

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

**Supporting Statement
“Incident and Annual Reports for Gas Pipeline Operators”
OMB Control No. 2137-0522
Docket No. PHMSA–2016–0016**

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests approval from the Office of Management and Budget (OMB) for an extension and amendment of 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 October 31, 2017.

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

- **Docket No. PHMSA-2016-0016 - Pipeline Safety: Safety of Underground Natural Gas Storage Facilities**
 - Adds 124 responses and 2,480 burden hours for annual reporting activities.
 - Adds 4 responses and 40 burden hours for incident reporting activities.
 - Adds 4, 150 burden hours for Mechanical Fitting Failure reporting activities.

Part A. Justification

1. Circumstances that make collection of information necessary.

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rts 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 storage, 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 collection to gather annual, incident, and failure information from natural gas pipeline operators. The term “natural 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:

- Underground Natural Gas Storage 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. PHMSA will make exception in cases where it is not feasible for operators to submit electronically.

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 report data. 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.

PHMSA published an Interim Final Rule (IFR) [81 FR 91860] on December 19, 2016. The effective date of the rule was January 18, 2017. PHMSA received substantive comments pertaining to the annual report for underground natural gas storage facilities from Consumers Energy Company, TransCanada, and a joint comment from the American Gas Association, American Petroleum Institute, the American Public Gas Association, and the Interstate National Gas Association of America.

Consumers Energy Company recommended PHMSA revise the burden associated with the data gathering, data analysis, data approval, and submission of final natural gas underground storage annual report to 20 hours per report per operator.

PHMSA received the following joint comment from the American Gas Association, American Petroleum Institute, the American Public Gas Association, and the Interstate National Gas Association of America:

“The Associations support the 1-18-17 revision of PHMSA’s Underground Natural Gas Storage Facility Annual Report and believe PHMSA is collecting the necessary data to execute its regulatory program. That being said, the Associations believe the annual reporting burden estimate will be higher than PHMSA anticipates. PHMSA estimates the annual reporting burden cost to the entire storage industry at less than \$80,000 annually.⁵⁷ This estimate is based on an extremely low assumed average preparation cost of \$61/hour, which would not account for technical or legal input, or senior management approval. The data must be uploaded, reviewed, and stored and made retrievable for reporting. Some management systems were designed to be repositories and were not developed with reporting. Companies will have to add staff to place data in reportable systems and formats. The Associations estimate that 75-125% more staff time, relative to PHMSA’s estimate, will be necessary to complete this reporting, and the average hourly rate for this staff will also be 75-125% higher than PHMSA’s estimate.”

TransCanada also commented that it believes the burden associated with reporting to be 75-125% greater than PHMSA’s estimate.

PHMSA addressed the comments pertaining to the burden estimate by revising the original burden estimate of 8 hours per annual report to 20 hours per annual report.

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.

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.

Current Number of Responses: 12,164	Proposed Number of Responses: 10,852
Current Burden Estimate: 92,321 hours	Proposed Burden Estimate: 75,951 hours

The following burden breakdown has been revised to include the burden increase resulting from provisions of the Safety of Underground Natural Gas Storage Facilities IFR. PHMSA expects that the currently-approved **burden for this information collection will increase by 128 responses and 2,520 hours** for incident (on DOT Form PHMSA F7100.2) and annual reporting (on DOT PHMSA Form 7100.4-1) relative to operators of underground natural gas storage facilities.

PHMSA is also revising this collection to remove the burden associated with the completion of the Gas Distribution Annual report. Currently, PHMSA estimates that 1,343 Distribution operators will submit an estimated 1,440 reports each year. PHMSA estimates that each Distribution Systems Annual Report will take 16 hours to prepare and submit resulting in an estimated annual burden of 23,040 hours (16 hours * 1,440 reports). In 2014, PHMSA took efforts to streamline the organization of its information collection activities by requesting to have the collection of Gas Distribution Systems Annual Report data moved to its own OMB. Control Number (ICR Ref. No./RCF ID 201408-2137-001). On May 14, 2015, OIRA concluded on that information collection request with the creation of OMB Control Number 2137-0629 which now carries the burden associated with the Gas Distribution Annual Report information collection. PHMSA is now taking action to remove that Gas Distribution Annual Report burden from 2137-0522 because it is duplicative. This change will result in a burden decrease of 1,440 responses and 23,040 hours for this (2137-0522) information collection.

(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) gas transmission, liquefied natural gas, gas gathering systems, and underground natural gas storage facilities (Section 191.15) w/305 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 expects to receive one (1) LNG incident report annually. PHMSA estimates the information collection burden related to this incident reporting requirement for LNG facility operators to be approximately **10 hours** annually (1 LNG report per year *10 hours to prepare each report)].

(Underground Natural Gas Storage Incident Reports)

49 CFR § 191.15 requires each operator of an underground natural gas storage facility to submit DOT Form PHMSA F7100.2 as soon as practicable but not more than 30 days after detection of an incident. Based on current reporting trends, PHMSA expects to receive four (4) incident reports per year from operators of underground storage facilities. PHMSA expects operators who are required to submit an incident report to spend 10 hours per submission resulting in a burden of **40 hours** for incident reporting.

Incident Burden Total

The total burden due to all the above types of incident reports is **3,050 hours** (3,000 hours for gas distribution and transmission + 10 hours LNG+ 40 hours Underground Natural Gas Storage Facilities)

(c) Annual Reports for gas transmission and gas gathering systems, LNG Facilities, and underground natural gas storage facilities (Section 191.17) w/1677 responses

Annual reports are required for all operators of gas transmission and gathering pipeline systems, liquefied natural gas facilities and underground natural gas storage facilities. An explanation of the estimated burden for each report collection is detailed as follows:

1. Transmission Systems Annual Report (**60,480 hours**)

PHMSA estimates that it receives approximately 1,440 gas transmission annual reports each year. PHMSA estimates that it will take operators of natural gas transmission and gathering systems approximately 42 hours, per response, to satisfy the reporting requirement. This includes time for reviewing instructions, gathering the data needed, completing, reviewing and submitting the requested data. Accordingly, PHMSA estimates the burden associated with collecting Gas Transmission and Gathering Systems annual data to be 60, 480 hours (1,440 reports *42 hours per report) each year.

2. LNG Annual Report (1,356 hours)

PHMSA estimates that there are 82 LNG pipeline operators for 113 LNG facilities. PHMSA expects to receive an annual report submission for each of the 113 LNG facilities. PHMSA estimates that it will take LNG operators 12 hours to prepare each annual report submission. This includes the time it will take to review instructions, gathering the data needed, completing, reviewing and submitting the requested data. Accordingly, PHMSA estimates the information collection burden associated with the LNG annual report information collection to be approximately 1,356 hours (113 LNG reports* 12 hours per report) each year.

3. Underground Natural Gas Storage Facility Annual Report (2,480 hours)

49 CFR § 191.17 requires each operator of an underground natural gas storage facility to submit an annual report on DOT PHMSA Form 7100.4-1 by March 15, for the preceding calendar year. PHMSA estimates that there are 124 operators of underground natural gas storage facilities. PHMSA expects each of these operators to spend 20 hours, annually, to prepare annual report submissions. This includes time for reviewing instructions, gathering the data needed, reviewing the required data, and completing and submitting PHMSA Form 7100.4-1 for an overall burden of 2,480 hours (124 reports *20 hours per report) for annual report submissions.

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

Mechanical Fitting Failure Reports (8,300 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. Previously, PHMSA estimated that it would take 30 minutes to complete each submission. PHMSA is revising that burden estimate to reflect that PHMSA now believe that it will take each operator approximately 1 hour to file each report. This will result in an increase of 4, 150 burden hours for a total annual burden of 8,300 hours (1 hour per report * 8,300 reports) for this information collection.

(e) Total Hours:

Telephonic Notification (285 hours) + Incident Reports (3,050 hours) + Annual Reports (+60,480+1,356+2,480) + Mechanical Fitting Failure Report (8,300 hours) = **75,951 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 \$5,108,161.80 (= \$68.60 * 74,463 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, LNG, UNGS)	129.25	\$120.38/hr	1551	\$186,709
TOTAL				\$405,101

15. Explanation of program changes or adjustments.

As a result of the provisions in the Safety of Underground Natural Gas Storage Facilities IFR, PHMSA created the Underground Natural Gas Storage Facility Annual Report form PHMSA F. 7100.4-1 to capture annual report data specific to operators of underground natural gas storage facilities. The data captured from this new form is unique to underground natural gas storage facilities. Operators of these facilities would be unable to use the existing annual report forms to capture such data.

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:

There are no attachments.