Brief Commentary on INGAA’s Latest Policy Level Comments*

Accufacts Inc Presentation to CCOPS 11/10/11

* Issued by INGAA 11/2/11 on PHMSA ANPRM for Gas Transmission Pipelines
INGAA’s Policy Level Report

• Report’s Survey of INGAA (26 Gas Transmission members)
  • INGAA represents ~200,000 interstate miles out of ~300,000 total U.S. transmission miles
  • ~ 6% of total U.S. transmission miles, or 18,000 miles in HCAs
    • 91% located in HCAs have “readily available” documentation showing pressure tested after construction
  • Outside HCAs - ~77% showing pressure tested after construction
• Nice New INGAA Slogan – “Goal of Zero Pipeline Incidents”
  • Stated policy comments don’t fit with slogan!
• INGAA Policy Violates NTSB Safety Recommendations Issued following the San Bruno Tragedy!
  • Especially requirement of special hydrotest for missing records and “grandfather systems”
    • INGAA conclusions very odd given above stats
  • INGAA Issued Report on Pipe Bursting Causing San Bruno Failure
    • NTSB made it real clear - INGAA absolutely and totally dead wrong!
Accufacts Observations

- INGAA Open to More HCAs but Less Prescriptive Regulations
  - Is the First Phase of HCAs Really Working?
    - Performance (Integrity Management, or IM) Regulations are records based
      - Apparently too many “safety critical” pipeline records in some companies missing
      - Over reliance on Direct Assessment a dead giveaway something not right
    - Performance Based “Risk Management” approaches do not compensate for missing safety critical records!
    - Not enough IM inspection information in public domain to judge
    - Clearly current regulation not really addressing interactive threats
- INGAA Proposes Fitness For Service (FFS) Approach instead of NTSB Recommended Hydrotesting
  - Gas Transmission Pipelines Very Unique!
    - Not a fence line facility, but in your neighborhoods
    - Can place more hydrocarbon tonnage into a neighborhood that any other source
  - FFS approach not credible as presented
- INGAA Proposes Essentially Same Old Valve Policy
  - 1 hour response in populated areas to a rupture!!!!
  - INGAA position violates the laws of gas transmission rupture science
    - California is about to educate the industry
Brief Conclusions

• More truly public dialogue, scrutiny, challenge needed concerning INGAA Policy Level Comments and PHMSA ANPRM
• Something clearly missing in current IM regulatory approach
  • Risk Management is not a “best guess” to fill in the safety critical missing records!
• INGAA is overreacting to NTSB Urgent Safety Recommendations
  • Signals something also not quite right within the industry
  • INGAA PolicyViolates NTSB Recommendations
    • So what gives?
• “Lessons learned” excuses for pipeline rupture not credible with the public
  • Beware of the “Oops, whoops we didn’t know” defense
  • Pipeline operators are suppose to know!
• Given the importance of the Gas Transmission ANPRM more time is needed for comment
  • Federal pipeline safety regulation tweaks don’t need years to issue
• CCOPS definitely needs to get involved