

PHMSA's Proposed Hazardous Liquid Rule – Talking Points for Comments

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We are pleased to see the proposed rule and we like many things about it (all the numbered items below). It appears there are a number of incremental improvements to the existing rules that ought to make hazardous liquid pipelines safer. There are also places where in our eyes it falls short of needed reforms to improve pipeline safety, as we note below. If you would like citations and additional information, look up the ID number listed above on the regulations.gov website to see the entire docket, or contact us.

1. Extends Certain Reporting Requirements to All Hazardous Liquid Lines

Transmission lines already are required to report; this would add reporting requirements to gravity fed lines as well as about 40,000 miles of gathering lines. Requires them to start submitting annual reports, incident reports, and safety related condition reports.

Shortfalls: Does not require GIS mapping info or any minimum safety standards for these additional lines.

2. Requires Inspections of Pipelines in Areas Affected by Extreme Weather, Natural Disasters, and Other Similar Events

This would require an operator to inspect a pipeline segment that was potentially affected by such an event within 72 hours after the event occurs.

Shortfalls: This is reactive instead of proactive, and does not require operators to do anything different to prevent a pipeline segment from being affected by such events in the first place.

3. Requires Periodic Assessments of Pipelines That Are Not Already Covered Under the Integrity Management (IM) Program Requirements*

This would require pipelines outside of high consequence areas (HCAs)* to be assessed mainly by inline inspection devices once every ten years (currently only pipelines affecting HCAs must be inspected, and the timeline for those is every five years). Other assessment methods would be allowed if an operator demonstrates that the pipe cannot accommodate an inline inspection device.

Shortfalls: No rationale is given for 10 years versus the current 5 years, and this only requires the inspection part of the IM Program, not the risk assessment part.

4. Modifies the IM Repair Criteria and Applies Those Same Criteria to any Pipeline where the Operator has Identified Repair Conditions

This would expand the requirement that pipeline operators take certain actions after the discovery of a pipeline repair condition (potential problem) to pipelines outside of an HCA (it is already required under IM for pipelines affecting HCAs).

Shortfalls: This section also changes the time available to operators to make repairs for anything other than 'immediate' repair conditions by eliminating the 60- and 180-day repair categories and replacing those together with a 270-day repair category, and adding an 18-month repair category for pipelines not subject to IM (i.e. not affecting HCAs). We're still analyzing the more technical aspects of the listed repair conditions. The proposal does not change the threshold for corrosion-based 'immediate repairs' even though recent failures have shown that waiting until corrosion metal loss grows to 80% of the pipeline wall to require an 'immediate repair' is not an appropriate threshold due to the speed of corrosion growth.

* Integrity Management (IM) is required of all hazardous liquid pipelines that could affect a High Consequence Area (HCA), which is basically an area with high population, drinking water sources, or sensitive environmental areas. IM rules require pipeline inspections at least every 5 years, and include detailed requirements for identifying and assessing risks.

5. Expands the Use of Leak Detection Systems for all Hazardous Liquid Pipelines

This would require all hazardous liquid pipelines transporting liquid in a single phase (without gas in the liquid) to have a system for detecting leaks.

Shortfalls: While this sounds like a good idea, it is not accompanied by any required standard for the performance of any chosen leak detection system. It also puts off addressing more stringent leak detection requirements for sensitive areas to a separate rulemaking, and puts off required valve installation (spacing and location) and minimum rupture detection standards to a separate rulemaking.

6. Increases the Use of Inline Inspection Tools

This change would require all pipelines that could affect an HCA to be able to accommodate inline inspection (ILI) devices within 20 years, and pipelines affecting newly-identified HCAs (after the 20-year period) would have 5 years to accommodate ILIs.

Shortfalls: Why 20 years? The proposed rule includes multiple exemptions such as where the pipe is constructed in such a way that an ILI device cannot be accommodated, “for reasons of impracticability,” or in an emergency. It puts off the development of standards for ILI tools, including the detection of stress corrosion cracking, to a separate rulemaking.

7. Clarifies Other Various Requirements

- Requires operators to develop IM plans before a pipeline is operational (currently not required until afterward).
- Requires operators to verify HCA designations on at least an annual basis.
- Requires annually verification that pipeline risk factors have not changed (for lines affecting HCAs), and if they have requires a new analysis.
- Specifies the need for operators to consider the accuracy (tolerance) of ILI tools when evaluating inspection results.
- Makes it clear that Integrity Management requirements apply to more than just line pipe (must include valves, etc.).
- Makes it clear that seismicity is a risk factor that needs to be considered as part of an IM program, and expands the list of information and attributes to be considered in the IM analysis, including the need to identify interrelationships affecting risk among the different data collected.

What is Missing?

- **Expansion of the definition of High Consequence Areas** to Include: major roadways; railroad crossings; “Waters of the United States” as defined in the Clean Water Act; all populated areas (same as defined for Class 2 locations under 49 CFR 192.5); state and federal wildlife refuges; national parks, monuments, and recreation areas; national forests; and more involvement of the public, state, and local governments. PHMSA states that changes are not needed in the definition of HCAs because of their measures to adopt additional safety standards for pipelines located outside of HCAs. The measures proposed, however, are not integrity management measures that require careful risk analysis and detailed planning for pipeline safety; they are only measures to require inline inspection that is a small fraction of what is currently required within HCAs. These measures do not substitute for the need to carefully look at HCA boundaries, definition, and process.
- **A clear standard for where and what types of Shut Off Valves should be required.**
- **Requirements for Produced Water lines** (currently not covered by federal pipeline safety rules).