

January 4, 2013

Gas Distribution Perspective on Improving Performance Measures

PHMSA Data Workshop

Presentation Overview

- PHMSA data workshop is a good first step.
- This meeting will not provide solutions.
- Data Committee of Stakeholders is needed for follow-up.
- This needs long-term commitment by all stakeholders.



Presentation Overview

- The AGA Operations Safety Regulatory Action Committee and technical committees have reviewed many notices for annual and incident reports, and other state and federal initiatives. We therefore has developed suggestions from these interactions.
- This is input from many companies on how **all stakeholders** can move together to improve the use of performance metrics. Data cannot be successfully be unilaterally developed and analyzed.



Issues For Improving Data

- Ensuring the QA/QC of the data submitted
- Thoughtful and deliberate revisions to incident, annual and other periodic reports
- Objective analysis of the data by a standing committee (similar to the PPDC)
- Better analyze national performance measures in TIMP and DIMP, and other state level metrics

CONSIDER NEW DATA PARADIGM

1. Developing and use positive performance metrics
2. Monitor and analyze data from actions not driven by regulation

(Understand the reality of work done beyond 49 CFR 192 mandates)

The is not easy, but the rewards can be enormous

Ensuring QA/QC

- Ensuring that PHMSA has an internal system to make sure the data submitted is accurate.
- Ensure that operators have a common understanding of what should be reported.

Examples of Concerns

- Mechanical coupling reporting. New report element, various definitions of failure, training needed for operator personnel. What is the statistically significant threshold?
- MAOP verification. New concept. Driven by Congress. Expedited development of new forms. How will the information be analyzed?



Objective Analysis of the Data by a Standing Committee Similar To The PPDC

We have national performance measures, but what are they telling us?
Is the analysis thorough or superficial?

TIMP

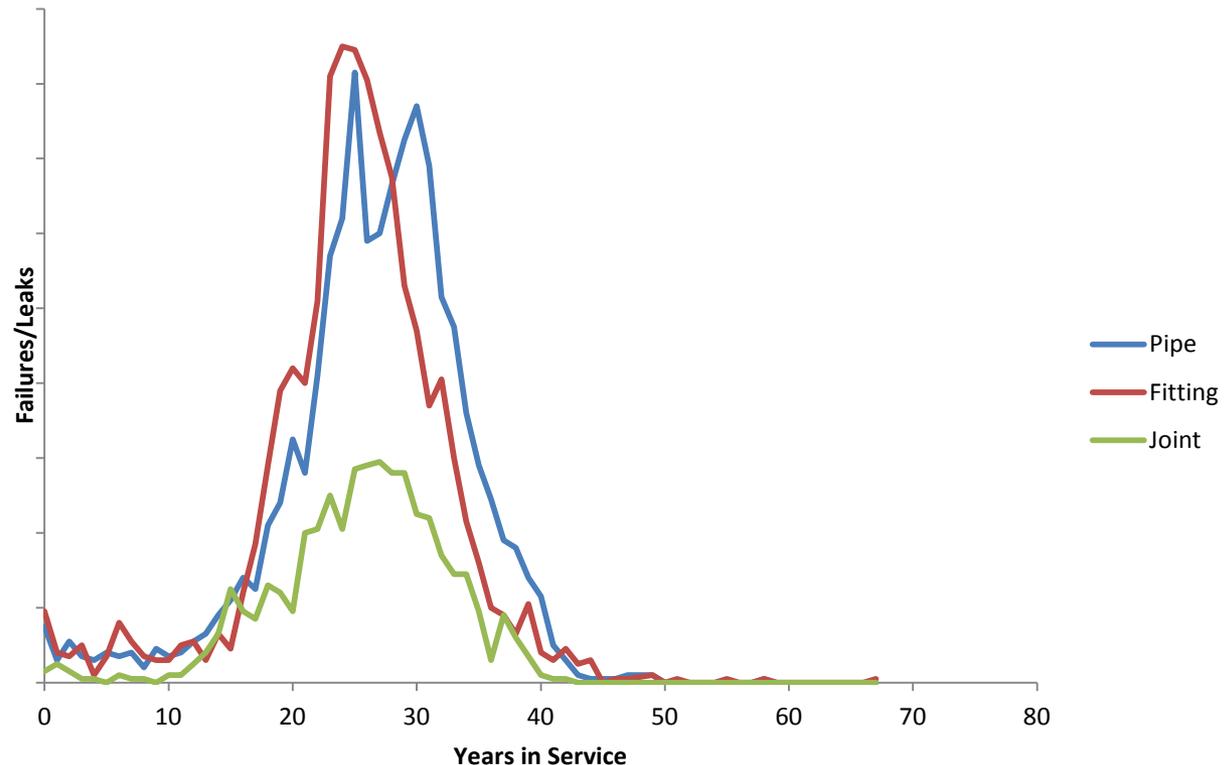
- Number of miles of pipeline inspected versus program requirements
- Number of immediate repairs completed as a result of the integrity management inspection program
- Number of scheduled repairs completed as a result of the integrity management program
- Number of leaks, failures and incidents (classified by cause).

DIMP

- Number of hazardous leaks either eliminated or repaired;
- Number of excavation damages;
- Number of excavation tickets
- Total number of leaks either eliminated or repaired, categorized by Cause;
- Number of EFV installed in a year for SFR

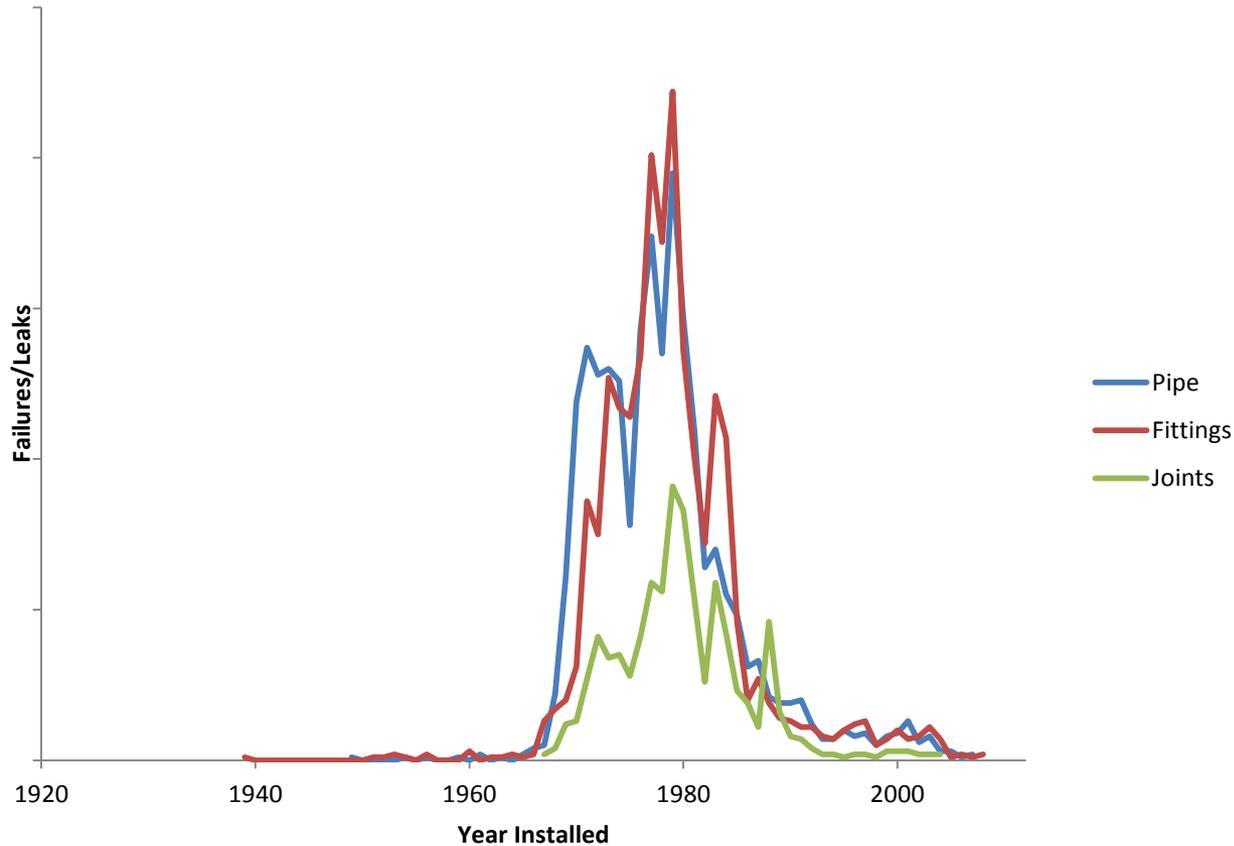
PPDC Committee

Excerpt of August Status Report



DuPont and Uponor (Aldyl) failures/leaks reported to the PPDC

PPDC Committee - Excerpt of August Status Report



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Traditional Negative Lagging Performance Measures

- Incidents
- Injuries
- Fatalities
- Fines and Penalties
- Did you install or inspect what was required by the code?

Possible New Positive Performance Measures

- Infrastructure replacement rates
- Categorizing plastic pipe cast iron insertions
- Reduction in methane emissions
- Additional and Accelerated measures usage
- Drug and alcohol testing performance
- OQ qualification records tracking for millions of qualifications

Possible New Positive Performance Measures

The NAPSR *Compendium of State Pipeline Safety Requirements & Initiatives Providing Increased Public Safety Levels compared to Code of Federal Regulations* is a great vehicle to promote devise and enhanced safety performance, versus rigid compliance.

The document has:

• Enhanced Reporting	261 initiatives
• Pressure Testing	20 initiatives
• Design/Install Requirements	147 initiatives
• Replacement Programs	57 initiatives
TOTAL	1154 initiatives

Pursuing a New Paradigm

- Should regulators and industry only look at data regarding what was inspected or assessed as required by the regulation and ignore all the voluntary efforts to improve safety.

Pursuing a new paradigm is important to keep the spirit of safety fresh.



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The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 71 million residential, commercial and industrial natural gas customers in the United States, of which 92% — more than 65 million customers — receive their gas from AGA members. Today, natural gas meets almost one-fourth of the United States' energy needs.