing (“NDT”) methods. If such confidence levels are not achievable, especially over repeated testing prescribed by the proposed rule, then it is inappropriate for PHMSA to consider any cost savings derived from these methods as “savings” when compared to the alternative destructive testing methods.

GPA Midstream also questions the value of performing chemical analysis, except as one more extreme hurdle that may confirm a manufacturing standard or a general manufacturing era. GPA Midstream also questions whether there is value in determining the condition of the weld bevels on valves. PHMSA has identified no incidents or issues arising from the lack of these data points. Is PHMSA requiring collection of data for data analysis purposes, rather than actual correlation to risk based on known events or conditions?

There is no consideration given in the RIA for the costs associated with determining properties on valves and fittings as separate items. If these were included in the overall cost estimate, then those costs are significantly underestimated, especially since these features are at fixed locations and there is little or no flexibility in choosing locations to perform the necessary excavations for a testing and assessment program.

Benefits cited by PHMSA in the RIA are derived from “savings” associated with not carrying out destructive testing the pipe pursuant to §192.107, which really only points to tensile tests, as weldability is already proven. All remaining tests proposed are beyond those specified in §192.107 so GPA Midstream questions how PHMSA can claim any savings for collecting additional data that would not be obtained or otherwise required.

PHMSA recently clarified that it does not intend to apply § 192.607 to gathering line operators in a series of webinars conducted after the publication of the NPRM. GPA Midstream appreciates that clarification and believes the information provided above demonstrates why PHMSA should make additional changes to the proposed regulation before issuing the final rule.

*For GPA Midstream’s comments on the introduction of the term “reliable” see the comments for Section §192.13(e).*

*GPA Midstream urges PHMSA to clearly state that this proposal is not applicable to any gathering lines. If it was PHMSA’s intent to subject gathering to this requirement, then GPA Midstream contends that this is a gross expansion of the requirements set forth in the Act which PHMSA used as justification.*

*PHMSA has not given consideration for any costs for operators of gathering lines to comply with this proposal in the RIA. Furthermore, PHMSA’s cost estimates rely on dubious assumptions regarding the impact of current destructive testing obligations*

*GPA Midstream supports the challenge related to the validity of the costs and benefits for this Topic as raised by the American Petroleum Institute and the Interstate Natural Gas Association of America.*

### **§ 192.613 Continuing surveillance**

GPA Midstream generally supports what it believes to be the intent behind PHMSA's proposal and notes that PHMSA appears to have taken into consideration comments filed on the similar proposal set out in the NPRM titled "Safety of Hazardous Liquids Pipelines."<sup>36</sup> However, it does not appear that PHMSA factored in the impact to Type A, Area 1 gathering costs when preparing the RIA. There were 250 operators that reported Type A gathering mileage on the Form 7100.2.1 in 2014, and because this requirement is not excluded from the obligations applicable to Type A, Area 1 gathering pipelines, GPA Midstream believes that PHMSA has not accurately estimated the costs of this requirement as applied to gathering lines.

*PHMSA must factor this cost data in when revising the RIA to accurately reflect the cost impacts of this proposal.*

### **§ 192.619 Maximum allowable operating pressure: Steel or plastic pipelines**

PHMSA is proposing a major change to the requirements of §192.619 with the addition of new paragraph (e) and its subparagraphs. PHMSA has proposed lesser modifications to §192.619(a)(2) and (3). Within the changes to §192.619(a)(2) and (3), PHMSA has proposed new MAOP compliance dates and methods for gathering which becomes regulated as a result of this rulemaking. This is consistent with the process used in the rulemaking which affected MAOPs for gathering in 2006. More significantly, PHMSA is requiring newly regulated gathering pipelines—Type A, Area 2 gathering lines—to establish MAOP according to §192.619 within a year of the effective date of the proposed regulation, or within a year of becoming subject to the regulation. As previously stated, GPA Midstream believes that not all operators of Type A, Area 2 gathering pipelines will have records sufficient to support MAOP in accordance with section 192.619, because such pipelines were not required to establish MAOP prior to the effective date of this rule. Operators may not possess a complete history of operating pressures during the five year period preceding the effective date of the rule. Finally, PHMSA has not included a provision for pipelines currently classified as gathering which are reclassified as transmission as a result of this rulemaking.

GPA Midstream is concerned that proposed new §192.619 (e) does not provide any exception for gathering pipelines. This proposed subsection is written to apply to onshore steel transmission pipelines, but it is not an exception to the transmission line requirements applicable to gathering lines set forth in section 192.9(c) or (d), and section 192.9(d)(2) specifically requires that operators of Type A, Area 2 and Type B gathering lines establish MAOP pursuant to 192.619. Yet, PHMSA has clearly not accounted for applying this provision to any gathering lines within the RIA. PHMSA used Parts Q and R of the 7100.1.2 for years 2013 to 2015 to

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<sup>36</sup> Pipeline Safety: Safety of Hazardous Liquid Pipelines RIN 2137-AE66 [Docket No. PHMSA-2010-0229]

identify affected mileage for transmission pipelines only. Section 23 of the 2011 Act requires verification of MAOP and allows reconfirmation of MAOP where records are insufficient as expeditiously as economically feasible, but this mandate is expressly applicable to transmission pipelines. Any application to gathering is far beyond the scope of the Act and congressional intent. GPA Midstream also notes that PHMSA's proposed MAOP regulations, as stated in §§192.619(e) and 192.624, go far beyond the congressional mandate even for transmission lines, as discussed in the next comment. The permitted methods for establishing MAOP are far from economically feasible, and they cannot be performed expeditiously. The six permitted methods listed in §192.619(e) do not allow inline inspection as a contributing factor in establishing MAOP, despite PHMSA's statements indicating a preference for ILI over pressure testing to demonstrate integrity. Further, as described in §192.624(c)(3), one of the methods for establishing MAOP relies on the records required by § 192.607, which retroactively imposes extensive materials records and data collection requirements.

Finally, §192.619(f) requires operators to maintain RTVC records for the life of the pipeline, including design, construction, operation, maintenance, inspection, testing, material strength, pipe wall thickness, seam strength and other related data. Although PHMSA does not list operating history in this requirement, GPA Midstream assumes that if an operator has relied on operating history to establish MAOP, pursuant to 192.619(c), then such records are also subject to the RTVC standard and must be maintained for the lifetime of the pipeline.

PHMSA recently clarified that it does not intend to apply the MAOP verification requirements in § 192.624 to gathering line operators in a series of webinars conducted after the publication of the NPRM. GPA Midstream appreciates that clarification and believes the information provided above demonstrates why PHMSA should make additional changes to § 192.619 before issuing the final rule.

*GPA Midstream urges PHMSA to clearly state that this proposal is not applicable to any gathering lines. If it was PHMSA's intent to subject gathering to this requirement, then GPA Midstream contends that this is a gross expansion of the requirements set forth in the Act which PHMSA used as justification.*

*PHMSA has not given consideration for any costs for operators of gathering lines to comply with this proposal in the RIA.*

*GPA Midstream supports the challenge related to the validity of the costs and benefits for this Topic as raised by the American Petroleum Institute and the Interstate Natural Gas Association of America.*

## **§ 192.624 Maximum allowable operating pressure verification: Onshore steel transmission pipelines**

GPA Midstream’s comments for proposed §§192.607 and 192.619(e) are echoed for the proposed §192.624. No exceptions for gathering have been provided and no cost considerations corresponding to gathering have been included in the RIA.

Proposed new §192.624(a)(1) will subject a pipeline to the requirements of this section if the pipe has experienced an incident since its most recent pressure test if the cause was attributable to one of a laundry list of causes. This particular issue was not identified in Section 23 of the 2011 Act as justifying the need to reconfirm MAOP, and PHMSA’s statements in the preamble of the Notice indicate that PHMSA drafted this provision with the intent to correct or confirm MAOP in older, pre-1970 lines for which MAOP was established on the basis of operating history or pressure tests that do not meet Subpart J requirements and that subsequently experienced a safety incident. However, PHMSA has not distinguished between these situations and those pipelines for which the defect or incident may have occurred decades ago but where the “cause” is not known today, either as the result of lost records or simply less detailed investigation at the time.

As noted elsewhere, PHMSA has incorporated references to other sections of Part 192 in proposed new §192.624, some of which have a retroactive impact on existing pipelines. Proposed new §192.624(a)(2) references sufficiency of test records, including testing pursuant to sections 192.505 and 192.507, as well as proposed new section 192.506, which requires a spike test—a requirement for transmission pipelines which is not now and has never been a requirement. By incorporating a reference to a new requirement in the determination of the sufficiency of records to verify MAOP, PHMSA is retroactively applying the new spike test requirement to certain lines through MAOP verification, which is prohibited by 49 U.S.C. §60104 (b). This retroactive application is also prohibited with respect to §§192.505 & 192.507, to the extent required for transmission pipe pressure tested prior to July 1, 1965.

The scope of proposed §192.624 goes far beyond the scope expressed in Section 23 of the 2011 Act. PHMSA was directed to “issue regulations for conducting tests to confirm the material strength of previously untested natural gas transmission pipelines located in high-consequence areas and operating at a pressure greater than 30 percent of specified minimum yield strength.” PHMSA’s proposal seeks to include all transmission lines (and, as written, gathering lines), even those that have an MAOP of less than 30% SMYS, or are located outside Class 3 and 4 locations or high consequence areas in Class 1 and 2 locations. This, too, appears to be a considerable expansion of the Congressional mandate.

PHMSA is proposing in new §192.624(b) that operators with pipe subject to the requirements of this section will have one year to develop a plan and, effectively, 14 years to complete the required testing or evaluations for all pipelines. This schedule does not take into

account the time period needed to identify MCAs—as discussed earlier in these comments, identification of MCAs cannot be achieved easily or quickly, as the rule is currently written. MCAs must be identified prior to the development of a testing and assessment plan pursuant to §192.624(b). Thus, realistically, an operator may need a year to identify all MCAs, and another year to identify those MCAs which contain pipelines covered by §192.624 and develop the testing and evaluation plan. If the operator is allowed two years to carry out this preliminary work, the operator would be left with only 6 years to complete testing and evaluation of the first half of its covered pipelines. PHMSA should adjust the timeframes for testing and assessments to ten and twenty years after plan development.

PHMSA based its RIA cost estimates on costs associated with pipelines operated at greater than 30% SMYS (Table 3-20, page 45). However, nothing in this proposed section indicates that its applicability is limited to such pipelines. In Table ES-2, PHMSA included a row of data for pipe operated at pressures between 20% and 30% of SMYS, showing an estimated 2,817 miles impacted by the proposed regulation. This points to a disconnect between the analysis and the actual impact of the proposed regulation, which is not limited to the smaller population of transmission pipelines contemplated by the 2011 Act or in the RIA.

Method 5 for small diameter, low stress is completely baffling. It appears that PHMSA is proposing some of the most restrictive criteria on the lowest risk pipelines. For these low risk lines, PHMSA will require: lowering the MAOP, conduct External Corrosion Direct Assessment (“ECDA”) and Internal Corrosion Direct Assessment (“ICDA”) investigations, investigate for cracks and crack-related defects, conduct patrols at a frequency that is ten times more than is currently required, conduct leakage surveys at a frequency that is ten times more than is currently required, implement an odorization program, and possibly employ the fracture mechanics requirements.

*GPA Midstream urges PHMSA to clearly state that this proposal is not applicable to any gathering lines. If it was PHMSA’s intent to subject gathering to this requirement, then GPA Midstream contends that this is a gross overextension of the requirements set forth in the Act.*

*PHMSA has not given consideration for any costs for operators of gathering lines to comply with this proposal in the RIA, and has included only a subset of transmission lines in its analysis.*

*GPA Midstream supports the challenge related to the validity of the costs and benefits for this Topic as raised by the American Petroleum Institute and the Interstate Natural Gas Association of America.*

*GPA Midstream urges PHMSA to eliminate any MAOP validation requirements for low stress, class 1 and 2 transmission pipelines.*

## **K. Subpart M: Maintenance**

### **§ 192.710 Pipeline assessments**

In section 192.9(d), PHMSA excepted Type A, Area 1 gathering pipelines from this requirement, but no other regulated gathering lines. GPA Midstream recommends that PHMSA expressly extend the exception to Type A, Area 2 and Type B gathering pipelines. GPA Midstream believes that this is consistent with the language in 192.9(d)(2), which states that the applicable transmission requirements are "...the design, installation, construction, *initial* inspection, and *initial* testing..." requirements applicable to transmission pipelines that are also applicable to gathering pipelines.

PHMSA proposes to require operators of transmission lines in Class 3 or 4 and in the new proposed MCAs to conduct assessments within fifteen years (15) and then at intervals not to exceed twenty years (20). PHMSA has provided no reasoning for the selection of the proposed timeframes to complete the initial assessments or reassessments. PHMSA has proposed to allow the use of prior assessments meeting the requirements of Subpart O, but only if that assessment was performed using ILI. This is essentially establishing a higher standard for Non-HCA pipe than is required for pipe in an HCA.

PHMSA stated<sup>37</sup> in the preamble that requiring all IM elements for MCA's would result in significant costs. While it is true that risk analysis is costly, GPA Midstream contends that PHMSA has simply replaced that cost with the cost of having to run every tool imaginable for every threat, existing or not. PHMSA also requests input<sup>38</sup> regarding the MCA definition and "limits on the categories of pipeline to be regulated within this new area." For GPA Midstream's comments on the proposed definition of MCA, please refer to that location above. Within the 2011 Act, Section 5(b)(5) directs PHMSA to consider "the most effective and efficient options for decreasing risks to an increasing number of people..." None of the pipeline failures presented as evidence for the need for this proposed rule by PHMSA are smaller than twenty inches in diameter. Establishing a threshold level of pipelines greater than sixteen inches (16") diameter in an MCA would permit targeting of resources to pipelines which pose more actual risk to the public than the current scope of this proposed rule, which covers all transmission lines (assuming PHMSA removes uncertainty as to gathering pipelines) located within MCAs.

As noted earlier, PHMSA has not acknowledged or provided any timelines for initial identification of MCAs, nor communicated any expectations for updates or recurring investigations. As previously discussed, the cost of this identification is not negligible as PHMSA claims in the RIA.<sup>39</sup> PHMSA has not elaborated on its expectations for timing of

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<sup>37</sup> Id: 46

<sup>38</sup> Id: 48

<sup>39</sup> Id: 32

pipeline assessments or reassessments of previously assessed areas if a new MCA is identified. This too has tremendous cost implications that have not been taken into consideration.

In the proposed §192.710(c)(4), PHMSA proposes to allow excavation and *in situ* examination. However, PHMSA has not provided any guidance or insight into its expectations. A strict reading would imply the operator must excavate the entire length of the line which is in or could affect the MCA, effectively taking it out of service for the duration of the assessment, even if no corrective action or repair is necessary.

In proposed §192.710(c)(6), PHMSA proposes to allow Direct Assessment (“DA”) if it “is not practical to assess (due to low operating pressures and flows, lack of inspection technology, and critical delivery areas such as hospitals and nursing homes) using the [stated] methods...” It is not clear as written if the other assessment technologies can only be used in critical delivery areas, or whether other constraints, such as low operating pressures and inspection technology limitations can be the basis to select direct assessment. GPA Midstream urges PHMSA to clarify that operators may use direct assessment if warranted by practical limitations such as described or by the need to avoid interruptions in service to critical delivery areas.

In the RIA<sup>40</sup> PHMSA projects a fairly substantial use of DA and possibly, *in situ* examinations, but as discussed above, it is not clear whether use of DA is unlikely due to restrictions. Moreover, the costs to retrofit to accommodate ILI or to perform pressure tests are grossly underestimated.

In the proposed §192.710(c)(8), PHMSA proposes to require the lowest risk pipe (less than or equal to 8” and less than 30% SMYS) to use a prescriptive regimen of assessments, ECDA and ICDA, without deviation. It does not make sense to GPA Midstream why use of this subset of “tools” in its entirety would be required, instead of permitted for use as appropriate, for these lower risk pipelines.

*GPA Midstream requests PHMSA to explicitly list the exemption for Type A, Area 2 gathering subject to §192.9(d)(2), either in §§192.9, 192.710, or in both locations.*

*GPA Midstream urges PHMSA to require the proposed set of assessments to be applicable to steel transmission lines greater than 16” in diameter to assure resources are targeted at the pipelines that pose a greater risk.*

*PHMSA must clearly define timeframes in the rule for identifying MCA’s and how to handle newly identified MCA’s. GPA Midstream supports the timetables we have provided.*

*The associated costs for this ongoing identification MUST be clearly identified in the RIA.*

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<sup>40</sup> Id: 55

*PHMSA should more clearly state the types of highways included in the MCA definition are those designated as part of the US Interstate system.*

*PHMSA should clarify its expectations for in situ examinations and Direct Assessment.*

*PHMSA should modify §192.710(c)(8) as indicated below:*

(8) For segments with MAOP less than 30% of the SMYS, **in lieu of the methods prescribed in (1)-(7) above,** an operator ~~must~~ **may** assess for the threats of external and internal corrosion, as follows:

*GPA Midstream supports the comments and recommendations submitted on this topic by the INGAA, API, and TPA.*

### **§ 192.713 Transmission lines: Permanent field repair of imperfections and damages**

As proposed, any and every dent, regardless of clock position on the pipe and regardless of amount of deflection or operating stress of the pipeline, is considered an immediate repair if there is any indication of metal loss. GPA Midstream is not aware of any scientific basis that warrants this type of broad-brushed classification.

PHMSA is permitting evaluations required by the proposed §192.713(f) if “confirmed by subject matter experts qualified by knowledge, training, and experience in direct examination inspection and in metallurgy and fracture mechanics for accuracy for the type of defects and pipe material being evaluated.” GPA Midstream questions why these same criteria are not permitted in §192.607(d)(3)(iv).

While PHMSA included estimates for cost of repairs on a “per repair” basis, it has not accounted for the costs associated with scheduling and mobilization. By placing prescriptive requirements in place, operators will likely incur more costs for repairs as crews are required to “hop scotch” in order to meet deadlines for certain types of anomalies.

*GPA Midstream supports the comments and proposed course of action filed by API and INGAA regarding this broad expansion of prescriptive requirements for repairs outside of HCA’s.*

#### **L. Appendix A: Records Retention Schedule for Transmission Pipelines**

The proposed §192.13 (e)(1) creates a new requirement to maintain documentation in accordance with the newly proposed Appendix A. Appendix A attempts to summarize each section of Part 192 applicable to a gas transmission line that requires the generation of documentation, as well as the retention period for which this documentation must be retained.

However, Appendix A as proposed, creates an enormous documentation burden beyond what currently already exists, in many cases creating conflicts with existing requirements in Part 192. For example, there at least 18 instances where Appendix A would require documents to be

retained for the life of the pipeline, even though current regulation requires retention far below this standard (usually 5 years). In addition, there are at least three articles of documentation created by Appendix A which do not currently exist, including one of which requires documentation for an activity that is not required in Part 192.

This massive expansion of documentation requirements is being proposed with little to no discussion in the NPRM, no consideration of costs provided for in the RIA, and without resolving the conflicts it creates with existing language within Part 192. Also, the majority of records which are being proposed to be kept for the life of the pipeline provide no real value beyond a few years. They are not pieces of information that would likely be used to make integrity or operational decisions many years or many decades after the fact. However, it would create a tremendous burden for the storage and maintenance of all this data.

As an illustration of this point, §192.491(c) states: “Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained *for at least 5 years*, except that records related to §§192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service”. However, Appendix A proposes to require that each test, survey, and inspection conducted related to §§ 192.459, 192.461, 192.467(d), 192.473, 192.477, and 192.478 be maintained for the life of the pipe. These requirements directly conflict with the existing §192.491(c). The NPRM does not address the technical justifications for these new requirements, nor does it resolve the conflict with the existing §192.491.

Also, Appendix A proposes to require maintaining documentation demonstrating that the compliance dates of §192.452 were met. The current regulation does not specify a retention period for this documentation.

*GPA Midstream urges PHMSA to eliminate inclusion of the Appendix at this time and conduct a more thorough examination of the recordkeeping requirements required by the regulations and address any potential inclusion of a table of this nature in a future rulemaking.*

*If PHMSA does not eliminate this Appendix, PHMSA must factor this cost data in when revising the RIA to accurately reflect the cost impacts of this proposal.*

GPA Midstream appreciates the opportunity to comment on the notice and request for comments regarding “*Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines*” published by PHMSA in the April 8, 2016 Federal Register. GPA Midstream has provided comments and recommendations that will create a practical path forward to meet the continued need to achieve US energy independence while ensuring the infrastructure used to transport it continues to do so in a safe, economical manner. Please contact me at (202)279-1664 or mhite@gpaglobal.org if GPA Midstream can be of assistance.

Sincerely,

Matthew Hite  
Vice President of Government Affairs  
GPA Midstream Association

