



NATIONAL ASSOCIATION OF PIPELINE SAFETY REPRESENTATIVES RESOLUTION

NAPSR Board of Directors

Resolution 2021-01

A RESOLUTION SEEKING A MODIFICATION OF PHMSA'S INSTRUCTIONS FOR INCIDENT REPORTING FOR GAS DISTRIBUTION, GAS TRANSMISSION AND GAS GATHERING SYSTEMS

WHEREAS: The U.S. Department of Transportation - Pipeline and Hazardous Materials Safety Administration (PHMSA) has developed the Pipeline Safety Regulations to help prevent damage and hazardous leaks to protect people and the environment; and

WHEREAS: PHMSA has established a process for operators to identify and report natural gas related incidents "to provide for the accumulation of factual data that will give the Department a sound statistical base with which to define safety problems, determine their underlying causes, and propose regulatory solutions." (Preamble Original Part 191); and

WHEREAS: The most current definition of Incident in 49 CFR 191.3 includes "an event involving a release of gas from a pipeline..."

WHEREAS: The definition of an Incident further states "Estimated property damage of \$122,000 or more, including a loss to the operator and others, or both, but excluding the cost of gas lost"; and

WHEREAS: The instructions for PHMSA's Form PHMSA F 7100.1 (rev 4-2019) "INCIDENT REPORT – GAS DISTRIBUTION SYSTEMS" states that estimated property damage "includes (but is not limited to) costs due to property damage to the operator's facilities and to the property of others, facility repair and replacement, gas distribution service restoration and relighting, leak locating, and environmental cleanup and damage"; and

WHEREAS: Recent PHMSA interpretation (See PI 18-0016, October 4, 2018) confirms that PHMSA considers a gas leak as a 'release of gas' and that costs associated with finding and repairing the leak should be counted as "property damage" for the purpose of applying the Incident definition; and

WHEREAS: Requirements for identifying and repairing leaks are described in the Pipeline Safety Regulation, Subpart M "Maintenance" and the repairing of leaks is considered a routine maintenance activity engaged in by operators; and

WHEREAS: While hazardous leaks need to be repaired promptly according to 192.703(c), it is implied that non-hazardous leaks can be classified and scheduled for repair: and

WHEREAS: Distribution operators are required to have a leak management program as part of a distribution integrity management programs (192.1007(d)); and

WHEREAS: It is not uncommon for costs related to permitting, environmental considerations, restoration costs, and other unique local requirements such as, but not limited to the removing and restoration of concrete and pavement, expansive utility population density requiring methodical safe excavation practices- particularly in urban and near-urban areas, and other remediation unrelated to the leak repair and not required by the pipeline safety regulations to exceed the incident reporting threshold during routine leak repair involving nonhazardous leaks; and

WHEREAS: The costs associated with repairs of nonhazardous leaks vary widely by location necessitating States with larger urban and metropolitan areas to have more incidents in which costs not associated with pipeline safety regulations caused inflated total repair costs; and

WHEREAS: PHMSA already collects information on the root cause of leaks and hazardous leaks in their 7100 annual reports filed by the operators; and

WHEREAS: PHMSA has allowed exceptions to be made to the definition of “property damage” when the instructions for PHMSA’s Form PHMSA F 7100.1 (Rev. 06-2011) were changed to provide for an exception to reporting for a “fire first” scenario where a gas distribution failure or release occurs that involves secondary ignition of the gas system from a fire or explosion that did not originate from a gas distribution system failure or release; and

WHEREAS: PHMSA has acknowledged that some incident reports submitted by operators do not contain useful data that could assist the agency in recognizing safety problems, determine their underlying causes, or aid in being able to propose potential regulatory solutions by developing “Significant” and “Serious” categories for reportable incidents; and

WHEREAS: NAPSRS believes that requiring costs associated with the repair of nonhazardous leaks to include maintenance costs not associated with what is commonly understood to be ‘property damage’ does not collect useful information that can be used as an indication of safety problems; and

WHEREAS: The reporting of routine events that only meet the definition of incident because costs not associated with pipeline safety regulations, their investigation by regulatory agencies, and the segregation of incident reporting data into “significant” and presumably non-significant categories is an investment of time and finite resources, including those used for responding to actual emergencies; and

WHEREAS: The inclusion of events solely based on the expenses involved with nonhazardous leak repairs in PHMSA’s incident data will result in a reduced ability for PHMSA to recognize and understand trends relating to the root cause of incidents that may endanger people and the environment.

THEREFORE, BE IT RESOLVED: That NAPSRS requests PHMSA to:

1. Rescind PHMSA interpretation PI 18-0016, dated October 4, 2018.

2. Clarify the instructions for PHMSA's 7100.1 "INCIDENT REPORT – GAS DISTRIBUTION SYSTEMS" and 7100.2 "INCIDENT REPORT – GAS TRANSMISSION AND GATHERING SYSTEMS" to which costs shall be included in the property damage calculation to address the issues identified above.