

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 than 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 Policy Violates 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