

**Summary of Comments on the OQ proposed rule Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Proposed Changes
March 2016**

| Topic | Comment | Subtopic | Commenters | Comment |
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| Accident and Incident Notification | Revise definition/Notification | None | National Transportation Safety Board Pipeline Safety Trust Paiute Pipeline Company Southwest Gas Corporation American Medical Review Officers/ Pipeline Testing Consortium American Public Gas Association American Gas Association American Petroleum Institute and Association of Oil Pipe Lines Interstate Natural Gas Association of America Gas Processors Association Texas Pipeline Association Energy Transfer Partners Enterprise Product Partners Kinder Morgan NiSource Inc. Magellan Midstream Partners L.P Northeast Gas Association Northern Natural Gas Company Spectra Energy Partners, LP TransCanada Corp. Vectren Energy Delivery of Indiana, Inc. | Revise the proposed definition for “confirmed discovery” (§§ 191.3 and 195.2) by replacing “may have occurred” by “has occurred.” Revise or delete the proposed requirement in §§ 191.5(c) and 195.52(d) to file a second NRC report within 48 hours to confirm initial incident or accident information. The National Response Center needs to have a means to accept supplemental reports. PHMSA should change the reporting thresholds for both gas and hazardous liquid pipelines. |

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| Cost Recovery for Design Reviews | Definition/ documentation | None | American Gas Association American Petroleum Institute and the Association of Oil Pipe Lines Interstate Natural Gas Association of America Kinder Morgan Alyeska Pipeline Service Company Energy Transfer Partners Enterprise Product Partners FlexSteel Gas Processors Association Interstate Natural Gas Association of America Northeast Gas Association Texas Pipeline Association TransCanada Corp Vectren Energy Delivery of Indiana | PHMSA should revise the definition for “new and novel technology.” PHMSA should clarify whether identical new technology is reviewed once or multiple times, and whether consensus standards and incorporated by reference are considered “new or novel technologies.” Conducting pipeline inspections or reviewing operational procedures should not be included in the cost recovery methodology. PHMSA should revise its proposal to commence design review because many of the proposed trigger events occur too early in the construction process. The sample Master Cost Recovery Agreement does not relate to activities related to the reach and validation of new or novel technology. |

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| Special permit renewal | Renewal/data requirement | None | Pipeline Safety Trust American Gas Association Interstate Natural Gas Association of America Energy Transfer Partners FlexSteel Spectra Energy Partners | <p>PHMSA should make it clear that any renewal applications will be treated the same as current initial applications in that they will be public, published on the PHMSA website, and subject to NEPA</p> <p>PHMSA should reexamine the extent of the documentation it requires as part of the renewal process.</p> <p>PHMSA should only review the special permit to confirm satisfactory performance by permitting continued pipeline operation without expiration date.</p> <p>Aerial photography data would not provide any meaningful information and should be deleted.</p> <p>The proposed language in § 190.341(e) is ambiguous and unclear.</p> |
| Farm taps | Flexibility/ | None | American Gas Association Interstate Natural Gas Association CenterPoint Energy DTE Gas Company Gas Processors Association Kinder Morgan MidAmerican Energy Company NiSource Inc. Northern Natural Gas Company Southwest Gas Corporation Texas Pipeline Association TransCanada Vectren Energy Delivery of Indiana and Ohio Thomas Lael Services | <p>PHMSA should maintain enforcement flexibility for operators by allowing operators to treat farm taps as either distribution or transmission.</p> <p>PHMSA should allow operators to establish their own inspection intervals or operating procedures based on the risks associated with particular types or classes of farm taps.</p> <p>As drafted, § 192.740(a) could be interpreted to exempt additional lines from the requirements of the section.</p> <p>Limit the exception proposed in § 192.1 003(b) to the components of the farm tap regulator and valve assembly between the transmission, gathering, or production line and the service line pipe.</p> <p>Provide a five year interval for inspection of farm taps.</p> <p>Define a farm tap as a pipeline that maintains the same designation as the pipeline from which it originates (transmission, storage, gathering or production).</p> <p>The maintenance of any odorization along with pressure regulation, overpressure protection or other facilities should be a "grandfathered" function and not a new requirement as part of the rule.</p> |

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| Reversal of flow or change in product | Notification | None | American Petroleum Institute and the Association of Oil Pipe Lines Interstate Natural Gas Association of America Alyeska DTE Gas Company Enterprise Gas Processors Association Kinder Morgan TransCanada | <p>Provide a 30-day notice period in the final rule, or, flexibility for unforeseen events that necessitate extended or immediate reversals or product conversions.</p> <p>Notification requirement should apply only to permanent flow reversals where an operator must change or modify its compressor facilities and related piping to accommodate a flow reversal in which the pipeline needs the Federal Energy Regulatory Commission certificate authorization under the Natural Gas Act.</p> <p>Multiple projects resulting in replacement of shorter pipeline segments that collectively add up to 10 or more miles should not be considered subject to this rule.</p> <p>Changes in flow direction that are related to seasonal or customer demands and last more than 30 days should be excluded from this reporting requirement.</p> |

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| Pipeline assessment tools | | | National Transportation Safety Board American Gas Association American Petroleum Institute and the Association of Oil Pipe Lines Chevron Pipe Line Company Energy Transfer Partners Enterprise Northeast Gas Association Thomas Lael Services | <p>PHMSA should not include the additional proposed requirements to NACE SP0204-2008.</p> <p>NACE SP0102-2010 does not provide detailed procedures that are applicable in all situations on all pipelines and instead provides general recommendations.</p> <p>Do not incorporate by reference the ANSI/ANST ILI-PQ – 2010 in part 195</p> <p>PHMSA should clarify any instances where the requirements outlined in SP0204-2008 are intended to serve as industry guidance.</p> <p>PHMSA should provide justification for incorporating API STD 1163 (2005) when that standard has been updated recently.</p> <p>The proposal defining non-significant SCC in accordance with NACE SP0204-2008 is out of date</p> <p>PHMSA should provide adequate time beyond the comment deadline and before the final rule is issued for industry and regulatory stakeholders to adequately assess the proposal for feasibility.</p> <p>In the proposed § 195.452 the capabilities of in-line inspection tools should be the operator's choose.</p> <p>Section 195.591 should be clarified to state that operators need only consider the recommendations in the proposed incorporation by reference standards.</p> |

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| Post-accident drug and alcohol testing | Requirements | None | National Transportation Safety Board American Public Gas Association American Petroleum Institute and the Association of Oil Pipe Lines Enterprise American Medical Review Officers and the Pipeline Testing Consortium Thomas Lael Services | National Transportation Safety Board commented that it believes the proposed change is responsive to its recommendation. This requirement could be misinterpreted to require the operator to document actions of every utility employee after a reportable incident occurs. PHMSA should generate a standard form to be used for decisions not to test. The word “severity,” should be removed from the proposed language because severity of any accident will vary, but does not affect whether a test is conducted. |

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| <p>Information made available to the public and request for confidential treatment proposed rule continued</p> | <p>Confidential information</p> | <p>None</p> | <p>Pipeline Safety Trust American Gas Association American Petroleum Institute and the Association of Oil Pipe Lines Energy Transfer Partners Enterprise Products Partners FlexSteel Gas Processors Association Northeast Gas Association Texas Pipeline Association</p> | <p>PHMSA should include the criteria by which it will make the decision about whether the information requested to be confidential will be removed from public availability and make clear whether that decision is an appealable administrative order. Operators should have an opportunity to classify their information. Operators should be granted five business days from the date of receipt of a written notice before the information is publicly disclosed. PHMSA should include the operator in the decision process regarding whether to disclose such information. All existing confidential business information protections should be retained. More robust mechanisms for protection from disclosure than in the proposal are needed to protect Sensitive Security Information or Protected Critical Infrastructure Information.</p> |

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| In service welding | | None | American Gas Association Northeast Gas Association | PHMSA should provide clarification in the preamble language of the final rule by stating this incorporation does not create new requirement. |

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| Operator Qualification Requirements | Scope and Definitions | None | <p>American Public Gas Association American Gas Association American Petroleum Institute and Association of Oil Pipe Line Interstate Natural Gas Association of America Foundation Interstate Natural Gas Association of America ASME B31Q Qualification of Pipeline Personnel Technical Committee Distribution Contractors Association Alyeska Energy Transfer Partners Enterprise Gas Processors Association National Propane Gas Association MidAmerican Energy Company Midwest Energy Association Northern Natural Gas Company Paiute Pipeline Company Southwest Gas Corporation American Medical Review Officers and the Pipeline Testing Consortium Spectra Energy Partners Texas Pipeline Association TransCanada Vectren Energy Delivery of Indiana and Ohio Thomas Lael Services Mr. Warren Miller</p> | <p>The commenter supports the definition of “covered tasks” because the list of covered tasks will continue to be determined by the operator but will now include construction and emergency response tasks; covered tasks should only be limited to work that is done directly to the pipeline; the 4-part test should remain in the regulations; PHMSA should revise the definition for "covered task" to include the wording “performed on a pipeline facility.”</p> <p>Training should not be required if the individual already possesses the requisite knowledge, skills and abilities for the covered task; PHMSA should not add a mandatory training requirement to the OQ evaluation and re-evaluation process.</p> <p>The definition for “qualified” should not include periodic testing for physical abilities such as color, vision or hearing.</p> <p>For the definition of “significant changes,” the phrase “wholesale changes to the program” is open to differing interpretations.</p> <p>The definitions for “Knowledge, Skills and Abilities” and “Qualified” should be based on the definitions provided by ASME/ANSI B31Q; The reference to “abilities” should be removed from the definition of knowledge, skills, and abilities because a certain medical aptitude is needed to determine an individual’s abilities..</p> <p>The definition for “direct and observe” is not necessary.</p> <p>Extending OQ requirements to Type B gathering lines in Class 2 locations would create an undue burden on operators and provide no real safety benefit.</p> <p>PHMSA should incorporate by reference the new construction-related task list included in the Non-Mandatory Appendix 5A (Integrated Task Lists: Definitions) of ASME B31Q.</p> <p>There should be portability for effective implementation so qualified persons can move from a new construction job to another.</p> |

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| Operator Qualification Requirements continues | Qualification program | None | American Public Gas Association American Gas Association Distribution Contractors Association Enterprise Midwest Energy Association American Medical Review Officers and the Pipeline Testing Consortium Spectra Energy Partners Texas Pipeline Association TransCanada Vectren Energy Delivery of Indiana and Ohio | <p>The requirement to establish a management of change program should be limited to operators having more than 50 employees who perform covered tasks.</p> <p>The management of change should be a standalone rulemaking. It is clear that an operator can use an individual who is not qualified if being directed by someone who is qualified, but the usage is not specific to emergencies where no one else is available to perform the task.</p> <p>It would be impracticable to implement consistent training standards for all individuals and all training scenarios; PHMSA should only require supplemental training when procedures and specifications that materially affect performance of a covered task are changed; the supplemental training requirements in the final rule should be removed; the proposed language suggests that training is required in all circumstances.</p> |

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| Operator Qualification Requirements continues | Program effectiveness | None | American Public Gas Association American Gas Association American Petroleum Institute and Association of Oil Pipe Line Interstate Natural Gas Association of America Foundation Interstate Natural Gas Association of America Kinder Morgan Enterprise Distribution Contractors Association FlexSteel Gas Processors Association Midwest Energy Association Northeast Gas Association Northern Natural Gas Company Paiute Pipeline Company Southwest Gas Corporation American Medical Review Officers and the Pipeline Testing Consortium Texas Pipeline Association Vectren Energy Delivery of Indiana and Ohio Mr. Warren Miller | <p>The proposals for program effectiveness measures should be left for the pipeline operators to develop.</p> <p>Non-task-specific abnormal operating conditions should be removed from the proposal.</p> <p>Limiting an operator's Span of Control will not increase safety or better ensure qualified personnel; does the requirement mean a qualified individual cannot provide span of control for a non-qualified individual performing multiple covered tasks, or does a qualified individual cannot provide span of control for more than one non-qualified individual at a time?</p> <p>The program effectiveness review period should be every four years rather than the proposed one year; PHMSA should allow a program implementation time of five years.</p> <p>The program effectiveness review should include changes to O & M, Construction, Emergency Response, Integrity Management and Training programs to ensure that possible changes to the OQ program are captured.</p> |

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| Operator Qualification Requirements continues | Recordkeeping | None | American Public Gas Association American Gas Association Distribution Contractors Association Energy Transfer Partners Enterprise Kinder Morgan Northern Natural Gas Company Vectren Energy Delivery of Indiana and Ohio | It is unclear what PHMSA intends under individual qualification records by adding item (5) Evaluation to recognize and react to an abnormal operating condition. Sections 192.809 and 195.509 need more definition to clarify what criteria are needed to evaluate an evaluator's performance and clarification on the criteria for analysis of OQ programs. |

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| Operator Qualification Requirements continues | Control room management g | None | National Transportation Safety Board American Gas Association American Petroleum Institute and Association of Oil Pipe Line Enterprise Gas Processors Association Magellan Midwest Energy Association Northeast Gas Association Paiute Pipeline Company Southwest Gas Corporation Thomas Lear Services TransCanada Vectren Energy Delivery of Indiana and Ohio Mr. Warren Miller | <p>The operator should be allowed to determine who should be involved in the team training exercises.</p> <p>Currently qualified workers should not be required to requalify solely as a result of promulgation of the proposed rule.</p> <p>Operator qualification requirements should focus on those that directly perform the duties of the control room operator.</p> <p>The operator should have the authority to determine which personnel types should be involved during team training.</p> <p>Team training should be required only for personnel who interact with control center staff on an operational basis as opposed to personnel who interact with controllers on non-operational matters.</p> <p>PHMSA should provide additional clarification that is necessary for control room team training because it may involve numerous “soft skills.”</p> <p>PHMSA should clarify the required training for contractor individuals performing covered tasks on an operator's pipeline facilities.</p> |

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| Cost-benefit analysis | Costs | None | American Petroleum Institute and the Association of Oil Pipe Lines Enterprise Gas Processors Association Interstate Natural Gas Association of America Foundation Midwest Energy Association TransCanada | <p>Based on expanded definition and larger employee size, between 200,000 to 250,000 employees with current OQ qualifications will need additional OQ qualification, and between 205,000 and 415,000 employees will join the OQ program and need a complete set of new OQ qualification and it would cost the industry between \$250 million and \$480 million in compliance costs.</p> <p>Based on a conservative estimate limited to the cost to implement the Agency's OQ and in-line inspection proposals on industry, compliance with this rule would cost industry upwards of \$795 million per year; therefore, the proposed rule should be subject to a full Unfunded Mandates Reform Act analysis, should be a significant regulatory action, and should be classified as significant under DOT Procedures.</p> |

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| Cost-benefit analysis continues | | | | <p>There are another 60,000 (and likely more) contractors who are currently subject to the existing requirements; therefore, the cost estimate can conservatively be estimated to be between \$22.8 and \$45.2 million for just the tasks.</p> <p>There are 69,000 personnel that would need to newly qualify for new construction including 15% turnover rate. Therefore, the cost would be \$224 million for the initial general qualification and evaluation of these personnel. The cost of project specific training for new construction would be approximately \$69 million. The estimated incremental cost for administration for the additional personnel is \$28.9 million; therefore, the cost of operator qualification for new construction alone could easily exceed \$322 million.</p> <p>As a single operator on single project compliance costs for construction-related OQ far exceed the PHMSA estimated compliance costs in the proposed rule for the entire industry.</p> <p>Note: none of the commenters provided data or referenced data source.</p> |