DEPARTMENT OF TRANSPORTATION
OFFICE OF PIPELINE SAFETY

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PIPELINE AND HAZARDOUS MATERIALS
SAFETY ADMINISTRATION

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GAS PIPELINE ADVISORY COMMITTEE

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WEDNESDAY,
JUNE 7, 2017

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The Gas Pipeline Advisory Committee met in the Westin Arlington Gateway, F. Scott Fitzgerald Room C, 801 North Glebe Road, Arlington, Virginia, at 8:30 a.m., The Honorable David W. Danner, Chairman, presiding.

MEMBERS PRESENT:

DAVID W. DANNER (Government), Chairman, Washington Utilities and Transportation Commission
STEPHEN E. ALLEN (Government), Director, Pipeline Safety Division, Indiana Utility Regulatory Commission
DIANE X. BURMAN (Government), Commissioner, New York State Public Service Commission
CHERYL F. CAMPBELL (Industry), Senior Vice President, Gas Engineering and Operations, Xcel Energy Incorporated
J. ANDREW DRAKE (Industry), Vice President Asset Integrity and Technical Services, Enbridge Gas Transmission and Midstream

SUSAN L. FLECK (Industry), Vice President, Gas Pipeline Safety & Compliance, National Grid
SARA ROLLET GOSMAN (Public), Assistant Professor, University of Arkansas School of Law, Pipeline Safety Trust
ROBERT W. HILL (Public), County Development Department Director & Emergency Manager, Brookings County Zoning & Drainage
TERRY L. TURPIN (Government), Deputy Director, Office of Energy Projects, Federal Energy Regulatory Commission
CHAD J. ZAMARIN (Industry), President, Cheniere Pipeline Company

STAFF PRESENT:
ALAN MAYBERRY, Designated Federal Official, Associate Administrator for Pipeline Safety, Office of Pipeline Safety
AMAL DERIA, Assistant Counsel, Office of Chief Counsel
JOHN GALE, Director, Standards & Rulemaking Division, Office of Pipeline Safety
STEPHEN GORDON, Assistant Chief Counsel, Regulatory Affairs, Office of Chief Counsel
ROBERT JAGGER, Technical Writer, Standards & Rulemaking Division, Office of Pipeline Safety
HOWARD MCMILLAN, Executive Director, PHMSA
STEVE NANNEY, General Engineer, Engineering and Research Division, Office of Pipeline Safety
SAYLER PALABRICA, Transportation Specialist, Standards & Rulemaking Division, Office of Pipeline Safety
MARK SANBORN, Director, Governmental, International and Public Affairs, Office of Pipeline Safety
CAMERON SATTERTHWAITE, Transportation Specialist, Standards & Rulemaking Division, Office of Pipeline Safety
CHERYL WHETSEL, Advisory Committee Manager, Standards & Rulemaking Division, Office of Pipeline Safety

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P-R-O-C-E-E-D-I-N-G-S

8:36 a.m.

MR. MAYBERRY: All right. Good morning, everyone. I'd like to thank you for joining us for day two of the Gas Pipeline Advisory Committee meeting.

My name is Alan Mayberry. I'm the Associate Administrator for Pipeline Safety. And under the Federal Advisory Committee Act, I will serve as the Designated Federal Official, and as such, I'm the presiding official.

I'd like to introduce the Honorable David Danner. He's the Chairman of the Washington Utilities and Transportation Commission. He represents the government and is our Chair today to my right.

And just for those of you who weren't here yesterday and you may recall or if you were here, restrooms, you probably remember, to the right as you go out. There are other restrooms to the left. Emergency exit, yes, will be to the, if you go straight out the back and to the

left, you can head outside that way. Please remember to silence your mobile devices and hold conversation to a minimum.

We do expect, you know, everyone to conduct themselves in a professional manner. I think we did pretty good yesterday. Some interesting topics we got through, but I think we made good progress.

Regarding that, I'd like to -- for today, we have a new member joining us. And I'd like to welcome and congratulate the Honorable Diane Burman who's a Commissioner at New York Public Service Commission. So welcome.

MS. BURMAN: Thank you.

MR. MAYBERRY: Good to have you. And I'm glad your appointment came through just recently. So we're glad to have you to the committee here.

And then, as you may know, we'll be saying goodbye to Sue Fleck. This is her last meeting, who represents industry. So appreciate your service, Sue. We'll bid you adieu again

later today. But thanks for your service on the committee.

As far as the agenda goes, I had mentioned yesterday we had a representative from the Office of the Secretary who was going to join us. It had been shifted to first thing this morning. It will probably be later on today. So we'll be a little bit flexible in the schedule. And as he comes in, we will allow some time for Todd Inman to speak.

As far as today goes, we made good progress yesterday, albeit I know the common theme in talking with many of you after the meeting was, whereas we went, it was, you know, a good discussion, maybe a tad slow. I know it was a little bit slower than I anticipated. But I think we had good a dialogue, a good thorough discussion. I think we ended up in a good place. So I'm very pleased with the outcome so far.

As far as today goes, to give you a flavor for what I anticipate we will cover will be to finish up the items that we were looking to

get your input as far as a vote related to finishing up the discussion on, where we ended the day, on 917.

We have a number of other items going through 917 and then 935 on topics, about four other topics before we get into new business as far as where we won't be looking for a vote related to reporting MAOP exceedances, material documentation, and then the integrity verification process.

But I don't know. We'll see how it goes. We may not get to those until, at best, maybe after lunch. But we'll see how it goes.

One thing is for sure. We don't want to rush the conversation. We want to, you know, make sure that you have time to have your deliberations to provide us a recommendation we can carry forward after today.

With that, I think I will turn it over to Chairman Danner. So thank you.

MR. DANNER: Good morning. Thank you, Alan. I call the meeting of the Gas Pipeline

Advisory Committee to order.

A few items here, this meeting is being recorded. A transcript will be produced for the record. And the transcript and the presentations will be available on the PHMSA website and on the docket at www.regulations.gov. And the docket number for this meeting is PHMSA-2016-0136. That's PHMSA-2016-0136.

Okay. Just as we did yesterday, for those who are speaking, please introduce yourself each time you speak so your comments can be acknowledged in the transcript. Set your tent card on its side if you care to make a comment, and we'll try and call on people in order.

And just for the record, I will be leaving just a little bit early today to catch a plane. And I understand we have to be out of the room by 5:00. Is that right? So we won't be going over like yesterday. So, for planning purposes, hopefully we can make some progress.

So, at this point, let's take a roll call, Cheryl.

MS. WHETSEL: Steve Allen.
MR. ALLEN: Here.
MS. WHETSEL: Diane Burman.
MS. BURMAN: Here.
MS. WHETSEL: Dave Danner.
MR. DANNER: Here.
MS. WHETSEL: Terry Turpin.
MR. TURPIN: Here.
MS. WHETSEL: Cheryl Campbell.
MS. CAMPBELL: Here.
MS. WHETSEL: Andy Drake.
MR. DRAKE: Here.
MS. WHETSEL: Sue Fleck.
MS. FLECK: Here.
MS. WHETSEL: Rich Worsinger.
MR. WORSINGER: Here.
MS. WHETSEL: Chad Zamarin.
MR. ZAMARIN: Here.
MS. WHETSEL: Mark Brownstein is not here. Sara Gosman.
MS. GOSMAN: Here.
MS. WHETSEL: Robert Hill.

MR. HILL: Here.

MS. WHETSEL: And Bob Kipp and Richard Pevarski are not here. And we do have a quorum today. Thank you.

MR. DANNER: Thank you. And now I'm going to turn it back over to Alan.

MR. MAYBERRY: I think we'll introduce our first --

MR. DANNER: First item.

MR. MAYBERRY: -- first item.

MR. DANNER: All right. We'll get right into it then. Steve, do you want to lead us off?

MR. NANNEY: 917(b) is what we were talking about at the end of the day tomorrow. Would you like for me to go back through it and just touch base on it real quick?

MR. DANNER: I think it would be useful to touch the points so that we can just get ourselves reoriented.

MR. NANNEY: Okay. All right. 917(b), again, it's, the issue here is operators

are collecting much information, but an integrated and documented analysis is often lacking.

The basis is San Bruno highlighted the weakness in this area. Also we have the 2011 Act that mandates PHMSA to do this. And also we've got the NTSB safety study.

What did PHMSA propose to do? One was to clarify data to be verified and validated. In other words, previously we may have referenced B31.8S, Table 1. We're proposing to put that table into the code.

Clarify requirements for integrated analysis of the data and information, establish minimum pipeline attributes to be in it, require use of validated, objective data, and to address requirements for use for SME input.

What were the committee comments? Again, they were that the proposed rule does not include and allow us to address lack of availability of some data sets by assuming the pipe segment is susceptible to the threat

associated with the missing data.

Also the committee questioned the purpose of extensive data list in generating compliance paperwork without safety benefit.

And this led to discussion on how the operator would demonstrate to the regulator, whether state or federal, that he's doing a risk analysis that is effective, that you're not just going to, going through a list of things, that you're doing things that are actually appropriate for the actual threats and for the outcomes of what you're actually doing to benefit safety.

As far as additional committee comments were the rule has no timeframe for implementation for this data collection, also to clarify the meaning of data integration verification and validation.

Industry commented to remove the requirement to address SME BOS (phonetic). But others on the committee commented that SME BOS and risk analysis are recognized across different areas and reflects the reality about how humans

think about risk and how it must be addressed.

Another comment was there was a challenge to the zero cost conclusion in the pipeline risk analysis that data collection was zero cost.

And also there was concern that 917(b)(3) is a mandate for using a GIS system which might be impractical for small operators.

Based upon on what PHMSA heard, here's what we suggest that the committee consider. Of course, you can consider whatever you would like.

But number one is the rule includes allowance for missing data by a mechanism in 607 to obtain missing data. Also just to add to that, if you go and you look in 917 presently and you look in B31.8S, Section 4.4.2 in Table 1, for HCAs this data collection were pertinent was already in the regulation and in B31.8S.

We realize that with what's in the rule and some of the congressional mandates we're expanding from just HCAs to all Class 3 and 4 as part of the mandate that we've got.

Also, if you go and look at B31.8S, Section 4.2.1, there is allowance for lack of data that only applies to threat identification and applicable threats. They should be assumed to apply where pertinent data is not available.

Data is used in the risk assessment for other purposes including risk management, identifying P&M measures, analyzing interactive threats. And the purpose of this risk assessment cannot be adequately implemented just using gross assumptions about the threat applicability.

Section 4.2 of B31.8S requires the operator to have a comprehensive plan for collecting data sets. And this has been a requirement in 917 referencing B31.8S, Section 4 since 2004.

Some other PHMSA suggestions for the committee to consider is that the pipeline risk analysis zero cost was based upon 917(b) already being required.

At a minimum, an operator must gather and evaluate the set of data specified in

Appendix A of B31.8S and consider both the covered segment and similar non-covered segments, past incident history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, internal inspection records, and all other conditions specific to each pipeline.

Also, 917(b)(1) is intended to reflect the set of data specified in Table 1 in Appendix A of B31.8S and existing 917(b)(1) plus the addition of seismicity-related data to implement the congressional mandate of the 2011 Act.

An additional suggestion by PHMSA for the committee to consider was to make minor adjustments to the listing of pipeline attributes in 917(b)(1) to be more consistent with the existing regulations of B31.8S. And PHMSA has done that in what we've considered.

Address the topic of SME bias by rewording 917(b)(2), and that the proposed rule would not require a GIS system, which any -- the one reference in there to GIS we would mark out.

From that, I turn it back over to the Chair.

MR. DANNER: All right. Thank you very much. We took public comments on these items yesterday. So I think we should just see if we can pick up where we left off with the committee conversation. So does anybody want to start us off this morning? Mr. Drake.

MR. DRAKE: Yesterday we ended by looking at the proposed list. Could we put that proposed list back up there? I mean, I think that's really germane to the discussion is what are the list of attributes that we are now talking about. We had not seen that until yesterday.

(Off mic comments.)

(Laughter.)

MR. DRAKE: So, while that's going up there, I have a question about, you cited both the NTSB report and the statute in making these recommendations. And the question I have is how prescriptive was that. Was there either

statutory direction or a recommendation by NTSB that we simply lift this table and put it into the regulations?

MR. MAYBERRY: Well, in summary, the NTSB really wanted us to give better clarity on the expectations in this area, in particular on the interactive threats. And so that's kind of the bottom line there.

MR. DRAKE: Okay.

MR. MAYBERRY: And by the way, I might add that, you know, the punch line here essentially with some changes is we're putting into code provisions of a standard that really are already in use. I mean, that's, again, with some exceptions, the B31.8S integrity management standards. So --

MR. DANNER: And these --

MR. MAYBERRY: And we already reference it.

MR. DANNER: Right. So these are already incorporated by reference into the code. Is that --

MR. MAYBERRY: Right. Exactly. I guess to that end, while the list looked daunting, it's really already in use.

MR. DANNER: All right.

MS. CAMPBELL: Mr. Chair?

MR. DANNER: Yes. I'm sorry. I didn't see your tent card.

MS. CAMPBELL: So --

MR. DANNER: Identify yourself, Cheryl.

MS. CAMPBELL: Oh, sorry. Cheryl Campbell, Xcel Energy. Apologies.

So I look at the list and, yes, I agree and understand that this was incorporated by reference. I think, is it the intent -- and I don't even know how to ask the question.

So there are different pieces of information and types of information on here that are pertinent and important at different points. And I thought yesterday we had seen -- I'm not seeing the jeeping records. I thought yesterday we had seen or heard -- Steve, I'm sorry. Was

that --

PARTICIPANT: It's embedded in the soil and backfill --

MS. CAMPBELL: It's embedded in some of the reports, okay, soil and backfill reports, okay.

So I guess my question is the intention -- there are certain things that over the life of a pipeline, right, they're relevant at certain points in time. And then as you move forward and incorporate a pipe into your system and into your processes and procedures, other pieces of information show up and that initial one was less.

So jeeping is a good example. If I can just maybe talk about jeeping. Critically important when you're building a pipe, absolutely agree with that. You fix, repair the issues you find. You put the pipe in the trench. It gets incorporated into your corrosion prevention program.

And at some point, that jeeping record

is no longer very interesting and doesn't really add anything to managing the safety of that asset.

So I guess what I'm trying to ask is the intention that operators collect all this data, maintain it for the life of the asset, and integrate it all the time even when -- so, for instance, if I'm doing an ILI, that's a much better indicator of today's external corrosion issues than those jeeping records were ten years from now. And I'm not that interested in that record anymore.

So I'm just struggling with a list this comprehensive when not all of it is pertinent all the time. So how do we -- and I thought what I heard us talk about yesterday was where it's pertinent. Well, how do make that clear, because I don't read it that way? The way it is today, I don't read it as when it's pertinent.

MR. DANNER: All right. Steve, do you want to respond to that?

MR. NANNEY: Yes. Well, first of all, this Table 1, if you look in the code in 917(a) now, for an HCA it's required. And this is the list that PHMSA was given by industry in B31.8S, Table 1.

So, you know, one point I'm hearing is -- are you wanting us to pull back from what was given to us in the past? But we have, you have asked, the committee has, and we've told that we would consider in as putting pertinent and putting, or pertinent, applicable, whatever terms in there that we would consider putting that in in everything. So, I mean, we hear you there.

But, again, our goal was to put this Table 1 into the code because I realize we've got HCAs that this has been applicable to. If you look at the mandate in the Act of 2011, it adds to Class 3 and 4. So we realize there's some additional areas that you may be having to get to it.

So, you know, if there's some additional language that the committee wants us

to consider, we'll consider it. But we think we've hit it correct.

MR. DANNER: All right. Thank you. Mr. Drake.

MR. DRAKE: Andy Drake with Enbridge. I think, just to make sure I'm clear, I have a couple of questions.

One, I think you just sort of hit on it. The applicability of this in this regulation is for HCAs, Class 3s and 4s, right? This list is derived from ASME B31.8 to the largest part.

The list that we saw previously until yesterday had a lot of other things in there. We talked -- I think we were kind of working through machinations of filtering some of those things out. You know, toughness fell out, and now jeeping is out.

And, you know, I'm sitting here reading this. I honestly don't see anything that's that concerning.

I do think there are some issues. We'd probably want some way of dealing with

practicability or some way of dealing with like very nits and nats almost, like bending method. Bending method is not relevant if you run a peg and you find out if you got wrinkles or not. I mean, they're either there or they're not no matter how you bend it.

But that's the smallest part of this. I think the piece that is in my mind right now that is very relevant to the discussion is one of the points that you made yesterday. And that is how long do we have to populate this data and how do we behave or assume in the interim, because I think that's relevant.

I think we're moving in the direction of gathering this data. We've moved now to gather SMEs. Now we're going to move to gather it in additional areas.

I think it's good for us to be clear with one another. How long do we have before the expectation of full compliance is in place? And what is the behavior or expectation in the interim? Does that make sense?

MR. NANNEY: Chair, could I answer?

MR. DANNER: Yes, you can.

MR. NANNEY: Okay. How I would reply is from the committee guidance from the last meeting was us to consider one to three years. I know there had been discussion as up to five years.

And we had taken that one to three year timeframe that we had heard as they would have to have procedures and start within one year and complete it within three is what I thought the takeaway was from the last meeting.

And so we thought we heard the committee there, and so start with procedures within the first year and then the collection within three. That's very similar to what the, I mean, the liquid committee had come to us with.

MR. DRAKE: I think that's a relevant point. This same discussion has been carried in the liquids committee with adding additional data. And what was the protocol, just to be clear, there? It was five years or start it in

one year and head up to five years, or was it three or --

MR. NANNEY: I think it's just like what I just said. Now --

MR. DRAKE: Yes.

MR. NANNEY: -- I'll have to go back and look because my memory isn't as good as it was a few years ago. But if I --

(Off mic comments.)

MR. NANNEY: Okay. HCA?

MR. GALE: Yes.

MR. NANNEY: Okay. I need to -- one thing that John was reminding me, and I'll have to look, it may only be applicable to HCAs. I need to go back and look in 917(a). It may not be applicable to the Class 3 and 4 outside the HCAs. I need to look. I just don't have it in front of me right this minute.

MR. DANNER: All right. Sara, then Sue.

MS. GOSMAN: Good morning, everyone. I want to make a couple of points up front here.

The first thing is I want to thank PHMSA for choosing to incorporate this language in the regulation and taking the language out of the standard and putting it in the regulation and for one, you know, just very practical reason.

I was looking for Appendix A last night as I was prepping for this meeting and couldn't find it publicly available. I could pay $145 to ASME to look at Appendix A. So perhaps I didn't find it.

But I think it gets to the point that this is hard information for the public to be able to review. And I'm glad that you're putting it in the regulation.

I like the categories of data that you have in the proposed rule. And I particularly like the data that is relevant to depth of cover, which it sounds to me like you were considering requiring if I got your list correct yesterday.

I also think that the data on encroachments is very useful. And I think one way of handling the question of whether things

are relevant at all to risk analysis is to use a word like pertinent here.

I think that this is actually a great example of a rule where we want to have a broad set of data listed. But then we want to give direction to the operators that what the data they need to be gathering and evaluating is the pertinent data.

So I'd rather see a longer list of important data sets with the understanding that it's the pertinent data that matters to the risk analysis.

On the question of timing, I mean, I think it's pretty clear from the language of the existing rule that this data, at least in Appendix A of the ASME standard, was supposed to be gathered and evaluated.

But I also understand that this is a huge amount of data. And I think if it takes us one to three years to get to the point where we're really there, then I think that's fine. I think that's okay to get to that point.

But, again, my interest here is in getting it into the code, I mean, take it out of ASME, put it directly into the regulations, try to be as broad as we can on the data sets, and limit it by some word like pertinent. Thank you.

MR. DANNER: Thank you. Sue.

MS. FLECK: Thank you, Chair. Susan Fleck, National Grid.

A couple of points, the first one is I agree with the use of the word pertinent in there, looking at the data sets and picking the right ones. And I think that would help make this a little more doable.

I want to make another comment about timeframe. We are supposed to be collecting this, and in most cases we were. For the older, for the really older lines put in before code, we don't necessarily have it. So you can't create something that doesn't exist.

The timeframe was really more for incorporating into our risk models, finding alternative data where necessary. We do need a

little time for that. And I think three years may be the right amount of time to let us do whatever we need to do to get that done.

And the only other thing I want to comment on is bringing in information from an external standard like ASME B31.8 is fantastic. But just plucking a table out and setting it in the federal code without all the supporting information that comes along with the standard is a little bit problematic.

I'd rather see the table inserted and the rest of the standard maybe incorporated by reference or something like that because I think there's some supporting information that makes this more usable. So those are my comments.

MR. DANNER: All right. Thank you. I don't see any other tents up. Oh, I'm sorry. Steve, did you -- all right.

I do have a question, though. If we're using the word pertinent, and I don't disagree with that, I just have a question again as a regulator. I don't want to create a

loophole where an operator says, well, we only have to do what is pertinent; in our view, depth of cover isn't pertinent, so we're not going to collect it, or, you know, half these things aren't pertinent.

What kind of presumption or what kind of test do we have to determine whether the operator acted reasonably in determining that it's not pertinent to collect certain information? Sara, your card is up.

MS. GOSMAN: So one suggestion I have is to use a sort of reasonable operator standard. I mean, you could put in pertinent according to a reasonable operator. There's probably better language out there, but essentially make it clear that it's not a discretionary determination, but it's one that you would expect a reasonably prudent operator to make.

MR. DANNER: Okay. Thank you. Would there be any objection to that kind of a language? All right. Great.

All right. Any further discussion?

You want to put a motion up on the -- John?

MR. GALE: Just one minute, Chairman, and we'll have something up on the screen.

MR. DANNER: Okay. Actually, I just want to say how impressed I am with the speed which you guys are getting the stuff up on the wall.

MR. MAYBERRY: I'm impressed with the speed of getting to a vote right now.

MR. DANNER: It's early in the day. We have lots of energy.

MS. GOSMAN: So I don't -- sorry. Can I just, having said speed, can I just have one more point --

MR. DANNER: Yes, and then Andy's going to slow us down, too.

MS. GOSMAN: Oh, did you have yours first? Okay. I'm going to take the blame. All right.

On the bias language, I just wanted to make sure I understood where we were going with that. It seems to me that, Steve, you laid out

the sort of arguments on both sides about the language on bias in the proposed rule. And I'm not sure I was clear on what we are voting on as it relates to that question.

I think that the language on bias in the proposed rule as it stands is good. I particularly like the reference to some external checks on bias not, and to be clear, not because I think that people are inherently biased or not doing the right thing, but because we all just in terms of our own sets of viewpoints, right, we all are biased in some way as we view information.

We're not, and never can be, completely objective on these issues. And I think it's important to build that in. And I think the language builds that in without sort of tarring and feathering an entire industry here. I think that's, as I read it, that's the purpose of that language.

MR. NANNEY: Is there --

MR. DANNER: Would you agree with

that?

MR. NANNEY: PHMSA would be fine with that if the committee recommends.

MR. DANNER: Okay.

MR. NANNEY: That's similar wording to what's in there.

MR. DANNER: All right. So can we continue on this for a second, Andy? All right.

MS. FLECK: I'm sorry. But I really don't understand what was just proposed around SMEs. And I'm very uncomfortable with having to have my SMEs, like National Grid, sorry, checked by external.

So I'm misunderstanding, and I really want to be clear on what you're saying about SMEs because we rely on our subject matter experts and their wealth of knowledge and years of experience to help us make the right decisions. And I don't really want to put unnecessary handcuffs on them.

I really want to make sure we deal with bias without killing the people who bring this tremendous amount of knowledge to us. So

please explain what you're proposing.

MS. GOSMAN: Sure. So all I'm doing is trying to defend the proposed rule language. I'm not adding anything else to it. I'm just trying to explain my position on why I think that language should stay.

Yes, I completely agree that it's a really important part of this, that there are subject matter experts and that we value what they do, yes.

(Off mic comments.)

MR. DANNER: Okay. Andy?

MR. DRAKE: I think it would help if we could see the language for the SME just to be clear. I mean, but I think we're all actually very close to agreeing how that would be carried. Just a point of order, it may be helpful if everybody could just actually see what it is we're talking about.

MR. DANNER: Okay.

MS. FLECK: Yes, can we see the section?

(Off mic comments.)

MS. FLECK: Chair, may I share what my one concern is?

MR. DANNER: Of course.

MS. FLECK: Okay. When I look at this, I really only have trouble with one word, and it's an and. Roughly in the middle of the paragraph, it says bias control measures may include training of SMEs and use of outside technical experts.

If that said or use of outside technical experts, I think I could be more comfortable. I just don't want to be backed into a corner where every time I'm making a decision I have to train my SMEs and hire a consultant. I just don't --

MR. DANNER: I --

MS. FLECK: I know it says may in the beginning.

MR. DANNER: Yes, that's what I was going to say.

MS. FLECK: It says may in the

beginning, but it could be -- words matter. And if it said or, I think I'd be far more comfortable that I have choices. So that's where I'm coming from.

MR. DANNER: Okay. And I guess I would see that as not a very significant change. So, Andy?

MR. DRAKE: I think that I'm prepared to make a motion on this. But I do think before I do so I just want to make one complement to Sue. And that is I think keeping the list that's being extracted from ASME in context is important because it helps clarify how we handle missing data and what assumptions that we make.

And I think that's your point is that if you just extract the appendix and you say you must have all this data, it gets out of context how the appendix was developed and how it's, how we work with it.

And I don't think anything is lost or compromised in that, especially as we work towards getting that data more definitive over

time certainly.

But I do think my recommendation would be to be careful as you lift that and make sure that the context that's in ASME comes with it as it is brought out. It will not compromise the list. It just tells people what assumptions to make in the absence of the data, which is actually in Steve's slides. It talks about how to make conservative assumptions. That's really the only recommendation.

And with that, I would propose to make a motion on this list.

MR. DANNER: All right. Before you do that, Chad's card is up.

MR. ZAMARIN: Yes, Chad Zamarin, Cheniere Energy. I just had one, a couple of comments about this SME section.

I do think just in practice in reality when you say something like -- I'm going to make this to Sue's point. When you say something like control measures may include training or outside consultants, you know, this is a code that's used

by inspectors. And when they come into our offices, you know, and they read something like that, I think that that sets a level of expectation that's pretty specific.

And I do think that you already said that, you know, the operator must employ measures that -- I don't know that I like correct any bias in SME input, but I don't think that's the point. The operator has to address the issue of SME data reliability. You know, that's what I think we're saying.

To specify how to do that and I think -- you know, for example, the way that we've done it in the past is we typically take our SMEs' input, and then we validate our risk assessment results against real life results that we've seen in the field. And we see if there are significant differences between what we hear from our SMEs and what we see in the results of our assessment.

We don't hire outside consultants. We don't, you know, do something, you know, that I

think would be considered exactly what the code suggests here.

So frankly my preference would be for it to just be a full stop after the operator must employ measures to adequately address, you know, the reliability of SME input. And I think that's where we were talking in the last meeting to try to simplify this.

But, you know, I don't know. I think you've already addressed that there's an expectation that the operator has to have a verification of SME data.

MR. DANNER: All right. Thank you. Diane?

MS. BURMAN: So, as I look at it, I think everybody -- and I apologize for not being here yesterday for the discussion. So I'm maybe going out on a limb in assuming some things. I'm assuming that everybody is in agreement that the subject matter experts should not be biased.

I'm assuming that everyone wants to make sure that there is adequate measures

employed to do that and that it's done in a way that's verifiable and gets us to the necessary information we need that's objective, traceable, verified, and validated.

I am concerned by the language on the bias control measures may include training of SMEs and use of outside technical experts going down. The concern I have is that it seems to indicate that we are promoting the use of training -- what that training is I'm not exactly sure -- and the use of outside technical experts who in and of themselves may have bias.

So I think if we all are in agreement and there's some standard that is utilized, giving flexibility to folks, that that's very important.

I'm not necessarily sure that the language helps us or harms us. I'm just raising it as sort of ultimately I think the threshold is we all want to make sure that we don't have bias, and we need to understand what the measures will be to ensure that the bias is not there, giving

flexibility to folks to do that. At least that's where I'm seeing it.

MR. DANNER: All right. Thank you. Steve? Oh, Chad.

MR. ZAMARIN: I'm just going to make one comment. Maybe it will help if I give an example. I've used this example in the past. You know, I think bias sounds somewhat like a scary word. But I'll use the example of coating condition.

You know, we have systems that span across the country. And we have a pipeline in one part of the system that's relatively new. And we might have a pipeline in another part of the country that's relatively old.

A person assessing the coating condition of that new pipeline, a relatively small amount of coating damage is often times interpreted as bad coating condition because it's a new pipeline and you expect very little coating damage on a new pipeline.

You might have a person assessing

coating condition on an older pipeline that that same amount of coating damage would be considered relatively minor.

And the bias we're talking about correcting most often is those two need to be reconciled, because if you're allocating your energy and your resources towards addressing the most significant threat, you want to make sure that you're not getting confused by those two different situations, one person assessing on their system that it's a very serious issue, even though relative to what you're seeing in another part of the system where it's considered a relatively minor issue, that relatively minor issue might actually be more significant.

So that's what I think in many cases we're trying to correct, that we're taking information from people and we're trying to calibrate it so that we can make the right decision when we put it together with all of the other information.

And I do think specifying how we

verify that information is troublesome because it's, there are a lot of different, you know, scenarios that can play out. So I agree with all the comments. Hopefully, an example like that makes sense.

I know bias sounds scary. We do need to make sure people aren't trying to influence, you know, the scary bias, but also just recognizing it's a factor that exists because we've got diverse systems with a lot of different people thinking in the context of their own situation and not necessarily where we're looking at the whole picture. Thanks.

MR. DANNER: All right. Steve?

MR. ALLEN: Steve Allen, IURC. Chad, I think you said that very well. And I agree with what you said.

You know, the language out there, again, not the wordsmith here, but I think the real issue is whether or not the operators have adequate measures or controls in place to ensure reliability or, and consistency in the

information. I mean, I think that's really, you know, where the rubber meets the road. It's ensuring reliability and consistency and accuracy, I guess, of SME input.

There are biases out there. And I think that's a great example that you gave regarding, you know, older pipeline, newer pipeline, coating differences. I mean, you have to reconcile that. And you have to -- you know, the input from the SME has to be driven towards what is the riskiest. I mean, you have to have some sort of a consistency there.

So I don't think it needs to be overly proscriptive. I think basically a statement that the operator must ensure that there are adequate controls or measures in place to ensure consistency and accuracy of SME input.

MR. DANNER: All right. Sue, and then Diane.

MS. FLECK: Sue Fleck, National Grid. One other thing I just wanted a little clarity from Steve on, the last sentence, I guess I never

really noticed this before. But it's saying the operator must document the names of all SMEs and information submitted by the SMEs for the life of the pipeline.

In a large company, we have 5 or 600 people in our engineering department, that is a daunting task. What we do is we document where the information came from, what system, and the departments or the department heads or whoever is collecting the information.

But this is a new, this would be a new reporting requirement. And I want to know what you're really looking for here.

So are you really looking for the names and serial numbers of everybody who submitted a piece of information into a system? Are you looking for us to document where those system reports came from, because, again, this is coming out of our GIS systems, our work managements systems? But not every piece of data is tagged with a human being's name of who put it in there.

MR. DANNER: Steve, do you want to respond to that?

MR. NANNEY: Well, what we'd be looking there would be a procedure that documents, number one, how you use SMEs, what data you use them for, and actually if you are using them to make the judgement whether it's a lack of data or adding to or subtracting from data, however you plan to use them, that you document that, and you document who it is that you're using it.

I mean, you may suggest in your procedure that you have the department versus the person's name. But we would be expecting documentation, not that it just shows up and it's there. But we would expect in the procedure to document. In a lot of companies it would probably be an individual in a particular department.

MS. FLECK: Yes, and my fear is how is this enforced. When I look at code language, I always come back to how is a state inspector

going to enforce this. And I think this is going to be troublesome for a state inspector to know when and where to ask for the name of the person.

So, if we're talking about for data that's not in a system, so you're talking about anecdotal information, and you need to track it, but otherwise, you know, our risk models are pulling from systems. They're pulling the data. And hundreds of people put that data into those systems.

So, again, I don't quite understand what you're asking us to do and how I'm going to be in compliance with this section of the code when my state regulators come to call because it's a little ambiguous to me.

MR. DANNER: Okay. I thought I saw some tents up. Oh, Alan, you've got your tent up.

MR. MAYBERRY: Well, actually my comment was more related -- we're going to respond to Sue -- but related to the use of SMEs. I know it's interesting we, you know, we had a

lot of discussion here in the recent months on non-mandatory language like the word may.

But I think we understand the desires of the committee that we not box you in, that there's, that we, you know, with a proscriptive list of ways to do it, but that we address, as we address it through that third bullet up there, that we have the expectation there, but then we provide, you know, that there may be other methods to consider to address bias.

So that's all I was going to add there. If it needed to be, you know, as far as addressed in the voting language, I don't know. I think we understand what you mean as far as by addressing bias.

MR. DANNER: So my own response to that is that I find this to be instructive and illustrative. And so that second sentence, I wouldn't suggest taking it out.

But I could see, for instance, changing and to or, but also maybe saying bias control measures may include comma for example

comma, but just basically something that, you know, gives an idea of what we're talking about here, because I think without it then we're just throwing out with regulators will be buzzwords. And I do think this kind of instructive language is very helpful.

Thanks. What order? Steve, then Andy.

MR. NANNEY: Just to finish with what Sue asked and I think I had detailed, from the last meeting what we had heard on that and what we were considering what we thought the committee had said was that we would look at, for that last sentence -- I think that's what Sue was concentrating on -- that the operator must document the names and qualifications of any SME involved in data validation and information submitted by the SMEs for the current risk assessment.

That's what we thought we heard the committee say that they wanted us to change that to. In other words, if you're doing data

validation, what's your qualifications?

In other words, it would be just like any qualification you're doing on other things along the pipeline. You would have a procedure set up. And it would have what those qualifications would be. Then you would document for that person. It would be just like any OQ for any other covered task that you have.

And so that's how we heard the committee last time. And that's what we were considering if you recommend that.

(Off mic comments.)

MR. DANNER: Okay. I apologize. I lost track of the order. I think we'll start with Andy, Diane, and then Sara.

MR. DRAKE: I'm prepared to make a motion just to kind of keep your propellers in the water here.

MR. DANNER: Oh, okay. Well, then we're going to jump over you and go to Diane.

MS. BURMAN: So I actually -- Sue, you asked the question that I was going to ask, which

is when we originally were talking about bias, we had talked about after input and all of that wording. And then I realized that the operator sentence was different from the bias.

So I guess my question really is, when I first looked at the sentence, for me, it would be that I could, as a regulator, say give me the names of all your SMEs in one document and tell me all the information connected to it.

But I understand from at least your point of view that that would be difficult to do. So that does get to the issue of what is the documentation that will be needed as it relates to the SMEs, because I do think it's important.

MS. FLECK: It is important.

MS. BURMAN: And it's also important that we don't then have difficulty in not wanting to make someone a subject matter expert for fear that then you're going to have to collect the information.

So, for me, what's key is why do we need the information, in what circumstances, and

how do we easily get that when it's necessary for us for oversight purposes. So that's, I think, something that we need to figure out.

MR. DANNER: All right. Sara?

MS. GOSMAN: Maybe this is just a question about how we're going to vote on this. I'm not sure if we're looking for some form of consensus on a specific set of principles, or it seems at this point we'd just like to take this conversation and all of the things that have come out of it and go back and consider how to -- I'm seeing nods. All right.

I'll just say that I really like the idea of an illustrative list, and or is absolutely fine with me. But, in my mind, these regulations, where we are able to give specific examples and make clear that they are only examples, I think it helps to be concrete about the expectations for the rules.

So I think that's helpful. In whatever way we can draft a language to make sure that this is not going to be seen as a

requirement I think is fine.

I guess I just have another possible suggestion. Perhaps you have already done this. But I think this issue of bias is an interesting and difficult one.

I've read a little in the literature about bias in the context of risk management. And I wonder whether it makes sense to do a workshop or otherwise engage in this issue more as we focus on things like risk modeling methodologies and the information coming off of that. Thank you.

MR. MAYBERRY: You know, as we roll out our guidance or the results of the risk model working group, we do plan to have a public meeting. I think that's a good point. I think we'll roll that topic into that discussion. Appreciate it.

MR. DANNER: All right. Is there any -- Steve.

MR. ALLEN: Steve Allen, IURC. I'm sorry. I just, I lost track of where we came out

on that last sentence on operator must document the names of all SMEs and information submitted by the SMEs for the life of the pipeline.

That seems kind of onerous. I'm not quite sure what we get out of that. And actually where did we come out on the conversation?

MR. DANNER: You're talking about the last sentence. Well, I think Diane has some thoughts on that.

MS. BURMAN: Actually, you're the perfect person to talk to this issue on what you see the need for this information. I do think it's important that we look at whatever we're asking for, that we're clearly understanding what we want from it, and how it can be helpful. So it's important to me to hear that to work through how do we get to everyone being on the same page of that.

MR. ALLEN: Okay. Good question. Steve Allen, IURC.

I think it goes back to my previous comment where I think the operator just needed to

make sure that they have adequate controls and measures in place to ensure the reliability and consistency of SME input.

And if they can demonstrate that, I really don't care about who the SME was or what they're -- you know, as long as they have some controls in place that would demonstrate to me as a state regulator here's what we did and here's the threshold, if you will, of, you know, we're going to listen to Joe over here because he's been, you know, around the company for 30 years and put the line in 30 years ago.

Okay, fine, dandy. But I'd really rather see at a higher level some sort of control mechanism, you know, management control.

MR. DANNER: And you don't think that's captured by the language that says information submitted by the SMEs.

MR. ALLEN: Steve Allen, IURC. I think that just the language as it exists is troublesome to me because it just adds an awful lot of work to maintain that information. And

I'm not sure what the benefit is.

MR. DANNER: Chad, and then Diane.

MR. ZAMARIN: Yes, Chad Zamarin with Cheniere Energy. I just want to echo support for what Steve just said. I think what he described is setting the expectation. And what this does is list things to do and doesn't necessarily clarify what value it's adding, I mean, which was kind of the -- you know, that last sentence, what's the purpose?

I think the purpose is we want to make sure that controls are in place to ensure the reliability and consistency of SME data, whether that's bias, whether that's, you know, training, whether that's, you know, whatever it may be.

So, you know, that's why I kind of felt like even the focus on bias might not necessarily be the right way to do it. I think the point is measures need to be in place to verify the reliability and consistency, whatever the right terms are.

But I think the point is you're

setting the expectation of what you want to accomplish. You're not just giving a list of things to do. You're making it clear that this is why we want you to do things.

And these may be the right ways to achieve that or there may be other ways to achieve it. So don't box yourself in too tightly.

MR. DANNER: So, if it said something like operators must take, must document steps taken to correct bias?

MR. ZAMARIN: Yes, or verify the integrity of SME data, because I don't think it's just bias.

And I think bias is sometimes misinterpreted as a scary term, that somebody is trying to influence something. And my experience is that the bias is typically not nefarious. It's just the fact that different people think about things in different ways.

But the way this section is written it's like you're going to take my name and I'm

worried about your bias. It's kind of like holy cow, you know, I'm not sure I want to give you any information.

MR. DANNER: Yes.

MS. FLECK: We won't have any more SMEs.

MR. DANNER: All right. I don't know. I think in the world that we live in I don't know if that's how we would look at that word. But, okay, I think Diane, and then Sue.

MS. BURMAN: So this was helpful to me to hear from the industry and also from Steve because, to me, what it gets at is that the section after input, all of that doesn't really get to the heart of the agreements of working through.

And really it's the operator must employ measures to adequately correct any bias in SME input and be able to demonstrate that, which then gets to working with your regulator on how you're going to be demonstrating that information, which may in some cases mean you

need to document certain SMEs or whatever.

But it gets to the heart of what the issue is. The operator must document the names of all SMEs. To me, that sort of silences the focus on the purpose and rather more of a do you have documentation, yes, you're good, you're not.

MR. DANNER: So would you be okay then with the proposal that I just made, to say document the, must document the steps taken to ensure --

MS. BURMAN: I think I would take out all of after input and just say something, the operator must employ measures to adequately correct any bias in SME input and be able to demonstrate that or maybe then your language, but rather than trying to fit it into the last sentence, add it onto the input.

MR. DANNER: Okay. Let's --

(Off mic comments.)

MR. DANNER: Well, yes, let's -- I just want to make sure. I don't want to -- I actually -- as I said before, the bias control

measure sentence, if we just state that that's for example and change it to or, I would prefer to keep that sentence in. I think it's helpful. I think it's illustrative. I think it's instructive.

So I just would not be okay with that sentence coming out. I am okay with the other language that Diane had, if the PHMSA staff has captured that.

Diane, do you --

MS. BURMAN: So am I hearing -- I just want to make sure that we're looking at potentially changing must employ measures to adequately correct any bias in SME input and be able to demonstrate that; for example, bias control measures may include training of SMEs --

MR. DANNER: Or --

MS. BURMAN: -- or use of outside technical experts to assess quality of processes and the judgements of SMEs period. The last sentence goes away.

MR. DANNER: I would be okay with

that. Okay. Now, last tent card standing unless there's any other conversation here. Andy, do you want to address the motion?

MR. DRAKE: Good clarification of that section. This is Andy Drake with Enbridge.

I'd like to propose a motion that the proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regard to the provision for integrity management clarifications for threat identification, data collection, and data integration are technically feasible, reasonable, and cost-effective, and practicable if the following changes are made.

One, revise the listing of the pipeline attributes in 192.917(b)(1) to be more consistent with the existing regulations in B31.8S, add language to require operators to collect data that is pertinent and that a prudent operator would collect.

Two, implementation timeframe beginning in year one with full incorporation by, within three years.

Three, address the topic of SME bias by rewording 192.917(b)(2) including the elimination of the last sentence or revising the last sentence to incorporate the discussion we just had at the GPAC discussion.

And, four, do not require GIS system --

MR. HILL: Robert Hill, second.

MR. DANNER: Okay. We have a motion and a second. Thank you, Robert.

MR. HILL: Aye.

MR. DANNER: Wait, wait. I have not called the vote yet. And we haven't determined whether we say aye or yea. So, okay, is there any discussion on this before we go to a vote? All right. Seeing none, Cheryl, take it away.

MS. WHETSEL: Steve Allen.

MR. ALLEN: Yea.

MS. WHETSEL: Diane Burman.

MS. BURMAN: Yea.

MS. WHETSEL: Dave Danner.

MR. DANNER: Yea.

MS. WHETSEL: Terry Turpin.
MR. TURPIN: Yea.
MS. WHETSEL: Cheryl Campbell.
MS. CAMPBELL: Aye.
MS. WHETSEL: Andy Drake.
MR. DRAKE: Yea.
MS. WHETSEL: Susan Fleck.
MS. FLECK: Yea.
MS. WHETSEL: Rich Worsinger.
MR. WORSINGER: Yea.
MS. WHETSEL: Chad Zamarin.
MR. ZAMARIN: Aye.
MS. WHETSEL: Okay. Mark is not here. Sara Gosman.
MS. GOSMAN: Yea.
MS. WHETSEL: Robert Hill.
MR. HILL: Yea.
MS. WHETSEL: Got a yea. And Bob and Rich are not here, Rick. So the motion passes unanimously.
MR. DANNER: All right. Thank you very much. Steve, do you want to tee up the next

item?

MR. NANNEY: Very carefully or slowly. 917(c) is the next one. It's on risk assessment functional requirements. And, again, here is, we're looking at the nature and application of risk models and to improve the usefulness of this analysis to control risk from the pipeline.

And the basis here is lessons learned from San Bruno and also from NTSB recommendations to PHMSA and to industry. PHMSA proposes here to incorporate concepts and requirements from B31.8S, Section 5 into the code.

And for this, it's to ensure that risk assessments adequately evaluate the effects of interacting threats, which was the main part of the recommendation from NTSB, contribution of individual risk and the effects of uncertainty, also to require validation of risk models in light of the incident, leak, and failure history of the pipeline and any other historical information.

And then also it's from input we got

from the July 2011 risk management workshop.

As far as GPAC discussion, again, what did we get there, suggests revisions to risk assessment requirements should be deferred until after the risk modeling workgroup issues its guidance was one part of the discussion.

The support for the proposed 917(c) was expressed and noted that the proposed rule language was written using a performance based approach and articulated functions and purposes of risk assessments without being proscriptive as to method or process to be used and is consistent with integrity management principles.

And also a concern of the intent or effect was to always require probabilistic risk assessment techniques.

Based upon what PHMSA heard from the committee, what we suggest is that the functional requirements listed in the proposed rule are consistent with the existing requirements in B31.8S, Section 5, also that the risk modeling workgroup guidance would be a resource for

operators but is not intended to be requirements or informed rule-making. So we were not planning to reference it in this rule-making.

Also, PHMSA suggests that the committee consider, one, retain the proposed requirements in 917(c). Again, as I said earlier, the risk model workgroup guidance would be a resource and not a rule requirement.

Also, we would restore reference to B31.8S, Section 5 to clarify that other methods besides probabilistic techniques may be used.

Paragraph (c), we'd change the term probability to likelihood. We would delete the term risk factors. It would then only be threats from paragraph (c)(2). It would provide a three-year phase-in period for risk assessments to meet the functional objectives specified in (c).

MR. DANNER: All right. Thank you very much. So let's open it up for public comment then. Is there anybody who wishes to speak to this matter? Okay. No public comment on this matter. Any committee comment on this

matter? Andy.

MR. DRAKE: This is Andy Drake with Enbridge. I appreciate the changes that you're proposing, Steve.

I think the concern that a lot of us had was the way the language was wording was probabilistic started to sound like a regulatory obligation, that we would be doing probabilistic modeling and that we would be determining absolute probabilities of failure, which is a hugely data intensive effort and maybe a goal out there for so many years from now. But it is not practicable at this juncture.

And I think changing to likelihood and those things picked up the concerns that I remember having in the last meeting. And we've discussed this. And I appreciate those changes.

MR. DANNER: All right. Is there any other comment on this item? Sara.

MS. GOSMAN: I think these changes are fine. And I'm glad that you kept or are thinking of keeping the rest of the text as it is.

MR. DANNER: Okay. Thank you. Any other comment? Sue, did you have your -- all right. If there's no further discussion, then I would entertain a motion. Okay, Mr. Hill.

MR. HILL: Thank you, Chairman. The proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regards to the provisions for IM clarifications for risk assessment, functional requirements are technically feasible, reasonable, cost-effective, and practicable if the following changes are made.

Restore reference to B31.8S, Section 5 to clarify other methods besides probabilistic techniques may be used, in 192.917(c), change the term probability to likelihood, and delete the term risk factors from 192.917(c)(2), and provide a three-year phase-in period for risk assessments to meet the functional objectives specified in (c).

MR. DANNER: All right. Is there a second?

MS. FLECK: Second.

MR. DANNER: Okay. Sue Fleck second. And, Cheryl, you want to -- well, is there any discussion on this item? Okay. Cheryl, take the roll.

MS. WHETSEL: Steve Allen.

MR. ALLEN: Yea.

MS. WHETSEL: Diane Burman.

MS. BURMAN: Yea.

MS. WHETSEL: Dave Danner.

MR. DANNER: Yea.

MS. WHETSEL: Terry Turpin.

MR. TURPIN: Yea.

MS. WHETSEL: Cheryl Campbell.

MS. CAMPBELL: Aye.

MS. WHETSEL: Andy Drake.

MR. DRAKE: Yea.

MS. WHETSEL: Sue Fleck.

MS. FLECK: Aye.

MS. WHETSEL: Rich Worsinger, Rich?

MR. WORSINGER: Yea.

MS. WHETSEL: Chad Zamarin.

MR. ZAMARIN: Aye.

MS. WHETSEL: Mark is not here. Sara Gosman.

MS. GOSMAN: Yea.

MS. WHETSEL: Robert Hill.

MR. HILL: Yea.

MS. WHETSEL: And Bob and Rick Pevarski. Okay. Motion passes.

MR. DANNER: All right. The motion passes. Steve, do you want to tee up the next item?

MR. NANNEY: 917(d) is the threat assessment for plastic pipe. Again, the issue here is the potential for incomplete assessments of risk from threats unique to plastic pipe.

And what PHMSA proposed to do here is to add examples of the threats unique to plastic pipe as follows, and it's what is in red or orange depending upon how you see the color up on the board.

Pipes such as poor joint fusion practices, pipe with poor slow crack growth

resistance, brittle pipe, circumferential cracking, hydrocarbon softening of the pipe, internal and external loads, longitudinal or lateral loads, proximity to elevated heat sources and point loading.

And, again, the basis of this is just to clarify by adding examples of the threats that are unique to plastic pipe to get, again, some examples similar to what we have on steel pipe and others in this 917 section.

Going on further, as far as committee comments on the next slide, there was no specific discussion or any proposals that we heard from the committee.

MR. DANNER: All right. Thank you very much.

MR. NANNEY: And can I just --

MR. DANNER: Oh, you have more, yes.

MR. NANNEY: One more. And with that is PHMSA suggests that the committee consider 917(d). The proposed rule does not alter and update any requirements. Again, it just gives

unique examples of threats for plastic pipe.

Now, Mr. Chairman, I turn it back over --

MR. DANNER: Thank you very much. Okay. Is there any public comment on this item this morning? All right. Is there any committee discussion on this item? In that case, I would entertain a motion. Thank you, Sue.

MS. FLECK: The proposed rule as -- Sue Fleck, National Grid. The proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regard to the provisions for IM clarifications for threat assessments for plastic pipe are technically feasible, reasonable, cost-effective, and practicable.

MR. DANNER: Is there a second?

MS. GOSMAN: I'll second it.

MR. DANNER: All right. Sara Gosman seconds. Any discussion? All right. Cheryl, let's take the vote.

MS. WHETSEL: And congratulations.

We're on a roll. This is good. Okay. Sorry, hope I didn't jinx it. Okay. Steve Allen.

MR. ALLEN: Yea.

MS. WHETSEL: Diane Burman.

MS. BURMAN: Aye.

MS. WHETSEL: Dave Danner.

MR. DANNER: Aye.

MS. WHETSEL: Terry Turpin.

MR. TURPIN: Aye.

MS. WHETSEL: Cheryl Campbell.

MS. CAMPBELL: Aye.

MS. WHETSEL: Andy Drake.

MR. DRAKE: Yea.

MS. WHETSEL: Sue Fleck.

MS. FLECK: Yea.

MS. WHETSEL: Rich Worsinger.

MR. WORSINGER: Yea.

MS. WHETSEL: Chad Zamarin.

MR. ZAMARIN: Aye.

MS. WHETSEL: Mark is not here. Sara Gosman.

MS. GOSMAN: Yea.

MS. WHETSEL: Robert Hill.

MR. HILL: Yea.

MS. WHETSEL: And Bob and Rick are not here. And so the motion passes.

MR. DANNER: All right. Thank you very much. Steve Nanney, do you want to tee up the next item?

MR. NANNEY: I'll suggest that Alan stay away from the meeting. We got two completed while he was gone.

(Laughter.)

MR. DANNER: I just told him that.

MR. NANNEY: Anyway, looking at 917(e), the subject matter there is cyclic fatigue, manufacturing and construction defects, and electric resistant welded pipe.

The issue is operators have made assumptions about seam type and stability of problematic seams that are proven in some cases to be invalid.

Some of the basis there has been Marshall, Michigan and San Bruno. We've also

gotten recommendations from NTSB that we have listed.

What does PHMSA propose to do? Well, one is to clarify that certain pipe designs must have been pressure tested to assume that seams laws are stable and that failures or changes to operations that could affect seam stability or evaluating using fracture mechanics analysis.

From the last meeting in the GPAC discussion, what were the committee comments? Number one, it was the proposal to address cyclic fatigue and requiring pressure test on seam threats as possible overcompensation.

Two, concern was expressed that proposed 624 for MAOP verification, when you've had an incident due to manufacturing and construction threats, is in conflict with 917(e)(3) for MAOP verification, that 624 allows operators to pick one of five methods to establish MAOP, but 917(e)(3) only allows operators to consider the threat stable if you've had hydrostatic pressure test to 1.25 times MAOP.

Some additional PHMSA background information on 624 and 917(e)(3), we do not see that there's a conflict between 624 and 917(e)(3), that 917(e)(3) allows operators to consider the manufacturing and construction threats stable if a pressure test has been successful and thus not conduct periodic integrity assessments for that threat thereafter.

The purpose of 624 is to verify MAOP. The code allows the assessments conducted under 624 to count as an integrity management assessment. And also 624 is one and done in terms of establishing MAOP.

And then, lastly, conducting an MAOP verification process by itself does not allow an operator to discontinue periodic integrity assessments under the integrity management program for the operator.

Also, some additional background is, if an operator chooses to verify MAOP by means of a spike pressure test, then the requirement in 917(e)(3) would be satisfied. The operator may

assume that the manufacturing and construction threat is stable. And periodic integrity assessments would not be required in the future for the manufacturing and construction threat.

It would not alleviate the need for periodic integrity assessments for time-dependent threats such as cracking defects or corrosion.

Also, based upon the discussion of the committee, PHMSA suggests that the committee consider the following items.

Retain the proposed revisions in 917(e)(2), (3), and (4) with the modification described below. And, again, it's necessary to address the NTSB recommendations.

And that wording would be to address the overcompensation comment, consider changes to periodic cyclic fatigue analysis from annually to periodically based on changes to cyclic fatigue data and any other changes to loading conditions since the previous analysis was completed, not to exceed seven calendar years.

Mr. Chairman, I turn it back over to

you.

MR. DANNER: All right. Thank you very much. So let's take public comment if there is any. Is there anyone who wishes to comment on this matter?

MS. KURILLA: Hi, this is Erin Kurilla with the American Gas Association.

The first comment I want to make is that, just to remind the GPAC that they have not discussed this section yet. The comments that were highlighted during this presentation were actually from myself and one other commenter during the public comment during the January meeting.

But at that time, we were told that this section, 917(e), would be discussed after the conclusion of the MAOP reconfirmation section, 192.624, because 192.624 is referenced throughout 917(e).

And I don't believe the committee can accurately give commentary on this section until we understand the requirements within 624. Once

those requirements are understood and voted on, then I believe it would be appropriate to circle back on 917(e), especially (e)(2) and (e)(3).

And I just want to address the comment that there is no conflict between 917(e)(3), which addresses manufacturing and construction threats, and 192.624. I respectfully disagree. I think there is a major conflict between those.

Basically, at the end of that code section, it states that an operator must prioritize a covered segment as high risk for baseline assessments or subsequent reassessments and must reconfirm or reestablish MAOP in accordance with 192.624(c).

So that tells the operator they can pick from one of the five methods within 624 to state that their pipeline is in accordance with 917(e)(3). Sorry, I'm going to code language the crap out of everyone right now.

However, when you go up to the beginning of that paragraph, it says an operator may consider manufacturing and construction

related defects to be stable defects only if the covered segment has been subject to a hydrostatic pressure test satisfying the criteria of Subpart J of at least 1.25 times MAOP.

So, if I can only consider that threat stable if I have a test of 1.25 times MAOP, then the remainder of my methods that I am pointed to in 624 are, therefore, kind of unavailable to me.

I think this is one place where code language really, really does matter. We've got to take a hard look at that.

But just more importantly, I don't see how we can talk about the stability of manufacturing and construction threats using a method from MAOP reconfirmation until I know or you guys know what is available to you for MAOP reconfirmation. Thank you.

MR. HITE: Hello, my name is Matt Hite, and I'm Vice President of Government Affairs for GPA Midstream Association. And we represent the gathering and processing segment of the industry. And we have several members of our

association here in the audience today. And we want to thank you for the ability to comment here publicly.

And I wanted to talk real quickly about, even though PHMSA's intention was to focus on gathering line issues at the next GPAC meetings, gathering line issues did come up a couple times kind of tangentially at yesterday's meeting. And I think it goes to show how intertwined all of these issues are in this rule.

And I want to say how impressive the group of GPAC members we have here are today with your various backgrounds and expertise.

However, as GPA Midstream feels as we get further down the road on this rule, it's becoming clear that gathering line issues are a major part of this rule. And I feel like the GPAC had very informed discussions yesterday and some spirited debates.

However, with all the experience and impressive backgrounds of the GPAC members, we do not have one member that is primarily a gathering

line operator or is involved in the day-to-day operations and management of gathering lines.

And, furthermore, if you look at the potential that this rule could possibly regulate close to 600,000 miles of pipelines, over 300,000 miles of those lines are represented by the five GPAC industry members that represent the transmission and distribution section.

The other 3,000 miles have no representation are the gathering line. And that's one, a big concern for us because those issues are starting to come up.

And, for us, you know, I think GPAC would be well-served by having gathering line industry expertise as part of its informed discussions and debates as gathering lines are sure to play a larger role as GPAC starts to move towards those issues.

Having a gathering line representative on GPAC could be a solution. Another solution could be a subcommittee or workgroup that would focus on gathering line issues, or maybe there's

a legislative solution that Congress could potentially expand the size of the GPAC.

Regardless, I'm not sure exactly what the solution would be. But we want to make sure that we raise the issue of the lack of gathering line representation because GPAC needs to have these and continues to need to have these informed debates and have the stakeholders at the table. Thank you.

(Off mic comments.)

MR. DANNER: Other comment?

MR. MURK: Hi, Dave Murk from the American Petroleum Institute. And I just wanted to actually echo what Matt Hite just said on the gathering lines side. We have a lot of interest from our members as well.

And as we do move forward in the next few meetings and as we start that discussion with gathering lines, it's important for us to have the right representation and the expertise, whether that's through a subcommittee, as Matt mentioned or participation on the GPAC to support

that effort and that discussion.

So, again, American Petroleum Institute supports that as well.

MR. DANNER: All right. Another comment?

MS. GINSBERG: Susan Ginsberg with the Independent Petroleum Association of America. And I will very quick echo on that and the need for gathering input as these discussions take place.

And, you know, given that there is a very formal process for how the GPAC nominations, when there are openings and then the review process and the vetting, I really encourage PHMSA to set up a subcommittee that could begin providing input to the GPAC so that gathering issues can be discussed as a part of the big focus on gathering, but also as it affects some of the current issues that are being discussed now and at the next meeting. Thank you.

MR. OSMAN: CJ Osman with INGAA, just want to make one other point here for the PAC

members and for the record.

Similar to what Erin mentioned earlier, there are some other requirements in proposed 192.624(d) that the PAC hasn't discussed yet related to fracture mechanics. And that's being referenced in this section.

We are concerned about fracture mechanics, fracture mechanic modeling as an appropriate tool here and, again, think it would be appropriate to discuss that in context with where the fracture mechanics discussion is proposed in 624.

It's also important to note that ASME B31.8S already addresses how operators should analyze covered segments for manufacturing and construction defects. So we encourage the PAC and PHMSA to leverage that existing consensus standard and the processes outlined there. Thank you.

MR. DANNER: All right. Is there any other public comment? Okay. Then let's start the discussion in the committee. Chad?

MR. ZAMARIN: Chad Zamarin, Cheniere Energy, just a couple of comments.

First, I don't know that the -- I don't understand why the seven-year requirement would be added. I think the purpose of the code language is good.

And what it says is that for monitoring for cyclic fatigue we have to monitor for condition changes that would cause that threat to potentially activate. And that's what should trigger additional analysis, not some arbitrary date that is out there.

I think there's a very good reference in this language that says this is what triggers this reassessment. If you see conditions change, which means you have to be monitoring for those conditions, if you see these conditions change, then you have to perform the reassessment.

Having an arbitrary date out there I think just, it'll create work that's unnecessary. If nothing is changing, those conditions aren't changing, then you continue to monitor for

anything that changes.

So I would suggest that you not include a requirement to do something that we may have very good information that dictates is not necessary.

The other thing, I hear the comments from the public about the reconciliation between the two different sections of the code. I do understand we don't want to end up in a do-loop.

I do think this language is generally good. But I do think that if there's something that's good in the MAOP reconfirmation part of the code for addressing the one-time verification of stable conditions of the pipe, then it should be applicable for this section as well.

So I do think my only comment would be, as we think about this language and 624, that I would suggest that PHMSA maybe do, look at can we sync those two up. And if there are techniques that are valid for a MAOP confirmation, I would think those techniques would be valid for assessing the threats that are

outlined here. Thank you.

MR. DANNER: All right. Thank you. Are there other comments? Yes, Cheryl.

MS. CAMPBELL: Thank you. Cheryl Campbell, Xcel Energy. I echo what Chad was saying.

And I guess I'm asking, I would ask Steve to comment on the perceived conflict because, I mean, I'm struggling, right, because if the only way to clear, to define this as stable, right, is a pressure hydro -- and I get that; I understand that -- then doesn't that kind of box it in?

So, to Chad's point, is there a way to sync this up, or am I just misinterpreting that there's a connection there?

MR. DANNER: So, Steve Nanney, you've heard quite a bit that there is not a consensus around your statement that no conflict exists between 624 and 917. And insofar as one informs the other, does it make sense that we change the sequencing of this discussion so that those are

taken up together or at least closer together? Yes, go ahead.

MR. NANNEY: If you don't mind, I'd like to answer Sue's question and --

MR. DANNER: Yes.

MR. NANNEY: -- yours and Chad's. So from the comments we heard last time, we went to periodically not to exceed seven years because this is in integrity management. And normally what we're seeing is a seven-year reevaluation interval of looking at threats. That's when under integrity management that's done. So that's why we put the seven years.

You'll still have to do it at that timeframe whether we put it in or not, look at it as a threat. So that's why we did that.

As far as if this is in conflict with 624, I agree with what the public commenter said, is if we see that there's conflict when we get through with 624, we would come back to the committee and double back and look at it if we do see that there's conflict.

MR. DANNER: All right. Cheryl, and then Chad.

(Off mic comments.)

MR. DANNER: All right. Chad.

MR. ZAMARIN: Yes, I'd just like to respond to that, on the seven year. Integrity assessments are the collecting of information on a seven-year interval, or this is requiring an analysis when we're doing ongoing collecting of information to determine whether or not it warrants that further cyclic fatigue study. So I don't, I think that's actually kind of mixing apples and oranges.

We're going out on a seven-year basis to collect integrity management data to determine whether or not we need to take action. This language, I think rightly so, says you have to continuously monitor for conditions that would lead to requiring cyclic fatigue assessment.

We're having to do that on an ongoing basis the way this language is written, not on a seven-year interval. So I don't think it makes

sense to say everything, the data we're collecting on an ongoing basis is telling us that there is no threat, yet we're going to require action on a seven-year interval that is really meant to be the outcome of the integrity data collection and analysis.

So I'm struggling with just using the seven-year, you know, integrity assessment, reassessment timeline for requiring a cyclic fatigue study when we're continuously monitoring for conditions that should be the factors you use to determine whether or not you do that study.

MR. DANNER: All right. I can't see it. Sue?

MS. FLECK: Sue Fleck, National Grid. I'm also really struggling. If we're going to do this piece now before 624, then I want to see the language for 917(e)(3) up on the board so we can take a look at it, because I really think we should wait. But if we're going to do it now, we're going to have to do it seeing the language.

MR. DANNER: All right. So can we put

the language up, then, on --

MS. FLECK: I guess Section (e)(2) and (e)(3) probably.

PARTICIPANT: Oh, wow, that didn't make it better.

(Laughter.)

MR. DANNER: We might have to take it paragraph by paragraph.

MS. FLECK: We might. Okay. Why don't we look at (e)(2) first? And then we'll do it paragraph by paragraph.

(Pause.)

(Off mic comments.)

MS. FLECK: Is this whole section new or just --

MR. DANNER: Okay. All right. The language is now up.

MS. FLECK: Did we discuss this in the last meeting? This just doesn't look familiar.

MR. NANNEY: Sue, we did talk about it at the last meeting. And if you look under (2) where it says cyclic fatigue analysis must be

annually, not to exceed 15 months, what we were asked by the committee to consider, which we did and all, was to change the language to cyclic fatigue analysis must be performed periodically based on changes to cyclic fatigue or other loading conditions not to exceed 7 years.

MR. DANNER: So, in the last meeting, we went, last meeting we discussed moving it from annually or 15 months to every 7 years. And that's what you're now recommending.

MR. NANNEY: Basically, the periodically based upon loading conditions and then seven years based upon doing a -- so that you don't do one report, and you set it up on the shelf and forget about it, that when you go through your integrity management seven-year periodic reviews you look at it.

And, again, the proposed language, again, to read it, that we had heard from the committee the last time was cyclic fatigue analysis must be performed periodically based on changes to cyclic fatigue or other loading

conditions not to exceed seven years.

MR. DANNER: All right. Chad.

MR. ZAMARIN: I hear you, and it was a while ago. I don't remember what my position was in January. But I just vehemently disagree with the concept that we add something to do when we have data suggesting we don't need to do it.

You're already saying, you know, periodically based on changes to cyclic fatigue data. That means we're monitoring the pipeline to ensure that if something changes we have to perform that assessment again. But then you're saying, even if nothing changes, do it again in seven years.

That's adding a requirement. That's focusing resources on something that is unnecessary. And you've already put language, suggested language that ensures that we do that in the event that the data tells us to do it. I just think it's creating calories that are being expended for no good purpose.

MR. DANNER: All right. Steve, your

tent is up. Is your card up?

MR. NANNEY: That's up to the committee to recommend.

MR. DANNER: Yes, okay. So I guess my question to the committee, then, is if we did not have the seven-year date, what would be the practical effect. If there was no change in cyclic fatigue data, you would know that. You would be -- that would be the result of continuous monitoring?

MR. ZAMARIN: I'll let the committee, then, speak. But I'll just give you my -- the way I read this and I think it does -- I like the language. It says that you perform this assessment periodically based on changes to cyclic fatigue data and other changes to loading conditions since the previous analysis.

That means that we have to monitor for changes to cyclic fatigue data and for other loading conditions. And if those conditions change, you know, the technical rationale is that changes in those conditions could lead to cyclic

fatigue now becoming a threat. So then you have to do your assessment again.

Have those changes in those conditions been significant enough that cyclic fatigue is now a threat? If those conditions aren't changing, cyclic fatigue you've already assessed is not an issue.

So, you know, I think this tells you that you have to monitor for the conditions that could change, and if they change, could make this a threat worth reassessing.

MR. DANNER: I was not at the last meeting. Was there a concern that the word periodic was simply leaving too much discretion so that the company could simply choose what it determines to be periodic and, therefore, not undertake this analysis? I'll assume that was a rhetorical question. Sara?

MS. GOSMAN: So my understanding is that cyclic fatigue was an issue coming off of San Bruno and the NTSB report, and that it's an important issue for PHMSA to address.

As I read this particular provision, what I see is a requirement to evaluate this issue. And it seems to me that that's an important piece. If we're going to require an evaluation, I think it is important to require that evaluation within a particular time period.

And given its importance to what happened in San Bruno, I think that keeping it within a year is reasonable. But if that's not the will of the committee, I would still want to see some timeline in it.

MR. DANNER: Did the NTSB -- this is a question for Steve. Did the NTSB report have, did it make a recommendation with regard to timelines?

(Off mic comments.)

MR. DANNER: With regard to timelines.

MR. NANNEY: A recommendation for this?

MR. DANNER: Yes.

MR. NANNEY: Just general.

MR. DANNER: Okay. Just general? All

right. Thank you. All right. Chad, and then Andy.

MR. ZAMARIN: I just want to say that this section says you must do the evaluation the way I read it. So I think that's covered.

The question is, do you have to redo that evaluation on some ongoing basis if data is telling you that it's unnecessary?

And so my point is I fully support doing the cyclic fatigue assessment on our pipelines. But if those assessments tell us that that's not a threat, the only thing that should require us to redo that assessment is a change in condition that could cause that threat to reemerge or to activate. And that's a technically justified way of monitoring our pipelines and determining when we should redo that assessment.

But I read this as saying you've got to do the assessment. What I'm struggling with is having some arbitrary seven-year reassessment when we're monitoring data that's telling us that

we don't have to do that. We shouldn't be putting resources into doing that assessment again. We should be putting those resources where the data is telling us there are real threats.

MR. DANNER: Andy.

MR. DRAKE: This is Andy Drake with Enbridge. I have a bit of a pragmatic question here. I mean, Steve, this section applies to just HCAs and Class 3 and 4. Or does this section apply anywhere, that we should be doing cyclic fatigue on a broad basis?

MR. NANNEY: This is HCAs.

MR. DRAKE: Okay. So this is inside the context of HCAs.

And I think one of the questions that, or not question, one of the comments that I have is that to perform this we have to basically have some sort of known status of the pipe with nearness to critical defects, which means we have done a hydro test to 1.25 or something, or we have a lot of information from an in-line

inspection results or something. Then you can do a rainflow study or something to do a fatigue analysis to determine life.

And so my concern is we're basically talking in the few minutes about MAOP confirmation, which is a separate section. And I think that was very good comments earlier about keeping these two things at least separated.

MAOP confirmation, if we have to do MAOP confirmation, we're talking about doing hydrostatic testing to do that in an MAOP. That will take some period of time to complete that before we can even start to do a cyclic fatigue study.

You can't just start the study until you know sort of the status of the pipe as it is against nearness to critical proportion of defects. Then you can load on fatigue analysis on top of that.

I'm trying to make sure I'm getting these two in context. How does this fit into MAOP confirmation in time, because you're going

to start now -- one of the goals I think of the NTSB hearing was test untested pipe. That's really the nut of it about what to do with the grandfather clause.

So the big part of that was we need to go test the grandfathered pipes. And then there's some provisions about in-line inspection as that technology evolves.

But the timeframe to do the testing of the untested pipes is X number of years. So until we finish that, I don't know how you can start or you could finish this. Does that make sense? Can you help me kind of piece those two together?

MR. NANNEY: It does. But this also, if you look, 624 is for pipe that hasn't been pressure tested or lack of records or whatever you want to term in that for -- so some of this may not be applicable to 624. It may not be totally. It may be some of it, some subset.

So that's why I said we can circle back around later when we get 624. But this

doesn't -- the items we were talking about here today were items we had talked about previous that we thought the committee had reached a consensus on. So we were trying to get those out of the way and go back. So that's why we brought up what we did.

But not all of this applies to 624 because some of this pipe you're going to have records on in other things, you know. So it may be a subset of what you're talking about but not the full set.

MR. DANNER: Diane, and then Sara.

MS. BURMAN: I'm going to defer first to Sara --

MR. DANNER: All right.

MS. BURMAN: -- because she was here for the discussion last time.

MR. DANNER: Okay. Sara.

MS. GOSMAN: I'm not sure that that helps me out very much, but okay.

So, Chad, just to follow up on your point, I understand the point of not wanting to

do an analysis if you don't feel like anything has changed.

As I read this section, it's an evaluation. And I would think that if you were evaluating this every year and nothing had changed, right, the end result of that would be you had evaluated it. The analysis didn't show anything different. You don't, then, prioritize differently in terms of your assessments.

So perhaps you could explain to me what the effort is here that you're concerned about that's going to take away resources from other areas.

MR. ZAMARIN: Sure. Cyclic fatigue study is a very complex engineering analysis, critical assessment that we do. We run modeling against the properties of the pipeline, and then we have to model all of the pressure cycles that the pipeline experiences.

We apply those against all of the conditions within the pipeline. And we try to assess what the growth rate would be of defects

that could be growing as a result of cyclic fatigue. And we try to determine how long it would take for those defects to pose a threat so that we take some action.

Typically, it requires outside engineering and consultants to perform those studies. It's costly. This is something that most operators don't internally have the capability to do, so we hire people to do that.

But what we do typically is we do that one time. And if it verifies that there aren't cycles occurring that would cause the conditions of your pipeline to grow over time and lead to failure, then what we do is we monitor those conditions that, if they were to change, could change the result of that cyclic fatigue study.

It's typically referred to, and the technical literature will tell you that it's a one-time study, that if you don't have the conditions present that lead to cyclic fatigue, you don't redo the study. You monitor those conditions that could change that determination.

And so, you know, my point is if we're monitoring those conditions and nothing has changed that would change the outcome of that analysis, but you're requiring that cyclic fatigue study to be reperformed, you're just creating a requirement that's unnecessary, costly, and it does require documentation. It requires resources to be expended. I just think on principle I've got an issue with that concept. Thanks.

MS. GOSMAN: Chair, could I follow up on that or --

MR. DANNER: Yes.

MS. GOSMAN: Okay. So I guess this is, then, a question for PHMSA. So in the original proposed rule, you have this as an annual requirement. So given what I've just heard from Chad, I'm trying to go back and figure out the rationale for the original time requirement. So why did you think that it was important to have this annually, if I may?

MR. NANNEY: Well, first of all, what

we were wanting to happen is for them to do, whether it was -- first, we wanted a timeline that they had to do it.

And at the last meeting, it was brought up. And we said, yes, we could go along with periodically as long as, just like what Chad was saying, you were looking to make sure that none of your parameters had changed.

So I guess the thing is, the answer was, yes, we would back off a little from the annually.

Listening to the discussion that I've heard everyone say, I think there's a couple of words we can change that can get the intent PHMSA's wanting, you're wanting.

I'm hearing Chad in what he's saying is what if we all considered confirm the cyclic fatigue analysis is valid periodically based on any changes to cyclic fatigue or other loading conditions not to exceed seven years.

In other words, you've got to do it based upon changes, but at least make sure the

data you've got in it is valid periodically, not to exceed seven years, along with your integrity management. And then if you find that it's changed, then you've got to do the full evaluation.

MR. ZAMARIN: Chad Zamarin with Cheniere. On this point, I would be comfortable with that change. I appreciate it.

MR. DANNER: Okay. Diane?

MS. BURMAN: Well, I am glad I deferred to Sara because you did touch upon the issue.

So, when I look at it, the focus for me really is on the meaningfulness of what we're trying to do. So the evaluation has to happen. And then it's what's the trigger to move into having to do it again.

And I think PHMSA offered up suggestions that I think seem to work that gets at making sure that we are doing something meaningful and only requiring more information if it's necessary. So I'm okay with the change.

MR. DANNER: Yes, I see this as keeping the cyclic fatigue data current. And that sounds like is really what we're after here. Steve?

MR. ALLEN: Yes, Steve Allen, IURC. Yes, I like where the conversation is going here. And probably being the only accountant in the room, I would like to point out that I think doing otherwise is probably not cost-effective. And someone's going to have to pay for it.

So I think monitoring the conditions is probably, addresses the, you know, what we were after with the rule in the first place I think.

MR. DANNER: Okay. Steve, your card is up. Did you have something to add?

MR. NANNEY: No.

MR. DANNER: Okay. Is there further discussion on this matter? Is there other discussion on other parts of this proposal? Okay. Sue.

MS. FLECK: Sue Fleck, National Grid.

I think we've covered number (2). And it might make sense to vote on that, 917(2), and then have a conversation about (3), because I think more of, more concerns are on (3), because we did discuss cyclic failure in the last meeting.

But I don't believe we have had the conversation on manufacturing and construction defects yet. So I think that could be pretty lengthy. So I'd suggest we get a vote on (2) and then have a conversation about (3).

MR. DANNER: All right. Any problem with us breaking it up that way?

PARTICIPANT: No, that's fine.

MR. DANNER: Okay.

MS. BURMAN: I just want to --

MR. DANNER: Yes, Diane.

MS. BURMAN: I just have one question. Can we go back to the first slide that talked about the conflict? I just want to see that slide. I think it was where we first opened it up.

MR. DANNER: There.

MS. BURMAN: Okay. So did we resolve or are we going to the no conflict between 624 -- and that's the next one. Oh, that's (3). Okay. I'm good then.

MR. DANNER: That's the next one, yes.

MS. BURMAN: But, okay. And there's nothing if we vote on (2) that doesn't change unless we have an issue with (3), right?

MS. FLECK: It's separate.

MS. BURMAN: Right, I know. But it's related in there. Okay. I just, I'm just making sure that I fully understand. Thank you.

MR. DANNER: Okay. So is your card up for purposes of a motion? Okay. Then why don't you --

(Laughter.)

MR. DANNER: All right. So why don't you go ahead then?

MR. DRAKE: This is Andy Drake with Enbridge. I still am trying to clarify what is the rationale and the premise under which the cyclic fatigue study is predicated.

I can't, you know, I'm really just, maybe I'm being too much of an engineer here. But I don't know how you initiate the cyclic fatigue study until there's some certainty of what the material's nearness to critical proportions defects are, which -- are we predicating that the cyclic fatigue, that all the cyclic fatigue analysis must be predicated on the fact of having passed a hydrostatic test?

That is a very significant discussion for this committee. If we say you must evaluate whether cyclic fatigue or other loading conditions da-da-da-da could lead to a failure, you have to have some basis for that engineering decision. What is that? It's not just the cycles. It's the cycles on a material that you know something about.

So are we already precluding that the material has been tested to some level? If we are, we should stop and have that conversation. This is a very significant conversation.

MR. DANNER: So you want to, Alan, do

you want to address that?

MR. MAYBERRY: Yes. I don't think -- we can't assume that that's been done unless --

MR. DRAKE: Okay. Well, then how do I do the cyclic fatigue study? I mean, it's just a cart and a horse kind of question. How am I supposed to start doing this?

I get it, you know, once we decide we've done it and nothing's changing, how often we have to refresh that. I just want to know how you get in the door. How do you start this?

MR. MAYBERRY: Well, how has it been, being done?

MR. DRAKE: There is a lot of assumptions made. And I think that's what, you go back to the very genesis of the B31.8S document about materials.

First, it's presumed that the pipe is pipe, that it was manufactured in accordance with API standards, which requires a mill test to a certain level. So once we get through that mill test and that mill test is documented, you have

some certainty about how close the defects are to critical proportions. And you can base the cyclic fatigue study off of that.

But that's not an installation test. And some of the things you've got listed there are things that might happen after manufacturing. So that's what I'm trying to ascertain. How do we play this? How does it play?

MR. MAYBERRY: Yes, that's a chicken or egg deal. But that discussion will have, really deals with a path forward, a path to get to where you need to be.

This deals with where you are now, which may be, include pipelines that might, you may have everything, the information you need, but there's a varying degree of knowledge on it. But --

MR. DRAKE: I'm fine --

MR. MAYBERRY: -- a pathway, and we'll discuss that, you know.

MR. DRAKE: I agree. And that's all I'm trying to clarify is --

MR. MAYBERRY: Okay.

MR. DRAKE: -- if those as functions are embedded into this, okay.

MR. MAYBERRY: Okay.

MR. DRAKE: Just I think they should be on the record that it's assumed, well, it is not presumed that you have hydrostatically tested all this to do the cyclic fatigue, that you may be incorporating other assumptions into the basis of near critical proportions before you start that, which may be back to ASME.

It's not been hydrotested post-installation, so we're assuming a manufacturing test. We're making these other assumptions, and then we're loading the cyclic fatigue data onto those assumptions.

But we got to make sure we're clear on this, because if we're not clear, we actually are getting our cart out of order about, well, we presumed that you just hydrotested everything. And we haven't even had that discussion yet.

And we won't finish the hydrostatic

testing for some period of time. So I can't do the cyclic fatigue study until I do that if that's the requirement. That's all I'm trying to make sure we're clear on.

MR. DANNER: So, Alan.

MR. MAYBERRY: I think we have an understanding there that, you know, like I said, that we provide the path or we deal with the pathway to get to where you need to be with the information. We'll deal with that separately.

If we need to come back and revisit this, we will. I don't, hopefully, don't think we will because they're really different issues. This deals with what you, the requirement you already have under EMP (phonetic), providing further clarification. We'll deal with what you know about the system later. All right.

MR. DANNER: Okay. So we will have a mental footnote on our recommendation this morning that that issue has to be addressed. Okay.

With that, any further discussion?

Okay. Then I would entertain a motion. Is there a motion to put up on the screen? Anybody want to take this one up? Chad, why don't you make the motion?

MR. ZAMARIN: Yes. I'll make a motion that the -- this is Chad Zamarin with Cheniere Energy and make a motion that the proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regard to the provisions for IM clarifications for cyclic fatigue are technically feasible, reasonable, cost-effective, and practicable if the following changes are made: revise 192.917(e)(2) based on the GPAC discussion and considering PHMSA's proposed language at the meeting.

MR. DANNER: All right. Is there a second?

MR. DRAKE: I'll second.

MR. DANNER: Thank you. Mr. Drake seconds. Is there any further discussion before we vote? Steve.

MR. ALLEN: Steve Allen, IURC. I just

want to make sure that the conversation regarding monitoring the conditions was really the trigger, not that you have to do the evaluation within a period of time. You have to monitor the conditions and based on those changes. That's the conversation that we're going to -- I just want to confirm that. Thank you.

MR. DANNER: Okay. Thank you. All right. Any further discussion? All right. Cheryl, do you want to -- oops, I'm sorry. I see a card.

MS. FLECK: Sue Fleck, National Grid. I just want to be on the record that I still believe we should vote for this after we finalize 624.

MR. DANNER: All right. We have a motion before us. Diane.

MS. BURMAN: I actually support that, because if people are thinking that that's going to define here and we are getting to that today, right?

(Laughter.)

MR. DRAKE: Possibly not.

MS. BURMAN: All right.

MR. DRAKE: Chair.

MR. DANNER: Yes, Andy?

MR. DRAKE: This is Andy Drake with Enbridge. I think I should clarify why did I second that motion after my long discussion about hydrostatic testing and the cart and the horse.

I think the qualification that Alan gave is exactly what we needed to be successful in working in the interim. We're trying to get to a place where we clarify 624 and the MAOP confirmation in the next discussions.

We are currently trying to work through. We currently are doing cyclic fatigue loading condition studies with a lot of assumptions.

What I've heard is we're going to continue to use those assumptions as we have in the past and that the hydrostatic testing discussion that we'll do in 624 for MAOP confirmation will help tighten that up over time,

but it's not assumed that we will have to do that now.

And that's all I was really trying to clarify is that there's not some presumption that we would have 624 resolved as a basis to do the cyclic test. We will continue to do the cyclic testing as, or cyclic studies as we have been with those assumptions in place. Is that fair, Alan?

MR. MAYBERRY: Yes, that's fair. We could write rule language to tie the two together. But I think it would be exceedingly complicated.

MR. DRAKE: I think that would be very dangerous.

MR. MAYBERRY: Yes. So we understand.

MR. DANNER: And I also heard that if in the discussion on 624, if we feel a need to revisit this, we can do so. So, all right. Chad?

MR. ZAMARIN: Yes, Chad Zamarin with Cheniere Energy. And just to get comfortable

with this, I've been going back and forth.

In this particular vote, the only reference to 624 is to 624(d) and that is the methodology for performing the cyclic fatigue analysis. It is not the sections around reconfirmation of MAOP and the requirements to do so.

So I'm comfortable with the reference here. I'm sure we'll visit that language when we get to it. But it's a limited part of 624(d). And I don't think it's in conflict.

MR. DANNER: All right. We have a motion and a second before us. Why don't we take the roll on this one, Cheryl?

MS. WHETSEL: Okay. Steve Allen.

MR. ALLEN: Yea.

MS. WHETSEL: Diane Burman.

MS. BURMAN: Aye.

MS. WHETSEL: Dave Danner.

MR. DANNER: Aye.

MS. WHETSEL: Terry Turpin.

MR. TURPIN: Aye.

MS. WHETSEL: Cheryl Campbell.
MS. CAMPBELL: Aye.
MS. WHETSEL: Andy Drake.
MR. DRAKE: Aye.
MS. WHETSEL: Sue Fleck.
MS. FLECK: Yea.
MS. WHETSEL: Rich Worsinger.
MR. WORSINGER: Aye.
MS. WHETSEL: Chad Zamarin.
MR. ZAMARIN: Aye.
MS. WHETSEL: Sara Gosman.
MS. GOSMAN: Yea.
MS. WHETSEL: We're getting a little slap happy here I think. Robert Hill.
MR. HILL: Yea.
MS. WHETSEL: Okay. Bob and Rick are not here. Motion passes.
MR. DANNER: All right. Thank you. Now, speaking of fatigue, why don't we take a break? And it's 10:43. Can we be back in ten minutes? Thank you.
(Whereupon, the above-entitled matter

went off the record at 10:43 a.m. and resumed at 11:15 a.m.)

CHAIRMAN DANNER: So, we are going to table, for the time being, 917(e)(3) and (e)(4) and we will take those up soon. We're going to skip over to the P&M measures. But before we do that, I wanted to recognize Commissioner Burman. Commissioner, is there something you wanted to say?

MS. BURMAN: Thank you. I don't know if this is appropriate at this time, but I did want to just recognize that, before we took a break, at the public comment section, that there were two individuals who spoke about the need for focus on gas gathering lines.

And as it relates to the membership of the composition of this group, I really defer that to the Secretary for that, especially since I just got on, I shouldn't be weighing in on that. But I do recognize the sensitivity.

As a New York regulator, we do, under our Part 255, as well as odorization and other

things, we do weigh in on gas gathering lines. It's something that we look at. We have a number of gas gathering lines in New York, and so, I will be sensitive to the issues and looking at it.

So, I really just wanted to recognize those public comments as important to take into consideration the issues as it concerns gas gathering lines. So, again, I don't mean to speak inappropriately, but I just did want to weigh in.

CHAIRMAN DANNER: All right. And several cards have gone up, I'm assuming on that topic. Let's start with Chad. Oh, all right, Andy.

MR. DRAKE: This is Andy Drake with Enbridge. I think, I do appreciate your comments, Commissioner, and I appreciate the comments of the folks in the GPA about the upcoming discussion about gathering. But I do think, for the record, that Enbridge has significant gathering and processing in the

United States, gas gathering, and it's under my direct oversight.

And I think that we would always benefit from creating some venue, however that is, work groups or other ways, to get better counsel from that large group into the Committee, as we have in the past on other issues, like storage.

But I think it's just fair to go on record that there are folks on this Committee that do have gas gathering background and are technically competent on the discussion, they just would benefit from a more rich discussion with that membership.

CHAIRMAN DANNER: All right, thank you. Chad?

MR. ZAMARIN: Yes, Chad Zamarin, Cheniere. I would just also note, I think we hear those comments, we appreciate those comments. I also have a lot of experience on the gathering side, having been responsible for one of the oldest gathering systems in the country

during my time at Columbia Gas, in addition to new gas gathering and processing that we were building in the Marcellus and Utica. We recognize, though, that there is, I think, much input to be gained.

I also support the concept of a subcommittee or some other venue where we can hear the input and the unique concerns of others that find what we're working on relevant to their business. So, I would support that.

We've done that in the past, in fact, we did it for a midstream issue related to gas processing and the jurisdictional boundaries between PHMSA and OSHA. So, I think those venues work well for this Committee and might be a way to incorporate others' input into the process. Thank you.

CHAIRMAN DANNER: All right, thank you. Cheryl?

MS. CAMPBELL: Thank you. I too appreciate the input from that group, the industry. While Xcel Energy is not a major

player, we do have some gathering lines today. And like Chad and Andy, I have spent time in my career in the midstream space and working with gathering and processing and operations. So, to reiterate, I think the Committee does have some expertise in that area, but we welcome a way or a method to get more information.

CHAIRMAN DANNER: All right, thank you. Alan?

MR. MAYBERRY: On behalf of PHMSA, I'd just like to say, appreciate the comments, certainly. And they're not new to hear the issue or the desire to have different gathering representation.

As Diane had mentioned, ultimately it's the Secretary's decision. We are getting ready to issue a Federal Register Notice to solicit memberships for both the gas committee and the liquid committee. So, I would stay tuned for that and we'll just see what the outcome of that is. Thank you very much.

CHAIRMAN DANNER: Okay. Cheryl, your

card is up? Oh, okay. No, no problem. All right. Steve, are you ready to tee up the next item?

MR. NANNEY: The next item we'll be reviewing will be 935(a). And, again, the issue there is strengthening the requirements related to operator's use of insights gained from its program. It is prudent to ensure effective risk management.

And, again, the PHMSA proposes to clarify the expectation that operators use knowledge from risk assessments to establish and implement adequate P&M measures and to provide more explicit examples of the types of P&M Measures to be evaluated.

And the basis of this is PHMSA inspection experience, which shows that most operators do not implement additional P&M measures, based upon the evaluation required in 935.

Again, from Committee comments was change to be made to 935(a) that removes the

statement that the operator must base the additional measures on threats the operator has identified to each pipeline segment.

The next comment was, removal of that sentence, so we believe implies that an operator must execute every single one of these P&M measures in 935(a) every single time. And then, based upon PHMSA's webinars and other discussions, we don't believe that was the intent, was another comment.

The potential Committee recommendations based upon the discussion there that we heard and also based upon some proposed changes to the regular text provided by some industry comments documented on April 5 was to clarify that it is not PHMSA's intent to require that all listed P&M measures be implemented.

With that being said, what PHMSA thinks from the last meeting, that we had heard that in the language that preventative and mitigating measures that operators must consider include, but are not limited to, I think the

comments was around the use of may, should, must, and consider, versus just must include. And PHMSA would propose that we use the wording must consider. Mr. Chairman?

CHAIRMAN DANNER: All right. Thank you very much. Is there any public comment on this item? All right. If not, is there any discussion among the Committee Members? Andy?

MR. DRAKE: Not to short-circuit the conversation, but I remember this discussion quite well. It was very much focused around a must and then a list. And that was, I think, an unintended consequence. I think the adjustment that you're talking about there reflects the conversation we had at the last meeting and it resolves a concern I have, anyway.

CHAIRMAN DANNER: All right. Are there any other concerns among the Members? Sara?

MS. GOSMAN: I support the must consider language.

CHAIRMAN DANNER: All right. Any further discussion? All right, then. I would

entertain a motion. Mr. Drake?

MR. DRAKE: I'd like to propose a motion that the proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regard to provisions for IM clarifications for P&M measures are technically feasible, reasonable, cost-effective, and practical if the following changes are made, that is the clarification that it is not PHMSA's intent to require that all listed P&M measures be implemented and that the words must consider will be instituted.

MR. HILL: Robert Hill seconds.

CHAIRMAN DANNER: All right. Thank you, Mr. Hill. Again, any discussion before we take the vote? Let's take the vote.

MS. WHETSEL: Steve Allen?

MR. ALLEN: Yea.

MS. WHETSEL: Oh, Steve passes?

MR. ALLEN: Yea.

MS. WHETSEL: Yea? Okay. Diane Burman?

MS. BURMAN: Aye.

MS. WHETSEL: Dave Danner?

CHAIRMAN DANNER: Aye.

MS. WHETSEL: Terry Turpin?

MR. TURPIN: Aye.

MS. WHETSEL: Cheryl Campbell?

MS. CAMPBELL: Aye.

MS. WHETSEL: Andy Drake?

MR. DRAKE: Aye.

MS. WHETSEL: Rich Worsinger?

MR. WORSINGER: Aye.

MS. WHETSEL: Chad Zamarin?

MR. ZAMARIN: Aye.

MS. WHETSEL: Mark isn't here. Sara Gosman?

MS. GOSMAN: Yea.

MS. WHETSEL: Robert Hill?

MR. HILL: Yea.

MS. WHETSEL: And Bob and Rick are not here. Okay, measure passes.

CHAIRMAN DANNER: All right. Thank you very much. So, let's tee up the next item. So,

go ahead, Steve.

MR. NANNEY: First -- whoops, somebody moved it on me. All right. Just to let everybody know that --

CHAIRMAN DANNER: Steve, excuse me, Alan, let me call on Alan.

AAM: Yes, I was just going to say, just for everyone's benefit, symbolically, we're moving beyond items from the last meeting --

(Laughter.)

AAM: -- and into new business. So, success.

CHAIRMAN DANNER: And --

AAM: And knock on wood, we'll see about that.

CHAIRMAN DANNER: And also, if we're going to vote on this first one, I wouldn't be -- it wouldn't irritate me too bad.

(Laughter.)

MR. NANNEY: And that's what I was moving to, was to show 91. So, good job that we got finished with this. Going to the next topic,

and, again, it's a topic that we have not covered before, is MAOP exceedance reporting in 191.23 and 191.25.

And, again, this is -- the issue here is this is the Congressional mandate, the 2011 Act requires that operators report MAOP exceedances to PHMSA. And, again, the basis is Section 23 of the Pipeline Safety Act of 2011.

And PHMSA proposes to include reporting requirements in Part 191 to specify the procedures and information required to be included in MAOP exceedance reports. Again, in the Notice of Proposed Rulemaking -- and we're going back to the outline that we used in the last meeting on new topics, so you're going to see this reported a little different.

This is the Notice of Proposed Rulemaking comments and this is an overview of comments that we got from the public, from the Notice. Many commenters supported the reporting of MAOP exceedances. PHMSA was requested to revise 191.23 to require filing SRCRs only when

the operator is unable to meet the pressure reduction requirements or response time frames in Part 192.

And PHMSA just -- one thing we're doing a little different than the last meeting, we are, so that we keep them together, we're showing you -- if PHMSA feels like we need to give a response, we're giving a response right below the comment. If we don't feel like we need to give a response, we're not.

But in this case, we just wanted to make clear that what we would be doing would be the Congressional mandate of the 2011 Act and that MAOP exceedances would be reported without exception. This commenter was implying not to do that.

The next comment we got was an operator expressed concern that the proposed change would require the safety-related condition reports to be submitted any time the operator had to implement a pressure reduction upon discovery of an immediate condition.

PHMSA's comment is that the proposed rule would not require additional safety-related condition reports for pressure reductions in response to immediate conditions, only for an actual operational exceedance of the established MAOP, plus the margin allowed for operation of pressure limiting or control devices. Mr. Chairman?

CHAIRMAN DANNER: All right. Thank you very much. Again, this is something that the Committee has not discussed before, so let's start with public comment. Is there anyone who wishes to comment on this item?

MS. BYRNES: Hi, Corinne Byrnes, National Grid, just a brief comment. I see no problem in requiring operators to report exceedances.

I think the issue might be in requiring it to be done within the five days, because there might be some ongoing investigation, which would preclude us from being able to complete a full safety-related condition

report.

MR. SATTERTHWAITE: All right. Got another comment?

MS. KELLER: Hi, this is Heidi Keller with the American Petroleum Institute. I'd just like to comment that API supports this proposal with respect to transmission lines, but wanted to, again, make the clarification that it does not apply to gathering.

During a webinar, during a series of webinars last summer, PHMSA stated that it was not their intent for this to apply to gathering, but because of the confusion within the scope of 191.1, it could still lead an operator to believe that it applies to gathering. So, we'd just like to make that request. Thank you.

CHAIRMAN DANNER: All right. No further public comment. Any discussion among the Members here? There were two issues that were identified. One is whether five days is too prescriptive, if there's something that would stretch that out, like an investigation, ongoing

investigation. And the second is clarification that it does not apply to gathering lines. Sara?

MS. GOSMAN: I just want to respond to the five days. So, this is a provision directly in statute and Congress was clear that it would have to be reported on or before the fifth day following the date on which the exceedance occurs. I don't believe the agency has any discretion on this, it has to follow the statute.

CHAIRMAN DANNER: I would agree. Cheryl?

MS. CAMPBELL: I was actually going to propose a motion.

(Laughter.)

CHAIRMAN DANNER: Okay. Before --

MS. CAMPBELL: But if we're not ready to do that, I'm happy to put my --

CHAIRMAN DANNER: Okay. Well, I promise that I will turn to you for the motion. First, I wanted to get clarification from Steve about the applicability to gathering lines.

MS. CAMPBELL: Actually, Chair, I do

have a question related to the five days.

CHAIRMAN DANNER: Okay, go ahead.

MS. CAMPBELL: Today, right, we can file an initial report and then, as we complete an investigation, we can modify a report, right, or withdraw. Would that apply to this? Is it the intention, right, that that would apply to this reporting as well? If we find it does not apply?

CHAIRMAN DANNER: I'll refer that question to PHMSA.

AAM: This is Alan. I don't believe so, the way my understanding is of it. If it's an exceedance, it's a little bit different than a condition you might discover. That it's more likened to a close call as opposed to an outright going above the MAOP, so I think we're talking about a little bit different situation here. So, I don't think that would apply. But we're willing to accept your input on that, though.

CHAIRMAN DANNER: Okay. Then I had a question about gathering lines.

AAM: Okay, standby. This is Alan. I understand, it might already be in the write-up too, that effect of five days. All right. I stand corrected, it's already covered under safety-related condition reports, which does have that five day provision. My apologies. Yes, under 191.25.

CHAIRMAN DANNER: All right. And, again, there was a comment about the applicability of this to gathering lines and I just wanted to hear PHMSA's take on that.

MR. NANNEY: Well, if you read the code language in 191.23, it has far transmission pipelines.

CHAIRMAN DANNER: All right. Thank you. Any further discussion before we turn to Cheryl for a motion? Cheryl?

MS. CAMPBELL: Awesome. Okay. Cheryl Campbell, Xcel Energy. The proposed rule as published in the Federal Register and the Draft Regulatory Evaluation with regard to the provisions for MAOP exceedance are technically

feasible, reasonable, cost-effective, and practical if the following changes are made, clarify that MAOP exceedance reporting does not apply to gathering lines.

CHAIRMAN DANNER: All right. Is there a second?

MR. DRAKE: Second.

CHAIRMAN DANNER: Okay. Thank you, Mr. Drake. Any further discussion before we turn to Cheryl for the roll? Proceed.

MS. WHETSEL: Steve Allen?

MR. ALLEN: Yea.

MS. WHETSEL: Diane Burman?

MS. BURMAN: Aye.

MS. WHETSEL: Dave Danner?

CHAIRMAN DANNER: Aye.

MS. WHETSEL: Terry Turpin?

MR. TURPIN: Aye.

MS. WHETSEL: Cheryl Campbell?

MS. CAMPBELL: Aye.

MS. WHETSEL: Andy Drake?

MR. DRAKE: Aye.

MS. WHETSEL: Rich Worsinger?
MR. WORSINGER: Aye.
MS. WHETSEL: Chad Zamarin?
MR. ZAMARIN: Aye.
MS. WHETSEL: Mark is not here. Sara Gosman?
MS. GOSMAN: Yea.
MS. WHETSEL: Robert Hill?
MR. HILL: Yea.
MS. WHETSEL: And Bob and Rick are not here. How did I do that? Sue Fleck?
MS. FLECK: You did it on the last one too.
MS. WHETSEL: I did? You know why, because I changed --
MS. FLECK: Yea.
MS. WHETSEL: -- pages, that's why I left you out.
(Laughter.)
MS. WHETSEL: I'm so sorry.
MS. FLECK: That's okay.
MS. WHETSEL: Okay. So, yea and yea.

MS. FLECK: You're retiring me before I'm due to retire.

MS. WHETSEL: I'm sorry. Okay. The motion passes. And just an administrative note, again, if you make a statement, please leave your card with me. Thank you.

CHAIRMAN DANNER: All right. Thank you. So, Steve, we're ready for the next item.

MR. NANNEY: We're going faster than I anticipated, so give me one minute.

(Laughter.)

CHAIRMAN DANNER: You want to go slow?

MR. NANNEY: You may need a faster moderator, I guess. Anyway, getting serious, this is the material documentation and then, following this, the integrity verification process. It's probably getting more into the meat of what people wanted to discuss.

And, again, this is in proposed Section 192.607. Going through this, 607 is the issue of missing records. And, again, immediately after the San Bruno, California

accident, NTSB issued three recommendations to PG&E.

NTSB recommended that PG&E conduct an immediate search for missing records, that they use verifiable records to determine a valid MAOP, and if a valid MAOP cannot be substantiated, conduct pressure tests to reestablish a valid MAOP. The results of the PG&E review revealed that PG&E could not substantiate MAOP for a significant amount of PG&E's transmission system.

In the wake of the San Bruno incident and the PG&E problems revealed by the records reviewed, Congress mandated in the 2011 Act, Section 23, that all pipeline operators conduct a records review for segments in HCAs or class 3 and 4 locations and report the results to PHMSA.

The purpose of this validation shall be to ensure that the records accurately reflect the physical and operational characteristics of the pipelines and confirm the established maximum allowable operating pressure of these pipelines.

So, 192.607, why are pipeline material

records needed? First, they're needed to establish the design and maximum operating pressures, or the MAOP of the pipeline. They're needed for integrity management. And also, they're needed for anomaly evaluations for safe operating pressure.

In doing this, PHMSA in annual reports asks for information from operators. And, again, based upon the 2016 annual reports, there's a little less than 5,000 miles of pipe in HCAs, in class 3 and 4 locations, that had inadequate records to confirm MAOP.

For segments without such records, Congress mandated in Section 23 of the 2011 Act that PHMSA require the operator to confirm a maximum allowable operating pressure as expeditiously and as economically feasible. And also to determine what actions are appropriate for the pipeline owner or operator to take to maintain safety until a maximum allowable operating pressure is confirmed.

Again, what was in the Act, in Section

23(a) of the Act, pressure testing or an alternative equivalent means, such as ILI program for all gas transmission pipe not previously tested in class 3, 4, and all HCAs. And as I think we know, high consequence areas could include some class 1 and class 2 pipe also, where there's a site, identified site that would make it an HCA.

Also, PHMSA got and industry got from NTSB to delete the grandfather clause. The NTSB recommended that all grandfathered pipe be pressure tested, including a spike test for HCAs and non-HCA segments.

Also, NTSB, in P11.15 on seam stability, recommended that the pressure test to 1.25 times MAOP before treating manufacturing and construction defects as stable, for all pipe in HCAs and non-HCA segments.

Alternatives that PHMSA considered was, A, no action alternative was not feasible. Why? Because it was mandated by law. Two, the actions required by the existing regulations to

establish material properties for pipe segments would be very expensive.

So, we looked at what we could do there for establishing those. The current code in the design section does have some language and some guidance on cutting out and destructively testing test samples for every ten joints of pipe.

If you go look at 192.107(b) and Appendix B of the gas code -- and, again, I'm not going to read 107(b), but basically, it gives guidance of doing that sampling. And let me say, in what we were doing in 607, the operator always has the option of doing this, but that is not what we were recommending.

So, I want to be very clear, we were recommending either a destructive or a nondestructive type testing protocol for the pipe that's under 607. And why were we doing that? We were doing it because doing destructive testing as in 107 would be very expensive.

Also, simply pressure testing the pipe

does not address missing records needed for establishing design pressure, yield strength, wall thickness, seam type, some of those type information needed for analyzing defects and for the repair.

Also, if you look at the pressure testing, it's a yield-type two-to-one pressure test, which if you've ever done one of those and really gone to yield, you'll find that it is a lot higher than most operators realize. I personally have done it more than once and I know that for a fact.

So, when I hear and see some of the write-ups, I think some of them does not take into account what a two-to-one or a 0.5 percent yield test actually does on a large pipe. Because depending upon the strength of the pipe, you could easily be at 115 percent to 130 percent of what SMYS is in that pressure test, if you really do it the way it's described in the code.

And PHMSA's not, in this rule, trying to push operators in any form or fashion down

that road, we're doing, again, alternatives that we think are feasible and get us the same information. So, I don't want anyone to leave thinking that that's what we're doing. Now, let me say, they always have the option of doing that, but that's not what PHMSA's trying to say here.

Also, going to the next slide, PHMSA proposed a process that is based upon opportunistic sampling approach. There's no mandatory excavation solely for verification of pipe material properties would be required in this.

You verify material properties as the opportunities present themselves during the course of normal operations and maintenance, such as excavations for evaluation or repair of anomalies or defects. We do allow in this nondestructive testing to verify material properties where feasible, which is not currently spelled out or allowed in Part 192.

Also, the operator could elect

destructive testing per existing code if practical. In other words, if the segment is being replaced anyway, taken out of service, then the operator may want to elect to do destructive testing. Components, such as valves, flanges, and fabrications could be verified by code stamp or other markings.

PHMSA proposed a process that is based on, again, an opportunistic sampling approach. Over time, operators will gain data and records to provide confidence in material properties. And we hope that's been happening under IMP.

If you look at what we talked about earlier, in Table 1, it had those type properties that should be being accumulated over time in integrity management, in these high consequence areas. Again, that's been in place for 12 years.

And PHMSA hopes that when operators have gone and cut out defective pipe, if they didn't have those records, they would be getting it, or when they dug up the pipe. Again, this is set up to use the results where it's valid for

other unknown segments that are of the same type vintage of pipe.

And that this continued the program after a specified number of segment properties have been verified. Again, PHMSA considered the minimum material properties that must be known to establish MAOP and to operate and maintain the pipeline to assure operating pressure stays within the MAOP limits.

And one thing on this discussion, as we go through, on material documentation is, PHMSA wants to hear from the Committee, what is required? In other words, what does the Committee see required to verify MAOP and to verify material properties that Section 23 of the 2011 Act says and what we've gotten from NTSB? What is needed for this? Have we got it right? What do we need to keep in? What do we need to take out?

Again, the pipe segments for which 607 does not apply would continue to be subject to the existing rule requirements to establish

unknown material properties.

It may be that this sampling technique that the Committee may want to consider, in the Notice, to consider it for other segments. It would be good to know that and to hear that, if that's part of what the Committee wants us to consider.

Going to the next part is, what are some of the minimum material properties that are outline in the code that you need? If you go in and look, diameter wall thickness yield strength has got design pressure.

I see, I probably made a typo there on design pressure, I think it's 192.105, it's not 905. I can -- so, that's a typo by myself. So, 192.105 is design pressure. MAOP determination in 619(a) would be another.

The safe operating pressure of the pipe with defects under IMP in 933 would be another. And, again, some other material properties, ultimate tensile strength, is that needed?

Going to the next, is Charpy toughness needed? Is it needed only in areas where it's required for failure pressure or crack growth analysis? Especially if we allow the usage of ILI and other alternative methods other than pressure tests, do we need to know the pipe toughness to be able to come up with an alternative MAOP? And Congress is allowing us to do that.

Are chemical properties needed in this? That's one of the areas that we had outlined and talked about. Is it needed if you're welding on the pipe or does an operator, for preheat and things like that, where your carbon equivalents are over a certain amount, does there need to be other alternative measures or is that just normal in the operator's procedures?

The other item is seam type. The seam type, again, is in 917. It's also in the pressure testing requirements in proposed 624. Also, seam type, in 192.105, in your MAOP

determination, is something that's in there. There are some derating factors based upon certain seam types.

Coating type, should we be getting that, realizing you may not need it for MAOP, but you are needing it for threat analysis in 917, so if you've got a pipeline that you do not know what the attributes are, shouldn't that be something that, I think, Table 1 in 917 would be asking us to get?

Test for the presence of stress corrosion cracking, seam cracking, or selective seam weld corrosion. In other words, should we be, when we do the digs to do the testing for this, should we test the pipe for cracking?

Some other issues is the proposed rule would only apply to pipeline segments in high consequence areas, class 3 and class 4 areas. The balance of the pipe segments in non-HCAs, in class 1 and 2 areas in non-HCAs, would continue to be subject to the existing rule requirements to establish material properties for unknown

pipe.

As far as PHMSA proposed to require operators to establish sample populations based on similar or comparable pipe to address the vintage, the manufacturer, the type seam, comparable key parameters, pipelines acquired from others, segments of pipeline systems that have been replaced, and other reasons that there may be a variation or the pipe properties are unknown.

In other words, no matter how you lost the records, we're not really trying to go there, as if it's needed, how do we get there? In other words, we don't have them, is it -- this 607 is not the correct method, what we'd like to hear from the Committee, what would be?

I mean, we've had Table 1 in 917 and B31.8S, Section 4 and we see that it may not be done, based upon the annual report data we've gotten. What should we be proposing? Again, some of the -- going down to the next section is, some of the Notice of Proposed Rulemaking

comments.

What was proposed was widely supported by NTSB, Pipeline Safety Trust, the public, and safety advocates. Their concern was expressed that the need for this section reflects poor operator implementation of IMP, since the inception of Subpart O. And that was universal from all of those that we got.

And, again, PHMSA's reply was that since 2004, 917 requires that operators establish a program to collect all data sets. In addition, for the remaining strength calculations, material and pipe properties must be known to reliably calculate the predicted failure pressure. In other words, where you've got the anomaly, you need to know the grade and wall thickness, those type properties, to be able to do it.

And, again, I just -- I think we've all seen Table 1 before, but when we were making the slide, we did not know, but you can see the attribute data over there is some of the things that we've got in 607 to try to confirm.

And, again, it doesn't mean 607, we shouldn't consider maybe subtracting or adding to it, we're saying we're following Table 1 of B31.8S. Again, some other comments on that, and I'm not going to give you a chance, we've talked about this before, but B31.8S, Section 4.2 has the data requirements.

And just for the record, we are putting this up to just make sure that we're not -- this has been required, that the operator must collect data required to perform a risk assessment, implementation of an IMP program should drive this collection.

And Section 4.2.1 gives a prescriptive integrity management programs. Again, these data sets should or shall be gathered to evaluated each threat, for a prescriptive IMP program. Now, we realize that, by adding the additional footage or mileage for class 3 and 4 may not have been part of an HCA program in the past.

Another comment we got was recommended that PHMSA withdraw 607 for this regulatory

rulemaking, because it does not deliver clear, identifiable safety benefits and contains many serious unintended consequences that will have the effect of decreasing the integrity of pipeline systems. Availability of nondestructive testing personnel and equipment will be severely tax the available resourcing, making implementation impractical.

Proposed requirements in 607 are unnecessarily complex to achieve needed improvements to material validation. Cost will increase dramatically and many communities will experience significant disruptions and increased traffic safety risk exposure resulting from the proposed rule.

PHMSA's comment to that was, deleting this section would be unresponsive to both Congress and NTSB. Also, PHMSA believes that the concerns about costs and practicability and additional disruptions are based on an incomplete understanding of the proposed rule.

One commenter suggested that including

a deadline for operators to finish implementing the material documentation plan. And PHMSA -- what's in the rule is the approach is opportunistic, in order to take advantage of excavations as they occur for other reasons.

Setting a deadline would be impractical in such a program. So, we do not have a timeline. We don't have one year, five years, or ten years, we've got it based upon going out as far as doing excavations.

Also, some comments we got. If an operator has previously established the MAOP per 619(a)(2), strength test requirements, or will do so, per the proposed 624 methodology for pressure test or pressure reduction, the verification of pipeline material proposed in 607 is not necessary for the purpose of ensuring safe operation.

For remaining strength calculations, use supported sound engineering judgments or conservative assumptions that functionally serve as safety factors, when there are specific record

gaps. There were no details of what this would be, but this was the comment.

Again, PHMSA said, even in cases where MAOP has been verified with a strength test, material properties are necessary to conduct effective integrity management, including, but not limited to, calculation of predicted failure pressure in response to discovered defects. So, that's the reason we needed that.

The next comment we got on 607, that it could be interpreted as being applicable to distribution pipelines, both mains and services, and gathering lines. PHMSA should clarify that distribution and gathering facilities are exempt from the proposed rule. 607 applies to onshore steel transmission pipelines. The final rule will clarify that distribution and gathering lines are exempt from 607.

Some other comments that we got was that performing these examinations would require unnecessarily breaching the pipeline coating, an important component of effective cathodic

protection. Our comment there was, reapplying coating when pipelines are exposed is common and effective.

Another comment we got was it was recommended that PHMSA consider a performance-based approach to determine the minimum number of test locations at each excavation or above-ground location. PHMSA comment there, PHMSA will consider relaxing or revising the minimum number of test locations at each excavation.

Another comment we had was, a retroactive material verification rule would amount to a pipe replacement rule. Given the expense of performing the steps necessary to verifying a pipeline's material properties as set forth in the proposed rule, many operators may find it less expensive to simply replace the pipe. Again, PHMSA believes that the concerns about cost are based upon an incomplete understanding of the proposed rule.

Another comment we got urged PHMSA to restrict this to transmission pipe greater than

30 percent SMYS -- we left SMYS off --and based upon Leak Before Break concept. Again, PHMSA did not restrict it to equal to or greater than 30 percent SMYS since the pipe has ruptured while operating at less than 30 percent SMYS.

Another comment we got was, suggest that PHMSA review the various cross-references in the Notice of Proposed Rulemaking and eliminate cross-references that would expand the applicability of 607 beyond onshore steel transmission lines in HCAs or class 3 or 4 locations. Again, 607 is applicable to those locations specified in 607(a). PHMSA proposed to clarify language in other locations to avoid confusion on this point.

Another comment we got, we recommend that the language in proposed 607 be revised to include or refer to the option of using the provisions of 619(a)(1) for establishing MAOP when traceable, verifiable, complete material records are not available for calculating design pressure.

Again, 607 requires material documentation for purposes other than MAOP verification. Also, all four of the tests in 619(a) must be satisfied to determine which is lowest. Establishing wall thickness, seam yield, and other parameters are necessary for integrity management, as well as determining predicted failure pressure of defects.

Another comment PHMSA got was, recommend changing the size limit for small components from greater than or equal to two inches to greater than two inches. And PHMSA's comment is, PHMSA will consider this proposal.

Another comment we got was, implementation time frame should be extended one year to develop the plan. And PHMSA's comment there, will consider extending the implementation to one year.

Another comment we got, recommend that PHMSA limit the required records to what is needed to calculate design pressure in order to determine MAOP. In other words, diameter wall

thickness, grade or yield strength, and longitudinal joint factor.

PHMSA, chemical composition is important for welding, seam type is important for IMP threat analysis, and coating is important for threat analysis, like for stress corrosion cracking.

Another comment we got was, 607(d)(4), all components do not have an ANSI rating. PHMSA, we'll add where applicable in response to this component.

Another comment was, confidence specifications for NDE test would add significant cost for inherently inaccurate test results. PHMSA's comment, we'll review the confidence specifications for NDE tools.

Another comment we got, comment to delete sampling requirement and not require performance of material document if, when the pipe is excavated for repair, a repair sleeve or replacement is installed.

PHMSA, operators can and should repair

the pipe if there's a defect. In such cases, the operator would then conduct NDE and material documentation that the exposed pipe needed repair.

To not perform any material documentation would defeat the purpose of the material documentation program, which is to learn about the pipe in the ground for which records are insufficient.

The purpose is larger than to ensure safety at one pipe location being excavated, but the entire pipeline segment. Information obtained must be applied to other similar pipe in the pipeline in order to establish material properties for unexcavated segments.

Another comment, do not concur with establishing a requirement for the specified number of excavations for material verification. The minimum number of excavations should be determined by the operator in their material verification plan and through statistical analysis to achieve targeted confidence levels.

PHMSA's proposed prescriptive sampling plan is too limiting. PHMSA, we'll consider adjusting the minimum number of excavations if credible alternatives are proposed.

Another comment we got, commenters support AGA's alternative approach to PHMSA's prescriptive and complex proposals related to material verification in 607, 624, and 710. Commenter stated that AGA's approach is more simplistic, would be easier to follow and enforce, and would focus resources on the areas of highest risk within pipeline systems. Again, PHMSA believes that the 607 approach is appropriate.

Another comment, encourage consistency between material documentation required in 607(c) and those listed within the prospective documentation requirements in 67, 127, and 205 records for pipeline components.

Again, there's inconsistencies between these documentation requirements and it could create irrational scenarios where operators are

meeting the new documentation requirements, but find themselves still required to perform material verification requirements under 607.

PHMSA's comment, operators would only be required to verify material properties in accordance with 607 in cases where required documentation is missing. Operators that establish records per other requirements would not have to also comply with 607.

Some other comments we got to 607(c)(2) and (c)(3), require the operator to know the weld-end bevel conditions for in-service valves and flanges. Once the weld-end is welded to a piece of pipe or other component, unaware of any method that an operator can employ to determine the bevel of a weld-end. PHMSA, we'll consider deleting the requirements associated with bevel end conditions.

Another comment we got, 607(d), there is no technical justification for the number of material properties tests being required at each test location by the proposed rule. The

requirement of five tests in each circumferential quadrant for nondestructive tests and one test in each circumferential quadrant for a destructive test is unsupported in the proposal.

PHMSA's comment, we'll consider reducing the requirement for the number of quadrants tested from four to two at each location, but not the number of tests at each location, because if you're doing a nondestructive type scenario, if you do just one sample, you may find that it may be a little bit of variation that may make your properties lower than you want. So, what we wanted to do was see five tests at each location.

Another comment we got was 607(d)(3)(iii) would require testing for SCC in all cases. This requirement should be limited to only pipelines that are susceptible to SCC. Again, PHMSA's comment, current methods for determining if a segment is susceptible to SCC have not proven to be sufficiently reliable. PHMSA believes the information gained checking

for SCC will improve our understanding of SCC and enhance safety and integrity management.

Another comment we got, allow operators to establish design yield strengths for unknown pipe grades as described in 107(b)(1). PHMSA, operators must be following 107(b)(1) if tensile strength is unknown. In addition, operators must also follow 109 if wall thickness is not known and 113 if seam type is unknown.

Another comment we got, delete the notification requirement to use other technology. Again, PHMSA believes the notification serves an important function for oversight and is currently used in integrity management.

Another comment we got to 607(d)(3), recommend including language that would allow the use of advanced ILI and NDE, such as pipe identification, to comply with the requirements. Pipe identification would also enable a more accurate assessment interval, as (a) and (b) do not take into account the variation in pipe material and manufacturing that actually exists.

By using ILI data, an assessment of variation of the pipe can be used to determine an accurate assessment interval.

PHMSA, the proposed rule would allow either destructive or nondestructive testing, as long as the methods used are reliable and the results are confirmed. And also, again, the proposal was for other technology, you could also submit it in to PHMSA.

Another comment we got is 607(d)(3), the definition of excavation is unclear in this section. Pipe may be excavated to a point for many operational activities, including spotting for construction safety, installation of cathodic protection tests, or current source wires. These types of excavations are not opportunities for material verification.

PHMSA, we will consider limiting excavations to repair, remediation, anomaly examination, and maintenance and delete the phrase, or other reasons for which the pipe is exposed.

Another comment we got to 607(d)(3), SMEs in both metallurgy and fracture mechanics are not needed to validate nondestructive test methods. Engineers with knowledge in test validation methods, but not necessarily metallurgy or fracture mechanics are capable of validating NDE methods. PHMSA, we'll consider revising the rule to address this comment.

The next comment, recommend PHMSA allow alternative methods of assessing strength properties that provide a suitable lower bound to the actual strengths. Allowing alternative methods will provide flexibility, consider conservative, but realistic estimates of material properties.

PHMSA, proposed rule allows NDE methods that reliably provide a suitable lower bound for strength. Also, the proposed rule allows operators to submit notifications to use other technology.

The next comment, opposition to requiring operators to remove a cylinder of pipe

to perform destructive test and then perform a material test at each of the four quadrants on the cylinder that is removed.

This requirement is unnecessarily costly and has a negative impact on pipeline safety, since the integrity of the pipeline now has been compromised and a new joint of pipe will need to be welded onto the pipeline. The proposed rule would not require destructive testing, but allows it as an alternative.

The next comment we saw, 607(d)(6) to the requirement to obtain a "no objection letter" from PHMSA. In other words, they recommended deleting it. PHMSA enforcement and regulatory procedures do not provide for such letters and adding a new process that is not articulated in the rules or well defined would cause even more confusion.

Again, PHMSA, the "no objection letter" has been effectively implemented since the inception of integrity management rule in Subpart O.

The next comment we got, there is no benefit for determining pipeline chemical compositions with no direction or guidance for a company to apply the newly validated characteristic. There is a high probability that many pipelines that were otherwise considered to have an acceptable material documentation could now fail the proposed records requirements in 607(c), thereby requiring additional verification.

PHMSA, chemical properties are needed for welding, for example, Appendix B Section 2(b). PHMSA may consider adjusting the proposed rule to address this comment.

An additional comment we got, allow operators to use short duration spike portion of a spike pressure test to determine the lower bound of the yield strength of the test section, including all piping components that are subjected to the test pressure.

Such a test, if used for this purpose, must also confirm that yielding beyond that

experienced in a standard tensile test to determine yield strength typically on the order of 0.5 has not occurred. This confirmation may be demonstrated by data from a pressure volume plot of the test or a pressure test geometry tool inline inspection.

Again, PHMSA agrees that a yield test which would be greater than 110 percent of SMYS is valuable to confirm the pressure retaining capability of the pipe body and seam. It would not confirm other key parameters, such as wall thickness, seam type.

An additional comment, in 607(d)(3)(iii), PHMSA requires the nondestructive testing to be validated with unity plots comparing the results from nondestructive and destructive testing.

This severely limits the value of nondestructive testing, since the operator will have to remove samples for destructive testing just to create the unity plots. It is also unclear how many destructive test samples would

be required. PHMSA will consider eliminating the term, unity plots, and generally specify the use of reliable engineering tests and analysis.

An additional comment we got, there is no NDE testing methodology for obtaining Charpy V-notch toughness. Thus, PHMSA's requirement to obtain Charpy values eliminates the availability of nondestructive testing.

Again, PHMSA's comment, PHMSA's intent was not to require Charpy in every case, but only to require Charpy where required for failure pressure and crack growth analysis. PHMSA will review the wording for this paragraph in this context. And that's the review of the comments.

(Laughter.)

CHAIRMAN DANNER: All right.

MR. NANNEY: Mr. Chairman?

CHAIRMAN DANNER: Thank you very much. So, I note that it is 12:18. Before we take public comment, I think we should take a lunch break, if that would be okay with the Committee. So, we will come back at 1:30. Is that all

right? Does that give us enough time? We'll come back at we will immediately go into public comment. Thank you.

(Whereupon, the above-entitled matter went off the record at 12:18 p.m. and resumed at 1:37 p.m.)

CHAIRMAN DANNER: Okay. Good afternoon, everybody. We are going to resume. I was asked before lunch, evidently the acoustics in this room are such that some people aren't hearing us in the back of the room, even when we're talking into the microphones.

So, let's try and use our outdoor voices and talk into the microphone and see if we can help some of the people in the back. And for folks in the back, if you are having trouble hearing, raise your hands and I think Cameron will keep an eye on what's going on back there and he can tell us if we need to be louder. Okay.

So, at this point, I would like to open it up for public comment. You can see on

the front here the topics that we'll be covering, so why don't we just go ahead and do that right now. So, those who want to make a comment, Cameron will find you with the microphone and let's begin.

MS. KURILLA: Mr. Chairman, would you like comments on all four topics or each topic as presented?

CHAIRMAN DANNER: So, thank you, we were just having a conversation about that this morning, Erin, and we thought that it was a little late, that you may have already prepared them in a single bucket, but actually, I would love to have it broken out, if we could -- maybe we can take all of the comments -- Alan, what do you think? Should we start with applicable locations and go from there?

MR. MAYBERRY: Well, I was thinking we could start -- because, as we -- after we accept the comments, we were going to go through it item-by-item individually and then go to the next item. So, I would just take the first section.

Yes.

MR. GALE: On the left screen, we have the actual reg's text of the applicable location, so the members in the audience can read that as we have the discussion.

CHAIRMAN DANNER: All right. So, let's just start with 607(a). So, Cameron, is there anybody who wishes to speak to this matter. And thank you for the question.

MS. KURILLA: No problem. Hi, this is Erin Kurilla with the American Gas Association. I wanted to make a comment on what pipelines are applicable to 607. And, really, generally, I think that fits in this is the general justification for the addition of 192.607 into pipeline safety regulations.

As Steve Nanney mentioned in the presentation, PHMSA's justification for the addition of this section, they believe is rooted in the 2011 Pipeline Safety Act, specifically Section 23 is what was referenced in the preamble and I know Steve mentioned as well during the

conversation before lunch.

I believe that this is a point that really needs to be discussed by the GPAC meeting. And, in fact, I think bringing up the legislative language could be of value for this discussion, most specifically, when you look at Section 23, if you'll indulge me for a second, there's really three sections, (b), (c), and (d) in Section 23, which I believe are applicable to both this discussion and the next discussion on MAOP reconfirmation.

Just to jog everyone's memory briefly, Section (b) is around the reporting of transmission pipelines in high consequence areas and class 3 and 4 locations that do not have -- that have insufficient records to confirm the established MAOP.

Section (b) of Section 23 simply asked operators to report missing records to PHMSA, and they all do that annually as a part of their gas transmission annual report. Section 23(b) is already being done by operators.

The next section that I want to highlight is Section (d), which is testing requirements. In that section of Section 23 of the Pipeline Safety Act, it states that for transmission pipelines located in HCAs, only, not class 3 and 4 areas, and pipelines greater than 30 percent SMYS that are untested, operators are to test the pipeline, either by pressure testing or an alternative method.

This section, Section (c) of Section 23 is going to be critically important when we talk about Section 24, but I believe what PHMSA is trying to do in justifying 607 is point to Section 23(c). And just so we're all on the same page, I'll read it.

It says, in general, in the case of a transmission line of an owner or operator of a pipeline facility identified under the previous section -- which is those with missing records -- the Secretary shall, A, require the owner or operator to reconfirm an MAOP as expeditiously as economically feasible and determine what actions

are appropriate for the pipeline owner or operator to take to maintain safety until an MAOP is confirmed.

So, I think -- I encourage the GPAC to have a discussion about how operators are going to do that in HCAs and class 3 and 4 locations. Meaning, how are they going to reconfirm the MAOP and what actions are needed while they're reconfirming the MAOP?

Those are the two Congressional mandates. And I think it is up for debate whether or not the requirements within 607 are actually the requirements within the Congressional mandate and I would encourage the GPAC to take a look at that.

MS. FARRELL: Lynda Farrell, Pipeline Safety Coalition. Okay. I'm not going to stand, if you don't mind. We did cover a lot before lunch and some of the emphasis of this is going to be lost by the lunch break, but I will say that, we strongly support recommendations that directly reflect NTSB recommendations. And if

Connie Jackson, City Manager from San Bruno, were here, she would be saying, finally, and NTSB would be saying, finally.

And so, rather than address, because we kind of jump back and forth here, are we going to address (a), (b), (c), or are we going to address, I'm just going to make a blanket statement here that the NTSB, in their report, found no evidence that, despite all the integrity management programs and all the, I think they said good intentions, they did not see a decline in HCA incidents from 2010 to 2013.

Yesterday, I noted some data from PHMSA and I actually have the numbers here today. The PHMSA data shows that in 1997, there were 49 serious incidents and in 2016, there were 37 serious incidents.

That's when I referred to it being fairly flat, that's not a good track record and I don't think that bodes well for the mantra that we try to tell the public that pipelines are the safest way to transport natural gas and liquids.

In 1997, there were 267 significant incidents and 305 significant incidents in 2016. That's an increase. And as far as injuries and deaths, they're both up, 77 injuries and ten deaths in 1997 and 82 injuries and 16 deaths in 2016.

So, the comment Pipeline Safety Coalition would like to make is that, while this data continues to be repeated, any reduction in prescriptive material documentation runs contrary to the NTSB recommendations.

And I think there are a -- there's a preponderance of people who believe that the NTSB recommendations have been long pushed aside and not taken as seriously and not considered and implemented as stringently as they should. Thank you.

MR. COYLE: Hi, good afternoon. My name is Keith Coyle and I wanted to offer a comment for the Marcellus Shale Coalition. It would be really helpful if Steve could put up Slide 105, that had the 192.107 requirements.

Would that be possible? So, one of the -- I don't know, that's -- there's the 107.

So, one of the assumptions that PHMSA has made in preparing the cost/benefit analysis and in analyzing the materials verification requirements is this concept that the requirement up here on the screen can apply retroactively to existing pre-code pipeline facilities.

And I think everybody should pause when the agency says that, because there's a statutory requirement that prohibits PHMSA from retroactively applying design code requirements to existing pipeline facilities, particularly pipeline facilities that were installed prior to the federal statute, which was enacted in 1968.

So, the position that PHMSA has taken in the cost/benefit analysis is that, for pre-code lines, if you don't have design documentation, you need to go do this destructive sampling testing.

And if you go back and look at the rulemaking history and look at the GPAC meetings,

where they considered this very requirement, they were clear that this requirement was for pipe that had not yet been installed, that was of unknown specification or in-service pipe that people wanted to reuse in-service.

So, what people were talking about was where you had pipe that was not in the ground, what kind of testing would you need to do to substantiate materials properties for that pipe? And that is how everyone understood this requirement to apply.

What the agency is saying now, like four years later, is if you don't have design documentation, including for pre-code pipe and I think one of the GPAC members talked about systems from the 1860s that are in service or something like that, it's clear under the statute that that requirement cannot be applied retroactively to that pipe under any circumstances.

And when the agency says, well, this is a very cost prohibitive requirement to comply

with, I would say, yes. And the reason that it's cost prohibitive is because it's not supposed to apply retroactively and the testing itself has never been conceived of as a feasible method for reverifying existing pipe that's in the ground.

And this is a real serious issue, I mean it's $2.7 billion in cost savings that the agency is claiming, and that's real money even in D.C. So, I just, I think for -- and it's causing a lot of uncertainty for existing systems, because the agency's position, as said in this slide and other slides is, everybody is supposed to be doing this right now.

And there's no support for that interpretation of the code. Not when it was adopted, not in its application, the only time that this theory emerged was in this rulemaking proceeding. And I would just have great concern with that interpretation and this tremendous cost savings that, in my opinion, does not exist.

MS. BYRNES: Hi, Corinne Byrnes, National Grid. Wow, there were a lot of comments

put up earlier. I would like to comment specifically on PHMSA's recommendation that they are not requiring operators to replace pipeline based on -- with this new rule.

And, first of all, National Grid does take pipeline safety very seriously. In general, we have good records, we do -- there are some minor record gaps. And based on that and based on the requirements for TVC records for material verification and operating in an urban area, highly congested, we will have no other alternative but to replace most, if not all, of those pipelines, at significant cost.

MR. RODRIGUEZ: Hi, this is Vincent Rodriguez from DTE Energy. We operate in Michigan, 2,000 miles of transmission pipe and about 200 HCA miles. We're also in support of the comment earlier about the cost estimate, about the retroactivity and the cost savings on it.

That we believe that it doesn't -- it's kind of a misunderstanding of it, it's kind

of a misinterpretation of it. We also believe that the cost analysis for repairing it and setting everything up is also under represented.

We believe that the cost analysis to prepare everything for repairs, but it didn't include also pipelines that -- HCAs that are not applicable for the MAOP verification and pipelines in class 3 and 4 locations that are applicable to material verification.

So, we believe that PHMSA should reanalyze everything and to make sure that the cost analysis represents these retroactive and not retroactive activities that are within this rule.

MR. KERN: Good afternoon. I'm Mike Kern, I'm the Director of Transmission Engineering for National Grid. We have approximately 300 miles of HCA pipe. The majority of that is within an urban environment, so we have some experience operating in a very high-risk and rigorous environment.

So, I wanted to comment a little bit

about, what information do you need? So, information requirements for engineering analysis vary based on the type of calculation you're performing. Information required to calculate the MAOP of a pipeline is a lot different than what you need to do an engineering critical assessment.

National Grid does, though, fully support collection of data at every opportunity when you're on a pipeline. So, we like the way this is written, that it's an opportunistic type of information gathering, but we do have some concerns.

First, the requirements for material collection or data collection should really reside in the applicable section in the code. So, I understand while 192.607 is kind of a collection and a methodology behind it, but we also, in there, outline the requirements.

What information do you really need? It is confusing. I think we need to streamline that and make it simpler and we need to make it

very understandable as to, what information do we need for what type of engineering concern we're addressing? So, we'd like the information, then, for each section that we're addressing to be brought into that section of the code.

And we'd also like a clearer path for technology adoption. There's a lot of technology out there that's being developed, I think adopting that technology would be quicker if there was -- if the path to adoption was easier. I think a lot of people, a lot of operators are reluctant to pull in or invest the time for new technology if the path to getting that approved seems too onerous.

So, and I agree, it can't be a free-for-all, you can't have people doing whatever they want, I think there has to be an approval process, but I think we ask PHMSA to look at that approval process, because it's not business as usual, so we really want to bring these new technologies. There's a lot of things going on out there, National Grid is on the forefront of

trying a lot of that, but there has to be a clear path to adopting it.

Two other things. One is, comment on the number of tests. I guess that's the last section, (d). We really need to look at the very prescriptive requirements for the testing and the number of tests.

So, there's standards out there that are incorporated by reference, API 5L, I believe it's ASTM 8370, that are very prescriptive of the types of and the number of tests you do, as well as the location.

We really need to look at that and just look at the prescriptiveness of where those tests are taken. I think it should be left based on the technology that you're using. And I think that also should be brought into the request for alternate technology use.

And then, the last thing is, we talked a lot about chemistry. So, chemistry, what do you get from chemistry? If we can, it's good to have. But you get carbon equivalent, right?

What do you use carbon equivalent? There's some other things you use it for, but really, the weldability of the pipe.

So, what are we welding on an in-service pipe, right? We're putting hot taps, we're putting branch attachments for new customers, so without that information, there are other techniques, engineering techniques, engineering controls, such as a very rigorous in-service welding procedure that you can qualify, that you can use in place of that information.

So, if you're doing a destructive test, absolutely get the chemistry and the material toughness and everything you can get. But if you're doing in-situ testing, and I know there's some techniques out there now that are starting to develop to possibly do in-situ toughness testing, but the chemical part of that is not really available. I mean, it's available, but I don't think it's that reliable.

So, in absence of that, I think when we lay out what's required from the sampling, it

should really reflect what technology is available and what's really doable now and, yet, leave the road open for future technology advancement.

MR. KIVELA: Rick Kivela with Enbridge. Several comments on this. And, first, Steve, thanks for going through that in such a logical, disciplined manner. I think the way you did that was very good. So, thanks for that.

A couple of comments on the requirements. First, as far as the attributes that are required here, it seems like before lunch we had a lot of discussion about data that's needed for integrity management purposes, and maybe it's misplaced, but in here, if that's already been discussed, maybe it belongs in Subpart O rather than in 607.

I agree with some of the other comments around the attributes that are required. Certainly, the MAOP attributes would be required under this and I would support that. There are some of the attributes that we should only be

collecting if we need them.

If a decision on a welding procedure, for example, requires the chemistry, then get the chemistry there. I agree with the previous comment that you're not going to be welding much on an in-service pipeline.

I think, while Steve mentioned that there's no time frame around this, in 624 there are time frames. So, I think that's a little bit of conflicting messages here.

And I think that the requirements in 607 to do SCC assessments and selective seam corrosion assessments, while probably valid, it seems like it's misplaced in 607, that feels more like an integrity management effort that would either be in Subpart M or O. So, thank you.

MR. MCWHORTER: Dan McWhorter with Innovative Analytical Solutions. I just want to make sure we're still on (a).

(Laughter.)

MR. MCWHORTER: I've got some comments for (d), but I think we've gone a long way from

where we started and maybe we can get back to that. Are we going to get back to (d)? Yes, are we going to get back to discussing (d) individually or is this comments for the whole of --

CHAIRMAN DANNER: Yes, we're taking comments on (a), understanding that there's always some interrelation with other sections.

MR. MCWHORTER: Okay, thank you.

MR. SATTERTHWAITE: Another comment?

MR. WEIMER: Carl Weimer with the Pipeline Safety Trust. Thanks for the opportunity to comment. And I wanted to say that the Pipeline Safety Trust supports what we've seen from PHMSA today from material documentation.

Frankly, when the rule came out and some of the information came out, we were aghast to find out that there were so many operators and so many miles in the ground where companies did not have the material documentation and did not know what they were doing.

Our understanding was that you couldn't do a legitimate integrity management program in a high consequence area if you didn't know what was in the ground and that much of what we've heard today from PHMSA under material documentation was actually already a requirement.

As integrity management evolves, we're glad to see PHMSA trying to pinpoint some of the specificity that's needed, because it was obvious that some operators didn't understand what was required and that there's too many miles of pipeline in the ground that wasn't clearly covered under integrity management the way it was supposed to be.

To get to the location, as the gentleman just said, we support, certainly, that this should apply to high consequence areas and class 3 and 4 areas. We, frankly, don't think it goes far enough.

As we move into the discussion of moderate consequence areas and even gathering lines, we support INGAA's commitments to moving

forward to make sure that all lines everywhere that are near human populations are safe.

We don't know how you can do a legitimate safety program if you don't have documentation for what you've got in the ground. So, I think as we move into the discussion of moderate consequence areas, we need to start talking about this and we hope operators are gathering this, because it may come at you at some point in the future.

And regarding gathering lines, if we have lines that are the same size, the same pressure, and the same risk factors as transmission lines that are gathering, we think this ought to apply to that too in high consequence areas, in places where people are living. So, I think that's coming too. So, we hope the gathering line industry is starting to collect this information.

MR. SATTERTHWAITE: Comment?

MS. KELLER: Thank you. Heidi Keller with the American Petroleum Institute. I

understand that we are on (a), but this is more of a general comment in regards to PHMSA's collective proposals on IVP, 192.67, 607, and 624.

Just wanted to take the opportunity to mention some comments that API put forward in our comments on the NPRM that were submitted last summer. API supports the NTSB recommendation and the Congressional mandates in the Pipeline Safety Act that were intended to inform the IVP proposals.

And it is clear to us that the primary underlying concern is the pressure testing of pipelines and the collection of records and documentation. However, API believes that there is a simpler and more efficient approach to addressing IVP.

And that would be a hydrostatic test that interrogates the entirety of a pipeline, with a spike test in accordance to 192.619(a)(1) and (a)(2) for MAOP and lower bound yield strength. We also feel that a hydrostatic test

could also be confirmed and quantified if needed by ILI tools before and after the testing.

Therefore, API urges the Committee Members to consider addressing the Congressional mandates and NTSB recommendations with language that provides an option to operators to confirm operating pressure limits and material documentation through hydrostatic testing and confirmatory ILI. Thank you.

CHAIRMAN DANNER: Is that it?

MR. SATTERTHWAITE: I think that's it.

CHAIRMAN DANNER: Okay. That gets through the public comment on (a). And thank you, for those who made general comments, I understand that we didn't really provide you a venue, so appreciate you're taking the opportunity. Let's take comment now on (b), material document plan. Wait a minute, hang on just a second, Cameron. Yes, Andy?

MR. DRAKE: Is the intent for the GPAC to now comment on (a) or are we going to go back to the public to do (b)? I just --

CHAIRMAN DANNER: So --

MR. DRAKE: -- want to get protocol correct.

CHAIRMAN DANNER: The conversation that we had earlier was that we were going to take public comment on the whole basket and then we decided to break up the basket for public comment purposes, just for following the public comment. Was it your understand then --

MR. DRAKE: Yes.

CHAIRMAN DANNER: -- that we would then take the public comments before we get into the discussion by this group. What is the sense of the Committee?

MR. DRAKE: My recommendation would be to let us talk about that, because we're going to get so many conversations going on we're not going to keep them in order and in context. I think it will help the context of the discussion if we all can take it a step at a time. That would be my recommendation, anyway.

CHAIRMAN DANNER: Okay. Understanding

that we've already had some bleeding across some of these subject areas. So, okay. Diane, did you want to --

MS. BURMAN: I do think it's appropriate for us to comment to the extent that we also understand that at the end, after we go through it all, there may be some need for some summary on each section, but also an opportunity for an overall public comment, after all of it has gone through as well, an engagement, so that we're not overlooking things.

CHAIRMAN DANNER: Okay. So, let's -- now, again, it's my understanding -- I'm fine with that. It's my understanding, though, that we are not going to be taking any of these up for a vote today. Is that --

MR. SATTERTHWAITE: Not unless you get a motion.

(Laughter.)

CHAIRMAN DANNER: Well, we won't have the benefit of staff writing the motion for us to read, so if there's going to be a motion, you're

going to have to write it yourself. Just be aware. Okay. I hear the sense of the Committee and so, why don't we dive into the conversation then? I see two tents up, so, Andy, why don't you start?

MR. DRAKE: This is Andy Drake with Enbridge. I really want to broach something that I think is really important. We kind of saw it perk up a little bit earlier about cyclic fatigue and that is, one of the things, I think, that's happening here is, we're trying to address a lot of issues in one place.

And I think we convoluted a lot of issues here. There's really a couple of issues on the table that we need to keep deliberately separate. One is MAOP confirmation, which is a one-time event, and integrity management, which is a reoccurring event that happens many times in a pipe's lifetime.

We've mangled those together and they're actually in one section of the code that's retroactive applying stuff that's not

retroactive. And it's, I think it's creating a very fundamental rift among us about, how does this work?

I think we would do better if we took the MAOP discussion separately and take the IM discussion separately. What data do we need for each of those? And I'm not advocating getting rid of any of the data at this point, actually, I'm just advocating trying to get things in the right bucket, so that -- and get them in the right part of the code.

Section O is integrity management, how we deal with missing records for things in there, we've already been talking about. I think some of this discussion belongs over there, it doesn't really belong here.

And what do we need to do to confirm the MAOP? It then becomes a very clear conversation, which is really around the Congressional mandate and the NTSB recommendations about how to reconfirm the MAOP.

It's really about testing untested

lines. We're going to end up running into the MAOP confirmation issue headlong, some of the pipes don't have the records, okay, well what are we going to do? We're going to test them.

Okay, well, then, some of these other discussions we're having going on aren't really pertinent to that MAOP discussion. They need to be parsed off. And I do think, in that interest, that there is some material that we can leverage as we look at MAOP confirmation, with a JIP that was done several years ago with the Joint Trade Association, that can be incorporated for the use of MAOP validation.

So, I'm not really contesting so much the applicability of this, high consequence areas and class 3 and 4 locations needing to confirm the MAOP, it's when we start extending it into integrity management, I think we may need to stop.

We've addressed now the Congressional mandate and Pipeline Safety Act, then have a separate conversation about extending integrity

management and cleaning some of that stuff up. That would be my recommendation.

I think I'd also like to hold a place holder there, somewhere out there is a place about spike testing, the NTSB recommendation I think is not applicable. A spike test is an integrity test for cracks, it's not an MAOP validation test.

And there, again, we've kind of cross-threaded. We've got an integrity test being applied to an MAOP validation. The code is very clear how to do MAOP validation testing and we should use that for MAOP validation.

So, that's my outline, I think, of just very almost architecturally, and I am not a regulatory constructionist, so there are people in the room out here that can do that, but I think we need to pause and make sure we get that straight. Because if we don't, we're going to kind of build on top of a crumbly foundation that's cobbled together many different things at one time.

CHAIRMAN DANNER: Thank you. Chad?

MR. ZAMARIN: Chad Zamarin, Cheniere Energy. On the applicability piece, on piece (a), I do have a little bit of a concern. I, kind of like where Andy is, I think we need to go back to what the intent was. I think that the Congressional mandate and even the NTSB recommendations were focused on previously untested pipe.

And this is kind of the start of a slippery slide down a path where we're researching all pipe in HCAs, class 3s and 4s, and where we think we might not have adequate material records, we're requiring a lot of work to be done. And even if that pipe has been previously tested.

And so, we don't have the MAOP verification concern, but we're requiring records and data collection exercises that, frankly, I think aren't the intent of what we were trying to solve. We were trying to solve where we didn't have good quality information on pipe that hadn't

been previously tested that could lead to poor decision making and, ultimately, to risk to the public.

And so, I think the applicability should be to pipe that has not previously been tested, not to pipe that has a flange without a documented material rating. If that flange is in a pipeline that's been pressure tested, let's focus our energy on the areas where the risk is warranted, instead of driving us to initiate data collection efforts that aren't adding value.

So, I'm going to keep my comments to applicability. I've got more comments, I do think, on the rest of the section. But it also goes to, you're going to hear this recurring theme on MAOP establishment, safe pressure carrying capacity establishment, versus integrity management.

And I do think we're going to need to try to keep that clear in our heads that integrity management data collection should be driven by the integrity management activities

that rely upon that data.

And I think this section was meant to address MAOP, maybe not by PHMSA, but I think it should be meant to address MAOP establishment and the data required for that purpose on pipelines that were previously untested. Thank you.

CHAIRMAN DANNER: Thank you. Are there any other comments on this section? Oh, Cheryl?

MS. CAMPBELL: Thank you. I agree that -- my reading of the mandate was as Chad and Andy said, that this is around pipe that was not previously tested, where you -- or I would add, that you don't have a valid pressure test. Very supportive of making sure that we understand the maximum allowable operating pressure of the pipe and the system, particularly in those high consequence areas.

I think that where I struggle is, well, and I guess this is probably further on, but I'm going to say it here anyway, because I'm probably going to say it later on too, but my concern is, we go out and we collect a lot of

data that is certainly nice to have when you are installing the pipe, when there are other ways to operate the pipeline safely.

So, I'm supportive of this idea of, let's be opportunistic about collecting data, but I keep going back to that hydrostatic pressure test is kind of the gold standard. And if I have a valid one, and particularly if I can get an ILI tool in a pipe, I'm feeling really, really good about my ability to operate that pipeline safely. And that's the goal here is, can I operate that pipeline safely?

And then, I would echo Chad and Andy's comments about an MAOP test, a strength test is a one-time event. Integrity management is an ongoing thing and is a very different animal and something that we do again and again and again, over the life of the pipe.

There are times when you want to reconfirm MAOP, but -- and you might do some of that as you're doing integrity management. I am generally supportive of what we're trying to do

here, but I would caution us to keep it applicable to those pipes that don't have those valid pressure tests.

CHAIRMAN DANNER: Thank you. Sara Gosman?

MS. GOSMAN: So, it seems to me that, looking back at San Bruno, that part of what we learned from that experience was that there were just missing documents on pipelines that, by any reason of reading the IM requirements and otherwise being good operators, right, just were not there.

And I think part of what trust but verify means in regulation is that in some cases we need to be prescriptive around the information being gathered, because a large operator like PG&E clearly didn't gather what they needed to gather.

So, I think this -- there are lots of interesting discussions around where we're going to place this, how we're going to conceptualize this set of requirements around documentation and

testing, but I think the fundamental point I want to make here is that this is clearly necessary in order for us to have safe pipelines.

I also want to say, just because I'm a lawyer, that I think PHMSA clearly does have authority here to issue these rules. I think, for one reason, because they have authority over operation of existing pipelines.

I don't read this as an original design standard, nor do I think PHMSA is relying on that. I think these are operational requirements, you need documentation for operation.

And then, just on the last point of cost versus benefits, I think another important thing to keep in mind here as we discuss this set of issues is the way that this discussion can go is that we think a lot about cost. That's important, but that's only one side of the equation.

So, on the benefit side of this, by nature, benefits are hard to quantify. So, when

we look at the unquantified benefits side of these kinds of discussions, what we see is there are large categories of benefits that we simply cannot quantify. We know they're there, we know they're important, but we can't necessarily quantify them. That still means we need to take them into account.

So, I would argue that we have a lot of benefits here past the sort of quantification of avoided compliance costs or this particular incidence and their consequences, broader benefits that include things like, communities feeling safer about having pipelines sited there.

And it strikes me that those kinds of benefits, which are ultimately benefits to operators as well, because they can site their pipelines more easily, are things we need to take into account on the other side. Thanks.

CHAIRMAN DANNER: All right. Thank you. Steve Allen?

MR. ALLEN: Steve Allen, IURC. A question, of the 5,000 miles of pipe in HCAs and

class 3 and 4 locations that have inadequate records, do we know how many of those miles have previously been pressure tested? Chair, may I?

CHAIRMAN DANNER: Leave that one up for a second.

MR. ALLEN: May I?

CHAIRMAN DANNER: Hang on just a second, yes.

MR. ALLEN: Okay.

CHAIRMAN DANNER: Yes, Steve, go ahead.

MR. ALLEN: Well, the reason why I ask that is, going back to what the NTSB said that PG&E had to do immediately after San Bruno, I mean, there were three things.

One of them was to conduct a pressure test to reestablish a valid MAOP. And that's one of the three biggies, that needs to be done. Conducting immediate search for missing records, okay, that's been done.

So, across the country, we've seen what missing records we have and, honestly, that really doesn't come to anybody's surprise, I

don't think, with some of the old pipe that we have in the ground. I mean, all right, so tell me something I wouldn't have guessed.

And then, the use of verifiable records to determine a valid MAOP. I thought pressure testing aligned to establish MAOP was probably the most preferred method. Am I wrong in that?

I'm trying to understand what having valid records or some of the minute details about a pipeline, how does that add to the value that we gain of having established an MAOP through pressure tests?

I mean, if we have the MAOP established through the pressure test, then I think going forward in time, I think opportunistically, yes, we ought to probably go ahead and try to get some of this information. But if you already have an MAOP established, then, what's the term, juice for the squeeze, I'm not sure that it's there.

(Laughter.)

CHAIRMAN DANNER: All right. Thank you. Now, you mentioned that there might be another slide that had other information, is that -- are you looking for that or are we moving on? All right, that's it, okay. All right. So, I don't know which of the two of you were first, why don't you duke it out?

MR. DRAKE: I'd like to follow back on something Sara said, because I don't think that we're that misaligned. I think records are very important and we need them to make good choices. What we're -- what I'm talking about, I don't speak for everybody here, but what I'm talking about is, separate the purpose we're trying to accomplish with some of these things.

We've got a lot of things that we're trying to do. One is MAOP confirmation. Another is integrity management. You need records for both of them, but we don't need all of these records to define MAOP.

And I think part of what Steve said resonates with me, on juice for the squeeze, is a

lot of the grandfathered pipes are already tested. That is there, so what is the record that we're preferring for them to have? It is a pressure test record to confirm the MAOP. Okay, fine, they've confirmed their MAOP.

Then, the next discussion is, what kind of material information do they need to make ongoing integrity management decisions? It's a separate discussion and it's a lot of different kinds of information. But I think that that was very clearly what the NTSB was trying to get at.

And I think the reason that this is so important is, when I look at the PG&E incident in San Bruno, and I think that's the right way to talk about this, it wasn't San Bruno's issue, it was PG&E's issue, and I think that the unknown unknowns is part of what we have to be managing here.

I don't know that they knew what they didn't know there. They did not know that something that wasn't pipe had been installed into their system. We could squeeze their brain

in a vise and that record would never pop out of it, because they didn't know that.

And that really puts the importance of the balance of both, we want to know records and make the test, because if the records are incomplete or inaccurate, we still have to make sure the pipe is safe. We need both of them.

And I think that's what I hear Steve saying is, we can go through exhaustive records and we still need to test, because we need both of them. And I think that's something that we want to keep in balance here and that's really why I'm pushing so hard, separate this discussion about MAOP validation and deal with that issue.

Once we get clear on that, then what we need to do with integrity management, there's an ongoing discussion and I like this proposal that Steve has actually put in front of us, opportunistic data gathering, we kind of talked about that, actually, in Appendix A, we'll make these assumptions in the meantime and, over time, we'll keep working endlessly to get better and

better and better.

But there's a certain urgency in HCAs in particular to make sure these people are safe. And it isn't squeezing someone's head in a vise about records, it's about making sure we're sure.

CHAIRMAN DANNER: All right. Thank you, Andy. Chad?

MR. ZAMARIN: Thanks. Chad Zamarin, Cheniere Energy. Two things. One, I think I somewhat agree on the benefit of an opportunistic approach, and we'll get into this more later, but I, frankly, don't like collecting data for collecting data's sake.

And I think, I'll just use one example and, again, I'm maybe jumping forward a little bit, but we talk about chemistry, why would I go to the expense of collecting chemistry data if it's on a pipeline that I never do welding, if the only reason to have chemistry data is to support decisions around welding?

It's extra expense, it's extra time, it's an unnecessary burden that, again, we're

focusing resources on activities that aren't contributing to pipeline safety. So, I think we'll get more into that, about letting the process drive what we're collecting and why versus just collecting it and then maybe figuring out some data that was useful to have. So, I think that conversation is coming.

The only other thing I would raise that I forgot to mention in my first comments is, I saw that we pretty quickly dismissed the criteria around less than 30 percent SMYS. I did -- I think it was a useful reminder from someone in the audience who described that the Congressional mandate did talk about the difference between a high pressure pipeline and a low pressure pipeline, and the fact that those are two different risk profiles. And I do think that's something we need, maybe, to revisit.

I'd like to understand a little bit better why we think that we do have the same or sufficient risk to warrant the work on less than 30 percent SMYS. I know, Steve, you mentioned

that there had been ruptures, historically, on less than 30 percent SMYS.

I think it's up to us to recognize that the Congressional mandate did differentiate between pipe operating at a stress less than 30 percent and pipe above and I think we should take a look at, are we extending beyond the mandate for good reason or just because it's convenient to do so? So, I would appreciate, maybe between now and the next meeting, if there's some information on the differentiation that we could maybe take a look at. Thank you.

CHAIRMAN DANNER: All right. Sue.

MS. FLECK: Sue Fleck, National Grid. I'm going to pile on a little bit to what Andy and Chad have been talking about, and do it through a question. I think there is a big difference between the data that you need to have or the pressure test that you need to have to validate your MAOP and then, the data and the information you need going forward for your integrity management program.

So, I guess my question for PHMSA is, is it your belief and is it your intent here that an operator has to have a pressure test and all of these material records to have a valid MAOP?

CHAIRMAN DANNER: Do you want to take that under consideration or answer that right now? Under consideration, okay. Sara?

MS. GOSMAN: So, I really appreciate this discussion and I am trying to focus on the (a) part, the applicability. But, obviously, the applicability then goes to the question of, what are we -- why is this category important, right?

And I take all these points, I think -- back to this question of unknown unknowns, which I love the Rumsfeld reference, I think what this is trying to do is make the unknown unknowns known, right?

Because you have a particular category of information that you're now requiring operators to look for, and that that set of information is the baseline for which we think operators should be safely operating their

pipelines. And then we go from there.

At that point, then we talk about reconfirmation, then we talk about integrity management, but we start from the principle that there is a set of information about pipe that's crucial to understanding operation. That's the way I think about this particular set of issues and this is why I think it's important to have this rule.

CHAIRMAN DANNER: All right. Steve Allen?

MR. ALLEN: Steve Allen, IURC. I think Sara said something here that kind of clicked with me here, making the unknown known. I think what you're saying, it's very important for integrity management, not necessarily for establishing MAOP, if you have a valid pressure test. Period. I just wanted to get some confirmation if that's what you guys in the room are saying.

CHAIRMAN DANNER: All right. So, you've been asked to repeat that.

MR. ALLEN: If -- okay. Making the unknown known is important for integrity management purposes, but it's not necessarily for establishing MAOP, a valid MAOP, if you have done pressure testing.

CHAIRMAN DANNER: Yes.

MR. ALLEN: So --

CHAIRMAN DANNER: So, to require a valid pressure test and the records to go along with it, is probably an overreach --

MR. ALLEN: For MAOP, but not for integrity management.

CHAIRMAN DANNER: Right. And then, the opportunistic approach that Steve has mentioned here for gathering the unknown information as you go, as you're investigating and anomalies and whatever opportunities you have out there, makes a lot of sense.

MR. ALLEN: Okay. So, we heard the example from Chad that you've tested the pipes, but you don't have record on the flanges. So, at some point, you're going to want to have those

records of the flanges, right?

MR. ZAMARIN: Well, since you brought up my comment, Chairman, if I could --

(Laughter.)

CHAIRMAN DANNER: I was asking Steve, but go ahead.

MR. ZAMARIN: No, but the reason I said it that way is I qualified it to say, only if you need it to make integrity management decisions. You have established the MAOP with a valid pressure test, now let's not go collect data on a flange if it's just sitting there under a valid pressure test at a safe operating pressure, unless integrity management tells you that you need to know information about that flange in order to make an integrity management decision.

That's what I'm trying to get to is, we're not collecting data for data's sake, we're collecting it because it's useful in the ongoing integrity management of the pipeline.

CHAIRMAN DANNER: Okay. Thank you. Diane?

MS. BURMAN: I just -- do both Sara and Steve agree with that?

MR. ALLEN: I do. I mean, only because, I guess, I know a little bit about this, not as much as many in the room, but I think I grasp the intent. And looking at it from a cost justification, I can't get there, by saying we have to do all of it. I can't get there.

MS. BURMAN: That's why I had you repeat it, because I thought it was a very critical issue in terms of making sure we're all on the same page. So, thank you.

CHAIRMAN DANNER: All right. So --

MS. GOSMAN: Commissioner, I'm sorry, just to answer your question. I think that it's important to focus on what the purpose of the information is, but I also think it's important to take a precautionary stance and say, there is a certain amount of information that's necessary, essentially, to grant a social license to pipeline operators to operate.

And it seems to me that we can talk in

detail about what that category of information is and perhaps there's room to move on that, but I think that that's fundamentally important to understanding what pipeline in the ground is.

CHAIRMAN DANNER: All right. Thank you. Sue?

MS. FLECK: Sue Fleck, National Grid. And I don't think anybody's disagreeing philosophically with what you're saying, we need to know what's in the ground. But I'll give you an example, a real example.

We've got some pipelines that were built a very long time ago, I think they might even be pre-code, I'm not positive. They have undergone pressure tests that were witnessed by the public service commission of that particular state, so they've been validated, pressure tested, one and a half times MAOP, multiple times, like twice in one case, three times in another case.

And we have great records, but we're missing a few records for a valve here, a valve

there, something like that. If this gets put in as written, I'm going to have to replace that pipe, because I will never be able to get 100 percent of those records. But I have multiple valid pressure tests witnessed by the public safety people, I have most of the records.

And so, we're just saying, when is enough enough? And that was enough to validate the MAOP. Going forward with integrity management, I may need to try to recreate some of those records, and through opportunistic methods I will, but think about how that puts you in kind of an odd place.

So, that's why we tend to get a little bit sensitive about requiring this tremendous amount of information for every single thing you have. We want to get back to, what do we need for what particular purpose, and then, hold us accountable for that. But not all for everything.

CHAIRMAN DANNER: All right. Thank you. Diane and then, Sara.

MS. BURMAN: So, what I'm hearing, then, is that we have a fundamental threshold issue that we seem to all agree with, but then the next step is, do you go further and when do you go further and what's an alternative, if the records -- if you're going to get caught in this, trying to gather and collect records for gathering purposes, rather than addressing the core issue of, how do we ensure the integrity of our system, or your system, in a way that gets to the same results? Okay.

CHAIRMAN DANNER: All right. Thank --

MS. BURMAN: I don't have answers, I'm just processing it.

CHAIRMAN DANNER: All right. Thank you. Sara?

MS. GOSMAN: Thanks again for this discussion, it's very helpful and I appreciate the engagement. I guess I would, if PHMSA doesn't mind, I mean, I think that's a good example that Sue's just brought up and in my reading of the rule, the opportunistic sampling

is a chance for you, over time, to gather this information and there's not a cutoff that says, okay, enough, you didn't find that one piece of information, now we're going to require you to do X, Y, and Z. But I just want to maybe go back to PHMSA to ask a little bit about what the consequences of your particular hypo are.

MR. NANNEY: I didn't hear her example, I was talking to Alan.

(Laughter.)

MS. FLECK: Sure, no problem, Steve. And I might actually ask, Mike or Corinne might have more details. But it's my understanding that there's a couple of pipelines in our territory where we've had pressure tests done twice, so, once when they were first built and then, they were retested some time during their life, but we don't have 100 percent of the records that are required by the new rule.

So, kind of our hypothetical question is, we've got valid pressure tests, witnessed by the state regulators at the time, because we

always have to get them to sign off on the pressure tests, so, we had the MAOP, we reconfirmed it over time, but we don't have 100 percent of the records.

So, do we have to replace that pipe? Does the code require us to go back and do it, because we can't get all of the records? So, the fear is, if the code language isn't written properly, we're going to have perfectly good pipe operating perfectly fine and we're going to have to replace it all.

And then, you're talking about, in some of service territories, you're talking about billions of dollars to replace all those pipelines, it's not a small amount of money. These are downtown Brooklyn, downtown Boston, all over the place, and it's going to be a lot of money to replace. And they're fine, they're operating well.

MR. NANNEY: Well, just to answer your question, let's say the mileage you're talking about is a mile and a half of pipe and you had a

pressure test in the past and you've got it validated and you have some records, but maybe --

MS. FLECK: We have some records.

MR. NANNEY: -- well, it's like what I heard Sara saying, you take the opportunistic approach and when you went out and dug it, you would get that information. I would expect, based upon how this is written, if it's less than two miles, the way it's written, you would have to get probably two records in that two miles.

You'd have to do two nondestructive tests in that two miles and verify the wall thickness, the grade, the diameter, the seam type, would be how this is written. It wouldn't be that you'd have to go tomorrow and do it or anything, it would be opportunistic. That's how it's written right now.

The other thing, just to answer an earlier question that I think you had and I said I would delay, is I was hearing someone say that they do a 619 pressure test, I think under (a)(1), which would reference you to basically

doing a yield test.

And the thing that PHMSA had envisioned is not doing a yield test, but doing a class location type test, but getting these properties to supplement it, a combination of both.

We were not envisioning you having to do a yield test and everything, we were envisioning doing a 1.25 or if you wanted to do higher, fine, or a 1.5 and if you wanted to do higher, fine, but use these properties to supplement it. But let me say, if you want us to put in that you do a yield test in there, I think we can write that in and I think --

(Laughter.)

MR. NANNEY: But that's what I heard someone reference, is my only point. And that's what I heard Steve talking about.

CHAIRMAN DANNER: All right, Cheryl?

MS. CAMPBELL: Thank you. Cheryl Campbell, Xcel Energy. So, I'm going to -- I think this is my understanding, so, I mean, I'll

just throw this out there. But, again, love the opportunistic way of doing it, but back to San Bruno, that line, my understanding is that line did not have a valid pressure test.

And you could have collected data, opportunistically, on that pipe and you could have still ended up in the same place, right? The pressure test could have stopped that. So, I mean, and if that's the case, then, I mean, I'm going to go back to the pressure test being the gold standard for the strength of the pipe and operating the pipe safely.

And then, let's talk about, I mean, is it true that I have some pre-1970s pipe that's missing some of these pieces of information? Yes. But do I have valid pressure tests on them? Yes. I'm missing some and we're working hard on it, but that's what's critical, is, can I operate it safely around people?

And then, I would also ask, I think there's quite a bit of data and research and analysis out there that supports the value of a

hydrostatic pressure test around the strength of a pipe and supporting MAOP and I'm wondering if that information should be placed in the docket as reference for the Committee.

I mean, I think there's quite a bit out there that says, this is how you set it and it will suffice for measuring the strength and understanding what that MAOP is. So, my point is, no amount of records would have stopped that, but the pressure test would have.

CHAIRMAN DANNER: Okay. Chad, and then Andy, and then Steve.

MR. ZAMARIN: Chad Zamarin, Cheniere Energy. I respectfully think that the explanation that you have a valid pressure test, which I believe was the intent of the Congressional mandate, the NTSB recommendations, and then, you would still expend resources collecting data that may or may not add any value to ongoing integrity management is a huge departure from the intent of what we were trying to solve coming out of making sure another San

Bruno doesn't happen.

I mean, there's a lot of nice to haves, there's a lot of may be helpful to have someday down the road, but I think it's been our practice to focus our resources, focus our energy on the threats that exist and have that drive the activity that we do.

So, I'm going to go back to advocating for keeping this focused on MAOP reconfirmation on previously untested pipe. I don't like the thought that a pressure test is not the gold standard and you still have to go out and collect information, which you may never use or do anything with. It costs money, it takes time, it takes resources away from the work that we should be doing.

And the other thing I do want to mention, and Carl Weimer mentioned this in his comments, this is a blueprint not only for the mileage that you saw up on the screen. And we recognize that the code is a minimum standard to cover a minimum amount of pipe, but I can tell

you that operators look at this, at least operators that I know well, look at this as the blueprint for how to extend these practices across our entire system.

So, even though those numbers may look modest, we're planning to address integrity management and pipeline safety, as you heard, across the entire system, where anyone could be impacted by the operations of our pipelines. I don't want to be out there chasing records in those areas, I want to be out there pressure testing previously untested pipe, doing things that actually improve public safety.

So, I am very concerned with -- I get it, where we can kind of expand where it makes sense, but let's make sure we're focusing, and we're still on applicability, we're focusing where we get the bang for the buck, we get the result that I think we set out to achieve. Thanks.

CHAIRMAN DANNER: All right. Andy?

MR. DRAKE: This is Andy Drake with

Enbridge. This is a great conversation, this is a conversation we've needed for a while, and it's going to be kind of bumpy and it's going to be okay. But I do think we need to help work through some things that may be confusing us.

I mean, when we talk about safe operations and hydro-testing being the gold standard for safe operations, I think some people probably hear that as supplanting integrity management. I do not and I don't think it was intended that way, but I just wanted to be very articulate about that.

Safe operations is integrity management and MAOP confirmation, it's both together. What we're trying to do is, there's two things we're trying to accomplish, and what's convoluting this a little bit is, we're talking about pipes that are currently in operation. So, they need both.

And we're trying to fix them both at the same time, and that's where we need to stop, because I think Chad is exactly right. I look at

this in the same lens I think that Carl does, eventually, we're trying to set a precedence for how we will deal with all the pipes in the United States. All of them, not just these little HCA guys, I mean, everything.

And I think making sure we're clear on, the hydro-test is the gold standard to set the MAOP. It is a fitness for service test that physically loads the pipe and it defines its fitness for service and strength in that service application. Then, as soon as we're done with that, we bring on integrity management, which requires a lot of data.

If we have data that helps support the MAOP confirmation, that's good. But most of the data that we need to make decisions about the integrity of pipe and safe operations, after we've confirmed MAOP, which could be a 15 second event, all right, we're done, now we've got to do IM, and those data requirements kick in instantly.

But that is a different event, because

MAOP is a one-time event in the cycles of these pipes. So, as we do it for HCAs, good. As you move to MCAs, good. As you move to LCAs, fine. IM keeps running all the time on all of them.

And I'm just trying to get through, how does hydro-testing fit into building public confidence about looking backwards retroactively at pipes about fitness for service of their MAOP? And it's a very important distinction.

It's so fundamentally important, I really think this is something we need to spend whatever time it takes to get through this. If we don't get this right, we will compromise, I think, even the design of the code. And we're kind of seeing that, with all this stuff tangled together.

Section O is specifically designed around integrity management. The 600 series is so much about retroactive MAOP validation. But somehow we've conflated those and that's fundamentally not going to work for us sustainably as we move on. And I really think

this is a place we've got to be very deliberate.

I don't hear anybody saying, I don't want to collect data to make sure the pipe is safe. I think what they're saying is, I want to make sure that setting an MAOP can be done using a hydro-test, because I don't know if I have some of the data that you want and I need that.

Then to make integrity decisions, we use opportunistic data gathering to close that space over time. And I think that's a very important rhythm distinction that we've got to get into.

CHAIRMAN DANNER: Okay.

MS. CAMPBELL: And can I just say, thank you for clarifying that? Because that's right, the MAOP I meant was for fitness of service gold standard, not for the ongoing operations, so thank you for clarifying that, Andy.

CHAIRMAN DANNER: Okay. Steve had his tent up and it's -- he put it down. So, I think --

(Laughter.)

CHAIRMAN DANNER: I think with that, I think we've got the issues out on the table. And, Chad, is your -- okay. In that case, are we ready to move on to (b)? All right. That was a good conversation.

Cameron, let's go into public comment, then, on the next -- do we -- we'll get the slides up here in a second. Okay. Material documentation plan, 607(b). Is there anybody who wants to speak to this matter?

MR. OSMAN: This is CJ Osman from INGAA, just one quick comment. Steve mentioned in his slide deck earlier that PHMSA was considering allowing a year for operators to develop the initial material documentation plan.

I think one thing that's clear today is there's a lot of work, potentially, involved in this process and we support the inclusion of the year for the initial material documentation plan.

MS. BARTHOLOMEW: Hello, Mary

Bartholomew, Southwest Gas Corporation. Just really briefly, we're an AGA LDC, have a lot of pipe in urban areas, and we'll be affected by not just this part of the rule, but a lot of the areas that are under consideration. What I would ask is, definitely I appreciated that PHMSA has considered adding more time.

And I think, in the general terms of the entire rule, not just this section, and all of the plans and procedures that will be required as a result of everything that's within this, that we need to be very cognizant of making sure that we don't short ourselves on preparing well thought out and very comprehensive plans.

And it's not just one, it's many. So, I just want to make sure that the GPAC keeps that in mind as they approve various lengths of time for implementing different things. Thank you.

MR. KANOY: Good afternoon, Chuck Kanoy with NiSource. We are also an LDC operating in over seven states. So, when we started thinking about documentation plans, we think about seven

different configurations of that. We currently have about 17 percent of our approximately 1,000 miles that are in HCA. When we think about MCAs, we go up to 40 percent.

So, trying to do all that, figuring out where we need to take samples, isolate pipe, do things like that, do it safely, do it with the idea of also making sure that we continue the sustainability with our customers of their service. Those are all considerations on all those plans. And so, the time to do all that is really significant.

And so, I think that also then blends into, and I know we're not supposed to be thinking about the cost, because pipeline safety, but there is a cost and what does that do to our customers, then, in the cost of service in the long-run to do all these plans? Because it is a significant increase in what we're going to have to be doing.

CHAIRMAN DANNER: All right. Others? Okay. Committee Members, any discussion? Okay.

We'll move on then. Public comment on material documentation, 192.607(c).

MR. MOIDEL: Good afternoon. My name is Brian Moidel with Dominion Energy Ohio. Our company is also a member of AGA. We serve approximately 1.2 million customers in Ohio. We have approximately 1,000 miles of transmission pipeline and approximately 130 miles of that are in HCAs.

I'd also like to concur with the other statements from the previous industry speakers. I concur with a lot of their same points, just wanted to say that. In this section here, PHMSA has proposed additional material attributes, like we've heard, in our believe, beyond those necessary for operators to determine or to confirm MAOP or to perform remaining strength calculations.

These additional attributes include ultimate tensile strength, chemical composition, toughness, coating type, weld-end bevel for valves and flanges, et cetera. Dominion Energy

Ohio and industry represented by AGA feels that PHMSA should narrow the physical attributes to only those needed for MAOP determination calculations and remaining strength calculations.

These attributes would include diameter, wall thickness, the grade of the material or the yield strength, seam type or the longitudinal joint factor, and should be sufficient attributes to determine accurate MAOP and, if needed, remaining strength calculations for corroded pipelines.

We also believe that sound engineering judgments can be made for wall thickness, yield strength, and longitudinal joint factors. Operators have various documents, such as purchasing records, construction documents, operating records, engineering standards, all of these to support these judgments.

The additional attributes that PHMSA is requiring will result in an extreme burden to us, as we will be required to hire one or more third party vendors to test for everything that's

being required, as we don't have this capability in-house. Thank you for allowing me to comment.

CHAIRMAN DANNER: All right. Thank you. Are there others who wish to comment on this? All right. Committee Members, any discussion? Mr. Hill?

MR. HILL: I guess I --

CHAIRMAN DANNER: You need to speak into the microphone.

MR. HILL: I guess I'm confused, he just stated that they had all these records and everything on the pipeline, but then that he'd have to reinvent the wheel, when you've already got the -- I guess I'm confused there.

MR. MOIDEL: No. What I'm saying is, we have documents that may not tie exactly to that segment of pipeline that we installed, but we have purchasing records from that time that showed, this is what we purchased in that year. So, we can't exactly point to it, but it's in our records.

MR. HILL: Thank you for clarifying

that.

CHAIRMAN DANNER: Okay. Any other thoughts? I think the concern I hear is, the material documentation should be related to MAOP and not beyond that. Chad?

MR. ZAMARIN: Chad Zamarin, Cheniere Energy. I think I echo that comment, the way that I would say it though is, it does trouble me that we're collecting data here beyond MAOP confirmation and I think that doing so should be a discussion under Subpart O, where we might need to collect other data that's relevant to integrity management.

So, I do support in this section limiting it to those data elements that are necessary for MAOP validation. And I think we should have the conversation in Subpart O regarding what additional material verification might be required, based on what integrity management activities are being done.

And I would just also, it came from kind of where we started, I would also, if we get

the applicability right, want to see this data collected for untested pipe. Because I do believe that if you have a pressure test for the purpose of establishing a safe operating pressure, you've achieved your goal, and then we'll talk in Subpart O about how you maintain the safety of that pipeline and maintain its ability to operate at that MAOP. Thank you.

CHAIRMAN DANNER: All right. Thank you. Sara, and then Steve.

MS. GOSMAN: Thank you. In reading through this list of materials that are required under the proposed rule, I'm wondering if other members of the Committee can help me understand which particular pieces of information here are difficult -- I mean, that is, I don't understand whether it's an issue around getting that information, right, which is different from the question of whether that information is important.

So, there's the question of sort of the sampling process, which I think PHMSA has

made as easy as possible. And then, there's the question of, is this information the kind of baseline information that operators should have?

And, I think, when I read this information as a non-engineer, it seems to me like a set of sort of baseline information. So, again, thank you for your help in understanding that.

CHAIRMAN DANNER: You want to respond to that or --

MR. DRAKE: This is Andy Drake with Enbridge. It's a great question. Because I think that is the crux of possibly where we're disconnecting with each other. All that information is important. All of it is relevant in making good choices about safe operations. And we need that information over time, particularly with regard to integrity management.

But to clear up this discussion, we're trying to focus on how to confirm MAOP and address the NTSB mandate about untested pipes and pipes that were qualified under a grandfather

clause. What we're trying to do is, how do you get those pipes qualified for their MAOP? Which is a specific stage-gate event.

And the information to do that is a certain kind of data. There's a lot of data on here, chemistry, toughness, all of these things that we've seen on that long list, that doesn't have anything to do with qualifying for the MAOP.

And I think we've heard that, these are things to make decisions about fatigue or fracture toughness or sizing anomalies, those are all integrity discussions. You need that information, you just need it for integrity, not for MAOP validation.

And I don't mean to be really driving this home, but it's really important, because I think the difference is is the conversation we had yesterday afternoon and this morning, which is about, how do I behave in the interim while I'm collecting this information to do that, well, the ASME has all kinds of construct around what kind of assumptions to make until I gather that

data.

Steve's given us criteria on how to gather that data opportunistically over time. In the meantime, we making these conservative assumptions, per ASME, we're trying to do those things as best we can until we fill that space in, because you're talking about gathering a lot of data.

But that's over time, but right away, we need to confirm that these pipes are fit for service, that they've actually been tested, with whatever records you've got. And I think that's the distinction that I'm trying to get is, I want to make sure that the public has some certainty that they can point to and go, that line was tested.

It's not just about records, now we've got it certified, now we shift into integrity management. This is an ongoing engine that we've got to keep driving to get better and better and better over time. Does that help answer your question?

MS. GOSMAN: So, I guess -- yes. But, I mean, if we lifted this provision and put it in the integrity management rules, but kept it as it was, what would you -- I mean, is it --

MR. ZAMARIN: Can I add a little color to his answer? Maybe it'll help. This is Chad Zamarin with Cheniere Energy. Let me walk through (c)(1) as an example. To establish a safe operating pressure, a pipeline operator needs the diameter, the wall thickness, the yield strength, not the tensile strength, just the yield strength. They need to know the seam type or make an assumption about the seam type. That's it. And you don't need the coating type, you don't need the manufacturing specifications.

And the code allows for conservative assumptions to be made in the absence of yield strength or seam type. And those have been proven to stand up for decades as valid, conservative assumptions.

For example, when we don't have yield strength on an old pipe, we have to assume 24,000

PSI as the yield strength. That was established through industry research that demonstrate that pipe for line pipe purposes had been, at its worst case, built with 24,000 PSI yield strength. So, the code has a very rational way of addressing a lack of yield strength data, for example.

So, when I look at Section (1), we've gone beyond what we need for yield strength and safe operating pressure determination and we started adding other data elements, and if you just read the code, frankly, without justifying why.

We don't use ultimate tensile strength in any activity related to establishment of safe operating pressure and I can't even think of a situation where we've used it for integrity management purposes. But let's let, if we do, let's let integrity management drive us to identifying that that's a valid data point that we're going to make use of.

So, I think what I would advocate for

is that we leave in this section those elements that are relevant to the establishment of a safe operating pressure and then, we allow the integrity management section to drive towards the data that we need.

So, when we start talking in the integrity management section about what we need to do to maintain that safe operating pressure, let's let that drive what data we should be collecting for the fit for purpose that we're trying to achieve. That's what I'm trying to advocate for.

So, I'm not sure if these are the right elements to lift and move into Subpart O, I think we need to have that discussion in Subpart O, because, for example, I've never used ultimate tensile strength in any integrity management activity that I've done. Would it be interesting to have? Sure, but it requires testing.

There are some noninvasive testing methods, still takes time, money, and resources. The most reliable way of doing it is cutting your

pipe out and testing straps on your pipe, sending them to a lab, going through a lot of expense, and for what purpose? So, hopefully that helps maybe provide a little bit more context. Thanks.

CHAIRMAN DANNER: All right. Thank you very much. Steve, you had your card up, are you --

MR. ALLEN: Yes, Steve Allen, I did. And just to kind of follow up. I get now what Andy was saying about, we need to separate establishment of MAOP, the information for establishing MAOP, and integrity management. And there's a lot of information here in (c) that is not required for establishing MAOP. So, I just wanted to say, I get it now and I think you're right. I think that we're trying to fit a square peg in a round hole here, it's more than what's needed.

But, again, to get back to what we talked about earlier today, a valid pressure test, I mean, that goes a long way. Absent that, I think you guys are saying, if you don't have

the records and you don't have a valid pressure test, by all means, we're going to go back and we're going to get the information that we need in order to establish MAOP using an opportunistic approach. I think that's right on the money. Now, how do we get this discussion over into integrity management? We'll get there.

CHAIRMAN DANNER: All right. I don't see -- oh, Cheryl?

MS. CAMPBELL: Yes, Cheryl Campbell, Xcel. So, Steve, can I just -- I just want to ask one clarifying question, something you said there that kind of made me go, right? So, if I don't have the information I need for a valid MAOP, I thought I heard you say, I'm going to go back and collect that data on an opportunistic basis.

And I guess, I think the way a lot of operators are approaching it is more, we are testing on a risk-based process. So, if I have a pipe, class 4, right, without a valid pressure test, it might be at the top of my list as

opposed to a pipe without a valid pressure test in a class 2.

SA: And -- Steve Allen, IURC. I thought that in the rule, it mentioned that, where if you don't have a valid pressure test, you don't have the document, you go back using an opportunistic approach to gather the information that you need.

But based on -- I thought I read in here, that the numbers of test data that you need to acquire, I mean, it's based on class, which is roughly representative of risk, I guess. So, maybe now I'm missing the point here. So, can you ask that again for me, Cheryl?

MS. CAMPBELL: Sure. And I might just be totally mishearing what you're trying to say, Steve, and I apologize. But I -- and if you're missing a valid MAOP test in an HCA or class 3 or 4 location, I think what operators are trying to do and my friends here are probably going to correct me if I botch this, but we are trying to work through those as rapidly as we can on a

risk-based approach.

We're not waiting to gather data on an opportunistic approach, we're trying to actually perform the pressure test. Now, we might be gathering data at the same time, but we're actually going after the pressure test, as opposed to just gathering data.

MR. ALLEN: And I would say that was fine.

MS. CAMPBELL: Yes, I just thought you -- and that's why I asked the clarifying question is I thought we were talking about gathering data on an opportunistic basis in lieu of a test. And I don't think that that's what anyone was advocating.

MR. ALLEN: Right.

MS. CAMPBELL: Okay. Thank you. I apologize for misunderstanding.

CHAIRMAN DANNER: All right. Andy, and then Alan.

MR. DRAKE: I think you said something that's really important and I think this is maybe

under the water, why there's so much energy around this, why do we want to get moving on this?

In the INGAA group and I know many of the other trades joined in with the Integrity Management Continuous Improvement Protocols, a lot of that was in tranches, high consequences areas, we need to get out there, we need to hydro-test these if they haven't been tested, validate the MAOP, and then move on with integrity management.

Because of this discussion and the convoluted nature of it, a lot of people are very anxious that the hydrostatic test will not be respected if done, that there will be other work. And so, they're just waiting. And while we wait, there's risk.

MS. CAMPBELL: Yes.

MR. DRAKE: And that's absolutely inappropriate when we know what to do. And that's why I'm trying to separate these, not just for constructionism purposes, but we need to get

clarity around, a hydro-test is good to set the MAOP. Let's set the MAOP, now let's talk about integrity management.

And those conversations are going to happen very quickly, but with this convoluted nature, I think people say, well, if I hydro-test it, I might not be done, because I don't know the toughness or I don't know this or I don't know that and I may have to know that right away and if I don't know that, may not be able to use this pipe. Well, okay, I'll wait. And that's not appropriate.

And I think Steve has actually got the right design structure, starting to work here with this opportunistic gathering of data for integrity management. We don't want to get rid of that, we want to use that and we want to get people freed up that this pipe can be validated fitness for service with a hydro-test for HCAs and gather the integrity management data over time to close that space and make sure we can make the choices that we have to make.

And in the vacuum of time or certainty, we work very conservatively. I think that rhythm gets people some confidence to move forward also.

MS. CAMPBELL: And I'll just follow that up with, I'm one of those operators that's probably hanging out a little bit, because we have started hydroing, so if I have to go back and redo a bunch of stuff, it's not going to be pretty.

And I'm sure I'm going to be talking to my state regulators about that. But, yes, I mean, we've taken the approach of, we're going to be very proactive and we're going to go start doing these hydro-tests.

CHAIRMAN DANNER: All right. Alan, and then Sara.

MR. MAYBERRY: Yes, I was just going to say, I think this discussion is really valuable. And we're going to, obviously, take the comments we hear today and come back at the next meeting. So, I want you to come back remembering what we

talked about today, I'm sure you will.

But, basically, to try to -- I love how the attempt to really simplify things, but we're going from -- essentially, I think the intent here was to have a one-stop shop, that if you don't know what you have, here's a pathway to get there, to really a different construct of separating out for MAOP validation, so you know when you've reached the endpoint and established that and not mix up anything else with it. And then, push off the other attributes to a different section.

So, it's really a construct issue to, in your mind, simplify it. I mean, we can talk about the attributes, what's important, what's not, and I'm sure we'll talk about that later, but really a different construct is what you're looking for.

CHAIRMAN DANNER: Okay. Thank you. Sara?

MS. GOSMAN: Just to complete this from my side before we move on. Again, I appreciate

all of the help in understanding these issues. I'm still back to feeling like the answer to my question was, yes, this information is important, yes, we need to know this for managing generally. Whether it's here in this particular section of the code or someplace else, I think that's an interesting and important question.

But I think this question, this narrow question of MAOP and making sure we have the information necessary for MAOP, is separate from this question of, what is the base set of information that we want to gather over time for integrity of those pipelines?

And if we move this section into integrity management, but we're doing the same thing, it seems to me that that solves that particular set of issues. I mean, that is -- I see this, again, as a sort of floor around what operators are doing on the management side of these pipelines and through integrity management, perhaps could be easily incorporated in there.

But the point is that there is a

baseline for this set of information, as opposed to sort of a discretion around what information to gather at any given point in time. All right, I'm done.

CHAIRMAN DANNER: All right. Thank you. You think we've got these issues out on the table and we can move on to verification of material properties? All right. Thank you, that was a good discussion. So, at this point, let's take public comment, then, on 192.607(d), verification of material properties.

MS. KURILLA: Hi, Erin Kurilla, American Gas Association. Two comments that I want to make, and I apologize, I'm going to shamelessly, since I have the mic, circle back on something Sara just said and the last discussion, which was around this notion that operators can, as proposed, opportunistically go get data per 192.607.

I think a lot of the anxiety is because the number of times that 192.607 was proposed to be referenced in the proposed rule.

It shows up in 192.13, 192.485, 192.619, 192.624, 192.713, 192.929, and 192.933. This is all the places where 192.607 was proposed to be referenced.

It no longer is opportunistic. If I'm trying to meet all these sections of code, I have to do, as it's written in the proposed rule, I have to go do 192.607 now and quickly. I don't get the luxury of doing it as I expose my pipe. So, I just wanted to get that on the record.

And then, if we're going to move on to 607(d), I know there's a lot of people that are going to give public comments on this, just an issue that seems minor, but is huge on a burden on operators with literally zero net pipeline safety benefit, is the identification of pipeline populations in the proposed rule.

In 607(d)(i), it says, the operator must define a separate population of undocumented or inadequately documented pipeline segments for each unique combination of the following attributes: wall thickness, grade, manufacturing

process, pipeline manufacturing dates, and construction dates.

Meaning, as proposed, the operator would essentially, for those of you familiar with GIS, dynamically segment their pipeline and have individual plans for how they're going to address the material documentation in each one of those individually segmented populations of their pipe.

That -- going through that exercise, I would argue has zero impact on pipeline safety and is not necessary for the goals that you all just spent close to two hours discussing. So, thanks.

MR. ACUNA: Good afternoon. Alberto Acuna, Consumers Energy. Consumers Energy is one of the largest combination utilities in the nation. We're the largest utility in Michigan. We have 2,400 miles included in class 3 and 4 and HCAs. Six hundred -- I'm sorry, 2,400 miles transmission, 600-plus miles in the class 3, 4, and HCA.

And I was responsible for the project

addressing the 2011 Act. And so, I have a lot of understanding about just what we discovered in that record search and my concern is, is that the material verification requirements are going to be even more onerous.

And so, what I'd like to have the Committee consider, because I have heard a lot of great things here regarding the separation of the requirements for MAOP establishment versus the IM, but what I would like for the Committee to consider is, please, when it comes to the records requirements, understand what they were in the time frame when they were developed.

And then, secondly, this has been addressed slightly, but I want to make sure that we get this across, operators should not be required to test for every attribute that's listed, but those that are missing. I know that's a bit of specificity there, but I think it's important to get in. Thank you very much.

MS. ANSLINGER: Good afternoon. I'm Cindy Anslinger, I'm from Vectren Corporation.

We operate approximately 1,000 miles of transmission throughout Indiana and Ohio. Of that, we have about nine percent HCA, but about 26 percent that's class 3. So, these sections could impact us pretty heavily.

We're also a member of AGA and support their comments. But I had a couple comments. I wanted to go back, I think we skipped Section (c), so I wanted to talk a little bit about material documentation of (c).

It talks about the valves and the flanges in those types of situations. One of the things that I wanted to talk about with those is, it talks about records for those, which we're talking about MAOP and the validation of MAOP.

And so, I wanted to talk about the pressure testing actually also supports and validates the flanges and the valves and different things we do there, versus digging them up and trying to find out what is there or possibly replace them and those types of things. So, there is concern for that with our area.

And then, also, Section (d), one of the things that I wanted to talk about is, the prescriptive measures that are called out within Section (d) around what you have to do to actually validate your information. It could be very cumbersome for operators to go and get that information.

And some of it actually can't be gathered by nondestructive measures. So, I want you to understand that it does mean we're going to go out and start cutting up our pipeline. We're going to have to start gathering some samples, which means we're going to be putting PUPs in places instead of a standard pipeline. Where you have a long, consistent section of pipe, you're now going to start gathering different sections to go out and be tested.

To me, that's a pretty big risk. You have a standard pipeline, you know what it is, and you're going to go start putting other different material in it in various areas and creating sections, where, from an integrity

management standpoint, we find more risk. So, I wanted to make sure that that was understood.

And then, also, I wanted to talk a little bit about, I didn't talk about (a), but the retroactivity concerns that are associated with Section (a). Because of the fact that we have go back, it says any pipeline before this time frame, so I just wanted to put that in front of everybody so that we could understand that. Thank you.

MR. BELLEMARE: Hi, I'm Simon Bellemare, Massachusetts Material Technologies. So, we're not pipeline operators, we've actually been working on developing technologies for this in-ditch verification specifically, for the past two or three years. We have sponsorship from the National Science Foundation.

We have two tools, one for yield strength, one for toughness. And we have a handful of operators that have worked with us and we're very grateful for that, for the opportunity to be able to evaluate our tool. I'm going to be

speaking specifically on what can be done, I'm not here to say what should be done.

So, we can measure the yield strength very precisely. The ten percent requirement, with 95 percent confidence, it's just a matter of level of effort. And we're not the only one, there was other people in the business before us to do this and they put that claim, that they'll meet that requirement.

Everything that we do does not require chemistry. So, to the comment by the other operators that we would do chemistry if we were really concerned with weldability, for example, I'll support that, and that's not just for yield, it's also for fracture toughness.

So, to determine the yield strength precisely, we don't believe that there is a lot of value in testing at all these positions around the circumference. We believe, though, that that was already addressed by PHMSA in the presentation this morning, so when they have the revised criteria that we'd be testing two spots,

for example, that seems more reasonable.

Now, on the question of whether you make 25 measurements, I think that the prescriptive rule was thinking of indentation, you're going to make and do 25 measurements. But as a generality, in our case, we scan the surface, so we make continuous measurement, and we know of other devices that are going to come and essentially probe an area with electromagnetic methods.

And, therefore, I think there's going to be some difficulty there if there's a specific number put in there, as far as the number of measurement per location. What we find of more value is in the ability to combine the information from different digs.

There's more variation between different pipe joints than within a joint itself, so the idea that you'll have to remove the coating all around and all the cases to do these tests, that seems too onerous, based on the testing data that we have so far.

So, in terms of the seam determination, I know that there's been a lot of discussions related to that. It comes in the design pressure calculation, although to the extent that you know that you have an ERW seam, you can essentially evaluate that value.

So, my comment there and it's for everybody, including the public, the operator, the regulators here is, it's been established if a seam is high frequency, not normalized, that it will have a low toughness. And this is something that we and others can do in-ditch right now.

So, my suggestion, when there's a discussion about verifying the Charpy V-notch value would be to revise it to essentially evaluate the fracture toughness, and in such a way, that it can be a nondestructive technique, such as evaluating the details of the seam, whether it's normalized or not normalized, whether it's low frequency or high frequency. So, you can put it in buckets of population, for which you have the laboratory test data. So,

it's just about trying to make it more practical.

We have to say that, essentially, the demand or the regulatory requirement is a driving force here. I do want to emphasize that if it wasn't for PHMSA, I don't think my company would be here today. Essentially, if the requirements are very loose, then very few things do get done.

And it's just part of the process here, that's been our experience, and so, therefore, I would be happy to answer any questions and continue to work with people to, essentially, bring a much value into this process. This is not supposed to be just checking a box, the purpose is to help pipeline safety. Thank you.

MR. MCWHORTER: Yes, Dan McWhorter with Innovative Analytical Solutions. We'd like to address the PHMSA requirement (d)(3)(iv), in that the nondestructive tests are performed to determine strength or chemical composition, the operators must use methods, tools, procedures and techniques that have been independently validated

by subject matter experts in metallurgy and fracture mechanics to produce results that are within ten percent of the actual, with 95 percent confidence for strength values.

That's not a problem. What does kind of bleed over is that you put the chemical analysis in that phrase, with the 25 percent of the actual value at 85 percent confidence for carbon percentage, and with 20 percent of actual value with a 90 percent confidence for manganese, chromium, molybdenum, vanadium, percentages for the grade of steel being tested.

That doesn't give you a target and most optical emission spectrometers are comparators. So, what you want to do is you want to compare to a standard.

And I recommend that you change that language to 25 percent of the actual value with 85 percent confidence for the carbon percentage, but then 20 percent of the actual value with 90 percent confidence for manganese, chromium, molybdenum, and vanadium percentages for the

grade being tested, if they are alloying elements.

If they are not alloying elements, then 20 percent of the maximum allowable concentrations allowed by API 5L with 90 percent confidence or 0.03 percent concentration, whichever is higher.

This would change the notes to reflect the footnotes API 5L in Tables 2A and 2B, for footnotes C, D, and E, and allow for portable systems to meet this specification. This also allows for TVC to be met with commercially available standards.

I think he was addressing some of the questions when it comes to the 20 tests per quadrant. When you get down to (vi) for nondestructive tests, at which each test location, a set of material property tests must be conducted at a minimum of five places for each circumferential quadrant of the pipe, for a minimum of 20 test readings at each pipe cylinder location, I recommend scratching material

property test and inserting tensile and yield measurements. And what that does it separates the tensile and yield measurements out from the chemical analysis.

After cylinder location, I recommend you put, for chemical analysis, a set of -- with OES, three tests at one location only. And, again, what that does is it eliminates the repetitive testing in different portion of the pipe that are not going to be utilized. Three tests with an OES system will give you the exact chemical analysis of the material you're testing.

MS. ANSLINGER: Sorry, Cindy Anslinger from Vectren again. There was one thing I forgot to mention and that was, in Section (a), where you say, for pipeline installed before the effective date that does not have reliable, traceable, verifiable, and complete material documentation records, and then you go on to state, for locations, I'm asking for clarification around, what if you already have an extensive material documentation process, but it

doesn't meet what's applicable in Section (d)?

So, maybe I didn't do 150 excavations or maybe I didn't measure five locations around my pipeline in these sections, I still consider it material documentation records and that I've gathered the information and it's TVC in my process and the way I have it built, but if I don't meet what's in Section (d), then I'm concerned I have to go back and retest a lot of pipe that I proactively went out to gather information.

So, I'd like to understand, if I have a process and it's a valid process, in my opinion and with my regulators that I've shared with them, is that accurate enough to say that I already have good material documentation?

MR. HARRIS: Steve Harris with Kinder Morgan. Just to add on to that, too, in one of the slides, Steve and PHMSA's slides, they mentioned where there are knowns, to take that information and extrapolate to where there are unknowns.

So, I would like a little more clarification and maybe the group to talk about that as well. To what degree of leeway do we have and what does that mean? And maybe, what are some examples?

MR. MCWHORTER: Dan McWhorter with IAS again. I'd like to confirm what she's saying. There has been a lot of people use these indentation methods to come up with the yield strength of their materials, along with doing an elemental analysis.

What elemental analysis does is it does predict your physical properties, that's why steel mills make different grades of steel. But the elemental analysis I've seen gives you a fingerprint per each joint.

And so, if I'm having -- and what I've seen in the field is that there are different grades or different elemental chemistries from joints that are welded together in the same segment. And if there's a technique by which ILI will come into effect, you can go in and you can

say, okay, I'm having trouble with this chemical fingerprint for this segment of pipe.

The other thing is, there are -- a lot of people have got data that has not been acquired by the four quadrant five tests requirements and that data has been validated and should be accepted by PHMSA.

CHAIRMAN DANNER: All right. Are there other public comments? Okay. It is 3:33 and I think that we've heard some good comments from the public and we are going to take them under advisement for the next ten minutes. And then, the Committee will reconvene and discuss this issue.

This is where I have to step out and go catch an airplane. So, Commissioner Burman has graciously agreed to take over the chairing duties for the next hour and a half and I appreciate that very much. So, we are taking a break.

(Whereupon, the above-entitled matter went off the record at 3:33 p.m. and resumed at

3:55 p.m.)

MS. BURMAN: So, I think we're all back now. I just want to do a time check for folks and make sure people understand where we are substantively.

We have to be out of the room about 4:45, no later, so we also have to do some wrap-up at the end. So, what we're going to do is have a hard stop on substantive issues pretty much 4:30, 4:35. We're going to do right now Section D, open up for public comments, then the committee, and then we're going to go back as we had talked about in doing the A through D if anyone else had anything to add on the public comments and some summary of that, and then we're going to turn it over to Alan and folks for the wrap-up of the next piece which talks about where we're going from here, next meetings and some regulatory, whatever processes we need to do. I'm sure there's a whole slew of them. So, that's it.

Yes, so now we're on D?

PARTICIPANT: No, we're on D, but we did cover --

MS. BURMAN: We already did public comments, no one else has any? And now it's just committee deliberations. Okay, so I think we're all on track. Does anyone have anything to add before we go to committee deliberations?

And again, my understanding is there'll be no voting on any of these items today unless somebody surprises us with a motion. So, please this is my first time doing this.

(Laughter).

I'll call you out of order. All right, here we go. Anybody have any comments?

Okay.

MR. TURPIN: So, it just seems like for a lot of the stuff we heard from the committee, a lot of stuff we've heard from the public, everybody tends to have the same identification of the fundamental issue which is Congress to go out and revisit MAOP, how do we do that, and then there's the ongoing how do you

continue to manage your integrity of your pipeline. Since I'm making this comment, that you put everything into one bucket I think for what looked like ease of execution and it appears that, that may have been your intent, but that's now it came across to most people who read it. Because I think when my staff went through this as well, we had concerns over this is going to end up having people take a lot of pipeline segments repeatedly out of service and have pretty large impacts to good reliability and deliverability. So as you consider these comments, keep in mind Congress did direct you to look at the reliability and deliverability when you looked at the safety aspect of the MAOP verification. So, that unintended consequences is always the trouble and putting ink to paper. That's my comment.

MS. WHETSEL: And for the record, that was Terry Turpin from FERC.

MS. BURMAN: Thank you, and now Chad.

MR. ZAMARIN: Chad Zamarin, Cheniere.

There's a lot in this section, so I'm just going to start with a little bit of it and maybe we'll get some more discussion going. I do want to point out some concern around D romanette iii, I think it's D romanette iii, and again, it relates to what we were talking about, but in this section we talk about collecting at each excavation a lot of material properties. I think, again, I don't think they're all relevant to MAOP and I think that we've actually taken integrity management and dramatically expanded data collection beyond where integrity management often lends us to. I'll give you an example; I know you mentioned in your slides concerns around stress corrosion cracking, but what you've basically done here is by putting it in this section you said that for stress corrosion cracking for selective seam weld corrosion, we have to do -- and I'll tell you mag particle is not a trivial inspection; it requires us to strip the coating off the pipe to prep the pipe itself in order to do a non-destructive evaluation to

determine whether or not there are cracks or other indications in that area.

We do that where we typically identify the potential threat of one of those defects. This is having us do it everywhere, adds a lot of effort, time, resources and frankly I think when we do things in a ditch that aren't necessary, we're also introducing safety risks to employees, contractors and others that are doing that work. Remember, getting in a ditch is still a dangerous -- first excavating the pipe and then getting in a ditch and doing work activity is a safety hazard that should only be done when necessary. So my concern is if there's an issue with, as you mentioned in your slide, the process we're using to identify areas where we look for stress corrosion cracking, let's address that issue, that's a Subpart O integrity management issue. If there's a concern, let's take that on in Subpart O, let's not just create a requirement in another part of the code that says do it everywhere because we don't like how it's working

in Subpart O. If there's an issue on Subpart O on where we should be assessing for stress corrosion cracking, let's address it in Subpart O, let's not just add the requirement across the board here in this section. Thank you.

MS. BURMAN: Okay, Andrew?

MR. DRAKE: This is Andrew Drake with Enbridge. I have a couple thoughts here listening to folks, I share some of the concerns I heard. I think to make this practical, there was a comment made about 30% is my, I think that is actually something that we really need some more data on. I think Chad talked about that a few minutes ago in our previous conversation. I really think we need to understand what is driving, bringing pipes below 30% into this discussion. It was not inside the congressional mandate, it wasn't inside the NTSB recommendations, the code actually differentiates at 30% there is a technical basis of leak rupture threshold criteria, whether it's between 25 or 35% we can argue. But the point is if we don't

create that differentiation, we bring in a whole fleet of pipes that have extraordinarily low risk, this event, and I think we need to be prudent here. We can open up the door for that discussion in the next tranche or a later date or something if we can get some clarity around why that's so urgent, I'd just appreciate that. I don't think those represent the same level of risk and urgency as above 30%, and I think that was intrinsically identified in both the congressional mandate and the NTSB recommendations.

Chad touched on FCC, I think that's really prudent, it is not a trivial test that you're talking about doing this prudently and I think as a result we really need to get a little bit better at characterizing where we need to do that. Doing it everywhere is overwhelmingly overbearing and not productive. I think we need to at least sharpen what is the characteristics we think really drive this and start sampling in those areas. The other comment I had is about

107, that came up a couple times; I really think referencing 107 is out of context. 107 is not intended to identify pipes, attributes for pipes that are in the ground; it was identified in the code particularly for pipes that are on the ditch being considered for a new installation and it was a way if somebody lost the paperwork on these pipes that are racked up over here, so how do you characterize those. And they're right in front of you, they're not buried in the ditch and they're certainly not intended for wide sweeping applications that are operating pipes and I think we need to at least understand that conceptually that is not a congruent application.

This issue about spike testing for MAOP confirmation, this is a little bit of where we saw some convolution between integrity management and MAOP confirmation. Spike testing was specifically designed for hydrostatic testing on integrity management assessments for cracks, particularly stress corrosion cracks. And there's a reason why that was done. The MAOP

confirmation test is done for a very different reason, and the current code doesn't even require for a spike test to be done from the execution of pipe built tonight, so why would be spike test the pipe across the board because it's old if it doesn't have cracks? We've convoluted that again and I think we need to go back, the tests that are appropriate for validating MAOP is the test profile we want to use for validating old pipes and new pipes, that's the test we use. And I agree that the 125% criteria is probably the right target area, and I think the spike test and the high-yield stress test are appropriate for integrity tests on areas particularly where you have cracks, and I think that belongs back in Section O.

I think the other thing that came up certainly on break, several folks canvassed me asking for clarification, one of the things inside the INGAA, IMCI proposal was this sort of idea of stage-gating how to build confidence in old pipes everywhere, not just in HCA's. There

was an agreement or fundamental construct inside the INGAA proposal that because of the need to build confidence in high consequence areas quickly with the public that untested pipes in high consequence areas would be hydrostatically tested, and we created a stage-gate for that. So we parsed it off to HCA's and Class 3 and 4's and untested pipes in those areas would be hydro tested. And the hope was that as we got to the next tranche, MCA's and other things where we have to validate the MAOP, that we would have other tools that would have vetted out and demonstrated their capacity to displace or supplement hydrostatic testing. So the point was the first tranche would be working to develop ILI tools that when we got to MCA's would be ready and validated for use beyond HCA's. I think that that design in architecture is really important because we're trying to set a precedence here and a model that actually drives continuous improvement and expansion of integrity management fundamentally across the whole system. And I

think we lost a little bit of that here, and I think the point is we want to try to keep that incentive out of in front of operators and vendors to develop in-line inspection tools and other techniques that can be used in lieu of hydrostatic testing, but that's going to take some time. So in the short-term we're going to commit to doing something that's proven and works while we develop those tools for use on a wider scale later on. But I just wanted to get that on the record because I think that got confusing because all we're talking about here is really very tight population. So those are a couple things I just wanted to pass on.

MS. BURMAN: Okay, thank you. Sara?

MS. GOSMAN: Thank you. I just wanted to comment briefly on this section. I think it's a really interesting structure of trying to create a process that's not too burdensome on operators, but to get information over time, and I also note that at the end there's even an exception process for where you're not able to do

what's in the rest of it. So to me it looks like a fairly, very specific set of requirements in any given area, but also incorporates a very long timeline and an exception. I think that, I've been trying to sum up how I think about this particular set of requirements because I recognize that they are different than the traditional structure of this regulatory system, that this is outside of integrity management as traditionally understood a MAOP verification. I think just for a moment I wonder if you can think about the person living next to the pipeline and think about what they would think about a system that didn't require operators to gather basic information about the pipeline over time. Would they feel that that was a safe system? I think the part of what I want to try to do on this committee is bring that perspective in, I'm a law professor, but I also want to think about what the public perceives this regulatory system to be and how safe it ends up being. And I think that you would find that most members of the public

would want an agency to ensure that operators gather baseline information. Thanks.

MS. BURMAN: Okay. Chad and then Drew.

MR. ZAMARIN: Yes, this is Chad Zamarin, Cheniere Energy. Just maybe start by saying many of us, I think those on the committee and our companies, I think our number one priority is recognizing our responsibility to think continuously about the people that live along our systems. In fact, our careers are dedicated to that mission; it's not to try to squeeze every ounce of earnings out of our systems, our jobs are explicitly ensure that our pipes are safe and reliable. Frankly, it's what's best for the people along our pipeline and it's what's best for our business, it is what we want to do and we strive to do every day. And I would even say I applaud what we've been able to achieve with our broader industry group where we said we're going to go beyond the code, we've made public commitments to every stakeholder out

there that says we're going to cover every person living within the potential impact of our pipelines by the Year 2030. I mean, that is a very, I think, aggressive statement. The challenge that we want to avoid is we want to make sure that we have the means, the resources and the focus to achieve that, and I think what we spend our time trying to figure out is how we can focus the energy and the resources on the things that matter to the person living along the pipeline and making sure that we're not extending a lot of resources on things that aren't important to protecting those people that live along the pipeline.

I do want to mention that as we get to talking about Subpart O and integrity management, there is a very detailed data collection process mandated by the regulation and also prescribed in ASME B31.8S. For us to perform integrity management we have to collect a lot of data, that is not the minimum data requirement of the codes that I think we're talking about there; I really

think this section should have been meant to address the lack of records on previously untested pipe that was the issue of concern raised during the San Bruno investigation. We have a tremendous amount of data required in order to perform integrity management, but what I like about integrity management is the data is tailored to the unique threats that you're trying to address on your particular pipeline systems. It's a discipline process where you identify potential threats to your pipeline and then you're collecting information relevant to those potential threats, and if you don't have that information, you're going to have to assume that that threat exists until you either mitigate for the threat or you collect better information that allows you to declare that that threat no longer exists.

So that's why I'm advocating for the non-MAOP related issues to be discussed in Subpart O because I think there's a part of that process in Subpart O that helps us to process and

focus our energy on things that are meaningful to integrity management. I'll go back to this example, romanette iv and all of this discussion about chemistry and the quality of the tools that we're using to collect chemistry data. I have never in my career, and I spent my entire career working on integrity management, never in my -- some of the oldest systems in the country, systems with the largest percentage of grandfathered, untested pipelines, I've never used chemistry as a core variable for determining an action I should take or a safety measure that was necessary for the person living along the pipeline. The only thing we've seen as a justification for requiring all this complexity around chemistry is a consideration in welding on pipelines which happens very infrequently, and when it does issue, the only thing you might do is additional pre-heating of the pipe. And I can assume that if I don't have that data, I'll assume that it's a high carbon equivalent pipe and I'll preheat it. It costs nothing versus

going out and spending all of this energy, collecting all of this data that I'm never going to use to help to protect that person living along the pipeline.

So I want to make it clear that we are not advocating for doing less, we're just advocating for not doing everything, we're advocating for doing the right thing. That's what I'm trying to get at. I think our goal is exactly the same, we do want to achieve safety for everyone living on the pipeline, but it pains me when we get trapped doing things that aren't contributing to that effort. Thank you.

MR. DRAKE: This is Andy Drake with Enbridge. I don't know that I can say that any better.

(Laughter.)

We're absolutely committed to trying to understand what the public is concerned about. It is our absolute, foremost goal to protect the public. And I do personally think of that and that lends at every crossroad, and I know you

know that. We've talked enough that I think you get that. I think what Chad's getting at is the right rhythm is if everything's a priority, then nothing's a priority and we don't end up doing service. There's things that we need to do quickly and we're trying to set that out in some sort of logical order, HCA's, high consequence areas, the highest consequence possibly should be there quickly. We should be absolutely testing those lines to make sure they're safe where they've not been tested before. Then I think we need time and space to gather and continuously improve, which is getting more data. I hope you're not hearing us saying that we don't want to gather this integrity data; I think there's some of it I agree with, there's some of it that doesn't make any sense. But I do think for the most part we do need some baseline of data; it's just not for MAOP confirmation, it's for integrity management and we need to collect that. The difference is we probably need time and space to do that, so we're trying to create the

separation to deal with urgent issues urgently and issues that we can more conservatively end and get better at over time over in that bucket, integrity management.

But we need that information. I hope we're not being heard as saying we don't want it, it's just for a different purpose and we need to gather that to be able to do it.

MS. BURMAN: Steve?

MR. ALLEN: Steve Allen, IURC. Steve, is there a reason why this was placed in Subpart L as opposed to Subpart O?

MR. NANNEY: Can I be honest? I don't know. But the thing was that integrity management high consequence areas, and this had Class 3 and 4 in it, would be the main reason it was not.

MR. ALLEN: Okay. Is there a way to reconcile that and address the concerns of separating some of this from the MAOP establishment?

MR. MAYBERRY: Steve, I think we're

going to take that under advice and come back. I think we've heard clearly that there's a desire among the group, especially the industry to maybe separate it, and we're going to take a hard look at that. I think in some sense it doesn't really, then we're arguing okay, what's the right data to collect and we'll deal with that, too. But we'll definitely address that and we'll come back to you next time and have something for you.

MR. ALLEN: Thank you.

MS. BURMAN: Okay, Chad?

MR. ZAMARIN: Thanks. Chad Zamarin, Cheniere Energy. I think Steve's probably right; my only comment would be I think the focus on Class 3 and 4 was to emphasize where our energy should be put for MAOP verification, and I think that relates to why we're making the suggestion the way we are. Thank you.

MS. BURMAN: Okay, we're going to take Steve and then just keep --

(Off-mic comment.)

MS. BURMAN: Oh, all right. Before we

open it up for some two minutes from the public comments on A through D, does anyone have anything else that they want to say?

All right, I am cognizant of the time check. Just before we go to A through D, we've done a lot today, we're going to have some sort of summary takeaway in a few minutes, but looking at it is it seems to me that we've been focused on what do we need to do to ensure we're promoting and encouraging the continued safety of our pipes and looking at what are the necessary protocols that need to be in place to ensure that we have the proper focus and the proper tools, not just for the operator but for the regulators. And then looking at ultimately are we doing it in a way that's being done in the most meaningful way, responsibly, and understanding that we need to have some regulatory certainty and legal certainty, as well as looking at what needs to be prescriptive and what also can be flexible and what are the parameters around that flexibility, understanding that there is a lot of information

that we need to question if we're asking for that information, what are we getting from it, and then does it take away from other things that we need to do and other resources that we need to do.

So from my perspective, this discussion is really helping to get at the heart of that and make sure that what is being done is looking at are we meeting the goals that we have set out and how do we do that. So before we -- so now I hate that my back is to everybody, but does anyone -- we'll open it up for public comments now. Again, keeping in mind really we're trying to make sure that we have a time check so we can get to the next steps.

MR. MORTON: This is Jeff Morton with Enterprise Products, and I just wanted to make a clarification. It's a concern for Enterprise and I'm sure a lot of other operators, and Andy somewhat touched on it and Chad. The real question here is all the material requirements in this element, this is a retroactive section of

the code, so Enterprise as well as a lot of other operators we haven't sat around and waited for this rule after the PG&E issue, so we've done a lot of hydro tests and we've done a lot of efforts to address our TVC issue. If an inspector comes in today and I don't have all these records, I'm out of compliance regardless of my efforts, so it's really critical that it goes in the right section or good efforts will go to waste.

MS. BURMAN: Thank you for that. Does anyone else have any other comments? The committee have any comments?

Okay, I think we can move now, unless Alan tells me otherwise to -- you can if you want.

MR. MAYBERRY: I don't have a motion or anything.

MS. BURMAN: All right. So now we'll got to next steps and maybe we can also look at, with that focus some takeaways as well.

MR. MAYBERRY: Yes, sure. Appreciate

it. Just want to reiterate, I think I've mentioned this before; I think the dialogue here has been excellent, it certainly helped me --

PARTICIPANT: I can't hear you.

MR. MAYBERRY: I'll get it closer. Okay, I just want to reiterate I think this dialogue has been very helpful. I've been to other meetings in the federal government where there's discussion of regulations and potential regulations and I think we're unique. I really think we have a good partnership between the industry, the government and the public stakeholders. I think the dialogue, the discourse that we can come together and talk in a civil manner, debate the issues and get your input, I think is just very valuable to us. And certainly, we got some good takeaways from these two days.

Half of the sector I know safety is non-negotiable, safety is paramount and the Secretary certainly shares that goal. And we certainly all together believe in that goal as

well. Like you said, at the beginning, a lot of times we have different ideas on how to get that, how to reach that, and certainly that's been the topic of discussion here today is how do we ensure safety and just different ideas on how to follow through on that mandate we all have. I think it's important that, and I know that we've talked a good bit about the statute, we certainly know very well as far as 2011 Act, and the more recently the 2016 Act. I think it's been discussed but I just wanted to reiterate that we do more than just mandate, I want to make sure that it's understood for the record, certainly, that we're not all about just doing what we're told to do. We do things based on our observations as well, so what's contained in the rule that we've been talking about includes some of that as well. I think that's very important, and it's what the Americans have entrusted us to do, to oversee pipeline safety in the U.S., so I think that's very important.

Just as a matter of housekeeping, I

know we did accomplish a lot, I'm pleased with what we've gone through, but I think the pre-briefing that we've had for you helped. I think that's something we started in the last I guess couple years. I think the ways we can probably improve it, I think leaving here today I think there's some things I'm going to look into that might help the committee better prepare for the later meetings, because I know these issues are really weighty and it might help to get a little bit more heads up on the direction we might be headed on these items, or the thoughts we had at least. Okay, thanks.

It seems to be going in and out. I guess before we end up, I'd like to have John Gale wrap up or give a wrap-up on what we've covered here the last couple of days.

MR. GALE: Thank you, Alan. John Gale here, PHMSA. Just in quick summary for the members; some of the things that we were able to come to closure on --

PARTICIPANT: I can't hear you.

MR. MAYBERRY: I feel your pain.

MR. GALE: Some of the things we were able to come to closure on --

MS. BURMAN: Why don't you use the hand-held mic?

MR. GALE: Thank you, Cameron. Again, some of the proposals we came to closure on, the proposals on cathodic protection, in particular 192, 319, 192.465, 192.473, 478 and 192.935. We were also able to come to closure on certain proposals related to records for class location, a modification of the TVC standard with the removal of the word "reliable" and the record requirements for welder and joiners. We were also able to come to closure on many of the proposals related to IM clarifications, including the proposals in 192.917, B, C and D, and 192.935. There were several areas where we did table for later discussion, especially in the area of records; the members requested to table areas of Section 192 13E, the record requirements of 192.67, 192.127, 192.205 and of course

Appendix A. We also tabled for later discussion is the proposals for IM clarification in 192.917, E3 and E4.

Of course we have several areas still remaining, we still have to finalize the proposals related to material verification, the proposals in 1926.24. Also, we of course have gathering line issues still to discuss, we have proposals related to strengthening IM repair criteria, or IM assessments, sorry, and also the repair criteria for both HCA's and non-HCA's and proposals related to assessments outside of HCA's.

That's a quick summary. Oh, I'm sorry; we also we're able to come to closure on the proposals on MAOP exceedance.

MR. MAYBERRY: Okay. Thank you, John. And then just a couple more -- can people hear me?

Okay, as far as -- whoa. Too much of a good thing there. Yes, here we go. For our next meeting we're looking at around the

September time frame, but you'll be receiving the Google poll, and for those in the public just stay tuned. I know a lot of times we announce these and the Federal Register a bit late, but if you could stay tuned to our website, and certainly working with the advocacy community as well you'll get a heads up, hopefully more than two weeks before the meeting. But we do expect a September time frame.

I'd like to also thank Dave Danner, and also Diane Burman for that matter; both of you came to your first meeting and then also chaired the meeting, so really did a nice job in the last hour, Diane. Very much appreciated. Excellent job.

And then finally, Sue Fleck, as you depart for other endeavors, for the next phase of your life, we wish you well. We really thank you for your service; I think your input has been so invaluable, I think we're better for that, and you've had a real impact on the policies you've put out and made some pretty weighty stuff over

the last few years during your tenure. Thank you, we wish you well.

And with that, I bid you safe travels, and I'll turn it back over to the Chair to adjourn the meeting.

MS. BURMAN: I also want to thank the PHMSA staff; you guys really have done a good job of helping work through all of these and I know that there's a lot of substance that you're processing. But the biggest kudos goes to whoever it is whose been moving around the things, that's incredible. So, thank you.

And I think with that, Cheryl, do we have any --

MS. WHETSEL: I just want to say if everyone would leave their name tag and tank card, that saves us a little administrative process for the next meeting. Except for Sue Fleck, she may take hers with her. And thank you, again. You'll be hearing from me on dates for the next meeting.

MS. BURMAN: And with that and no

further business, I think we're adjourned. Thank you.

(Whereupon, the above-entitled matter went off the record at 4:30 p.m.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Pipeline and Hazmat Safety Admin.
Gas Pipeline Advisory Committee

Before: DOT Office of Pipeline Safety

Date: 06-07-17

Place: Arlington, VA

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

Neal R. Gross

Court Reporter