

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

**Supporting Statement
“Incident and Annual Reports for Gas Pipeline Operators”
OMB Control No. 2137-0522**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA, we) requests approval from the Office of Management and Budget (OMB) for a change to a currently approved collection entitled “Incident and Annual Reports for Gas Pipeline Operators” (OMB Control No. 2137-0522). The current expiration date for this information collection is February 28, 2014.

The change to this information collection is necessary to incorporate amendments to the following forms:

- Mechanical Fitting Failure Report (PHMSA F 7100.1-2)
- Gas Distribution Incident Report (PHMSA F. 7100.1)
- Incident Report—Natural and Other Gas Transmission and Gathering Pipeline System (PHMSA F 7100.2)
- Annual Report—Natural and Other Gas Transmission and Gathering Pipeline Systems (PHMSA F. 7100.2–1)
- Incident Report—Liquefied Natural Gas Facilities (PHMSA F 7100.3)
- Annual Report for Calendar Year 201 Liquefied Natural Gas Facilities (PHMSA F 7100.3–1)

The 60-day and 30-day FR notices address all the revisions to all these impacted forms.

Part A. Justification

1. Circumstances that make collection of information necessary.

The reports contained within this information collection support the Department of Transportation’s strategic goal of safety. Gas pipeline releases can cause human injuries, fatalities, economic losses, and environmental damage. Rapid reporting, detailed incident reports, and annual summary reports all help to inform PHMSA and the public of release incident risks and trends. The National Transportation Safety Board (NTSB), the U.S. Department of Transportation’s Office of the Inspector General, and the General Accounting Office all urged PHMSA to collect this information. The information is an essential part of PHMSA’s overall effort to minimize natural gas transmission, gathering, and distribution pipeline failures.

The requirements for annual reporting and incidents are in 49 CFR Part 191. The PHMSA delegation of authority is found in 49 CFR 1.97 which allows for PHMSA to exercise the authority vested in the Secretary in under Chapter 601 of title 49, U.S.C. The specific legislative authority cites for the requirements in 49 CFR Part 191 include 49 U.S.C. 60102, 60103, 60104, 60108, 60117, 60118, 60124 and the recently revised 60139.

2. How, by whom, and for what purpose is the information used.

PHMSA uses this information to gather annual, and incident, and failure information from gas pipeline operators. The term “gas pipeline operators” includes Gas Transmission operators, Gas Distribution operators, and LNG pipeline facility operators.

This collection is broken down into two categories (Annual reporting and Incident Reporting).

A. Annual Reporting: PHMSA collects annual information from gas pipeline operators via annual reports. The annual report form has query fields regarding incident cause categories, impacts, failure mechanisms, locations, and other details about natural gas pipeline incidents. PHMSA uses the information to track incidents and help guide future regulations to reduce future pipeline incidents. The annual report forms are identified as follows:

- Gas Distribution Annual Report
- Gas Transmission Annual Report
- LNG Annual Report

Gas Distribution operators are also required to submit Mechanical Fitting Failure reports (PHMSA F-7100.1-2) on an annual basis. PHMSA uses the mechanical fitting failure report to look for trending information relative to such failures in an effort to find ways to reduce future failures. These reports are filed by operators of gas distribution pipeline systems.

B. Incident Reporting: Gas pipeline operators are required to provide immediate notification, in accordance with § 191.5, following pipeline incidents as defined in § 191.3. PHMSA uses these immediate notifications to address ongoing safety issues related to an incident.

In addition, PHMSA requires gas pipeline operators to submit incident reports. These incident reports enable PHMSA to identify and evaluate existing and potential pipeline safety problems and perform safety trend analyses. The information is also essential for FERC reporting compliance. The incident reports are identified as follows:

- Gas Distribution Incident Report
- Gas Transmission Incident Report
- LNG Incident Report

The information from annual and incident reports are used for identifying existing or potential pipeline safety problems, to develop statistical and data/safety reports, and to develop benefit-cost analyses pertaining to pipeline safety.

3. Extent of automated information collection.

PHMSA requires operators to submit all required reports electronically with an exception for those operators to whom electronic submissions would pose an undue burden and hardship. Pipeline operators are encouraged to file the incident and annual reports on-line at www.opsweb.phmsa.dot.gov.

4. Efforts to identify duplication.

PHMSA is the only federal agency that collects information related to distribution pipeline failures. No similar information is requested by the government or industry on distribution pipeline failures that occur between the point-of-sale to a distribution company and a customer's meter.

The information collection on gas transmission and gathering pipelines is extremely limited in terms of scope and population of gas pipeline operators covered. The Department of Interior (DOI) collects information that is in some ways similar to that collected by PHMSA, but the information DOI collects does not cover all gas transportation or gathering pipelines.

5. Efforts to minimize the effects on small business.

For PHMSA to be able to effectively carry out its legislative mandate and monitor natural gas pipeline safety, it is essential that both large and small operators of pipelines provide incident and annual reports.

6. Impact of less frequent collection of information.

A. Incident Reporting: PHMSA would not be able to assess the rate and locations of incidents to the gas distribution/transmission and gathering pipelines without this information collection. Lack of immediate notification to the National Response Center via phone or e-mail as specified in § 191.5 may increase the risks to people and property if the release is ongoing.

B. Annual Reporting: The biennial report to Congress mandated by 49 U.S.C. 60124(b) would not have current information without the annual reports. Less frequent information collection could compromise the safety and economic viability of the U.S. pipeline system.

7. Special circumstances.

There are no special circumstances within this request.

8. Compliance with 5 CFR 1320.8.

The 60-day Federal Register notice was published on June 27, 2013, (78 FR 38803). PHMSA received 3 comments from Norton McMurray Manufacturing Company (NORMAC), Interstate Natural Gas Association of America (INGAA), and the Pipeline Safety Trust (PST). Comments were submitted on a variety of topics regarding the proposed changes to the forms and instructions. The comments were summarized and addressed in the 30-day Federal Register notice (attached) that was published on November 27, 2013 (78 FR 71033). An expanded summary of the 60 Day comments and PHMSA's corresponding responses are attached in ROCIS. PHMSA received additional comments during the 30 Day comment period. A summary of the comments received, along with PHMSA's response, is attached in ROCIS.

9. Payments or gifts to respondents.

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

10. Assurance of confidentiality.

This information collection does not include anything of a sensitive nature or of any matters considered private. Therefore, we do not foresee any need to assure confidentiality of the information to be collected.

11. Justification for collection of sensitive information.

This information collection does not involve questions of a sensitive nature.

12. Estimate of burden hours for information requested.

Estimate of annual burden hours:

12,164 Total Annual Responses
92,321 hours Total Annual Burden Hours

(a) Immediate Notice of Incidents (Section 191.5) w/570 Responses

Gas Pipeline operators are required to provide immediate notification of incidents as detailed in § 191.5. Based on past estimates, there was an annual average of 570 immediate notifications. PHMSA estimates that these notifications are estimated to require 30 minutes for operators to complete. The total time is expected to be 285 hours (= 570 reports x 0.5 hours).

(b) Incident Reports for gas distribution systems (Section 191.9) and gas transmission, liquefied natural gas, and gathering systems (Section 191.15) w/301 responses

(Gas transmission/gathering and distribution Incident Reports)

Based on the number of incident submission over the past decade (1999 – 2008), natural gas incidents on distribution/transmission and gathering lines are estimated be submitted at an annual rate of 300 incident reports/year (approx. 150 transmission incident reports and 150 distribution incident reports). PHMSA estimates that each form takes 10 hours to complete. There PHMSA estimates and annual burden hour total of 3,000 hours (300 responses * 10 hours/response).

(LNG Incident Reports)

PHMSA estimates the information collection burden related to incident reporting requirements for LNG facility operators to be approximately 10 hours annually (1 LNG report per year *10 hours to prepare each report)].

Incident Burden Total

The total burden due to all of the above types of incident reports is 3,010 hours (3,000 hours gas distribution and transmission + 10 hours LNG)

(c) Annual Reports for gas distribution systems (Section 191.11), gas transmission, and gathering systems, LNG Facilities (Section 191.17) w/2,993 responses

Annual reports are required for all 2,375 (1,343 distribution + 950 transmission+82 LNG) operators of gas distribution, gas transmission and gathering pipelines, and LNG facilities. PHMSA estimates that, with the exception of transmission and gathering system annual reports, each annual report will require 12 hours of work to complete. An explanation of the estimated burden hours for annual reports is detailed as follows:

1. Distribution Systems Annual Report (23,040 hours)

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

2. Transmission Systems Annual Report (60,480 hours **(incl. +28,800 hours)**)

PHMSA averages approximately 1,440 gas transmission annual reports each year. Previously, each report took approximately 12 hours to complete for estimated burden of 17,280 hours (1,440 reports*12 hours). PHMSA estimates that with the recent form changes from the One Rule, not including the Integrity Management Reporting portion, resulted in an additional 2 hours to complete for an estimated burden of 20,160 hours ((1,440 reports *(12+2 hours)). In addition, PHMSA used the One Rule to add the bi-annual Integrity Management Program (IMP) Reporting requirements into the gas transmission annual report. The Gas Transmission IMP reporting requirements only apply to 721 operators. Each of these operators is estimated to take approximately 16 hours to complete their Gas Transmission IMP reporting requirements for a total of

11,536 hours (721 operators * 16 hours) on the IMP reporting requirements alone. Therefore, the total burden hour estimate for gas transmission annual report is 31,696 hours (20,160 hours + 11,536) with an average of 22.01 hours per form (31,696 hours/1440). PHMSA is amending the form to collect additional information such MAOP record verification, pipelines able to use in-line inspection technology, and pipelines subject to pressure testing. Therefore, PHMSA is adding an additional 20 hours per form to the estimated burden, resulting in a new total burden hour estimate of 60,480 (1,440 * (22.01+20)). This increases the burden by 28,800 hours (1,440*20).

3. LNG Annual Report (1,356 hours)

PHMSA estimates that there are 82 LNG pipeline operators for 113 LNG facilities. PHMSA estimates the information collection burden related to preparing the LNG annual reports to be approximately 1,356 hours (113 LNG facilities* 12 hours to prepare the report) per year.

(d) Mechanical Fitting Failure Reports for gas distribution systems w/8,300 responses

Mechanical Fitting Failure Reports (4,150 hours)

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

(e) Total Hours:

Telephonic Notification (285 hours) + Incident Reports (3,010 hours) + Annual Reports (23,040+60,480+1,356) + Mechanical Fitting Failure Report (4,150 hours) = 92,321 hours.

PHMSA assumes that the reporting would be made by an engineering manager, who is expected to cost, fully loaded, \$68.60 per hour.

The total annual estimated costs for this information collection with all of the incorporated proposals would be \$6,333,220.60 (= \$68.60 * 92,321 hours)

13. Estimate of total annual costs to respondents.

There are no costs to respondents other than the annual estimated costs specified in Question 12.

14. Estimate of cost to the Federal Government.

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

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

15. Explanation of program changes or adjustments.

PHMSA has revised several of its gas forms to improve granularity and streamline the collection of data. PHMSA has also revised the instructions for several forms to clarify language that has been proven to be ambiguous. PHMSA is amending the following six forms as detailed in the table below:

<u>Form</u>	<u>Amendments</u>
Mechanical Fitting Failure Report (PHMSA F 7100.1-2)	Modified cause categories to collect more accurate data about the cause.
Gas Distribution Incident Report (PHMSA F. 7100.1)	Added more options for type of gas, type of pipeline system, and type of material to collect more precise data.
Incident Report—Natural and Other Gas Transmission and Gathering Pipeline System (PHMSA F 7100.2)	Added another option to type of gas to collect more precise data. At the request of industry, added information about how the MAOP of a gas transmission pipeline was determined.
Annual Report—Natural and Other Gas Transmission and Gathering Pipeline Systems (PHMSA F. 7100.2-1)	Collecting volume transported from all operators to enable comparisons among operators. Modified the display of summary data in Parts Q and R with no change to the data collected.
Incident Report—Liquefied Natural Gas Facilities (PHMSA F 7100.3)	Removed the geospatial coordinates from the form since the location of each LNG facility is already reported to PHMSA.
Annual Report for Calendar Year 201 Liquefied Natural Gas Facilities (PHMSA F 7100.3-1)	Removing section describing how the report differs from the previous year report. PHMSA collects data about modifications through the national registry. Removing sections for reportable incidents and safety-related conditions since they are reported to PHMSA on other forms. Specified whether a data field applies to the plant or the facility.
Gas Distribution Annual Report (PHMSA F 7100.1-1)	PHMSA seeks an extension of the form with no changes.

16. Publication of results of data collection.

PHMSA will summarize the incident and annual reports post the results on PHMSA's website.

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

PHMSA will display the expiration date.

18. Exceptions to certification statement.

There are no exceptions to the certification statement.

Attachments:

Attachments (in ROCIS) Include:

Attachment	Description
Red-lined (w/tracked changes) Forms/Instructions for the Gas Transmission Annual Report and the Gas Transmission Incident Report.	This shows the edited forms with tracked changes to the currently approved form.
Comments to the 60 day FR notice	Complete copy of comments received during the 60 Day comment period
Summary of Received Comments and PHMSA's response (60 Day)	This document summarizes comments received during the 60 Day comment period along with PHMSA's response.
30 Day FR notice	Responds to 60 Day Comments and discusses edits to forms
Summary of Received Comments and PHMSA's response (30 Day)	This document summarizes comments received during the 30 Day comment period along with PHMSA's response.