

PHMSA Anomaly Assessment and Repair Workshop

10/22/2008

Terry Boss

Sr. VP Environment Safety and
Operations



INGAA Perspective

- INGAA represents 200,000 miles of transmission pipeline
- Our safety record is excellent
- We continue to improve our processes and technology to improve our safety record and provide reliable cost-effective service to the consumer
- We want to work with the regulators to develop and implement diligent and practicable processes to address pipeline safety concerns

INGAA Perspective

- Consensus standards (API, NACE, ASME), based on science and good engineering practices, have proven to be effective and have served public safety
- These standards allow the industry to conservatively and appropriately manage safety while effectively managing resources
- INGAA supports a conservative approach in the ILI process but does not believe over-conservatism is required in each step of the process
- INGAA believes the PHMSA proposed criteria is unduly conservative and will not measurably improve pipeline safety
- INGAA believes that the proposed criteria will negatively impact the consumer and place an unnecessary and unjustifiable burden on the industry

Our Goal Is Incident Free Operation

.

INGAA Goals for Workshop and Beyond

- Build on and Improve the consistent, reliable and technically based methodology for assessing time based anomalies on natural gas transmission pipelines with Inline Inspection (ILI) technology
 - Build on methodologies developed throughout the last three decades through research, development standards and regulatory development
 - Improve the methodologies as new technologies and processes add depth and additional understanding

Tool Tolerances

- MFL technology is a mature process for metal loss inspection
- Sources of uncertainty are well understood
- Various methods are employed to account for these uncertainties
- Operator feedback to ILI providers is critical for continuous improvement
- It is incumbent on Operators to apply appropriate conservatism to the process
- Incident statistics indicate industry is doing a good job of managing corrosion using all of the tools at our disposal

Corrosion Growth Rates

- Pipeline industry understands
 - Corrosion mechanisms and its variability
 - Available technologies and processes to detect and estimate corrosion growth
 - Strengths of each technology and process
 - Limitations of technology and appropriate response
- Continue to research and improve understanding

Repair Criteria and Safety Factors

- Operators use Well Founded & Validated Predictive Burst Strength Methods
- Appropriately Conservative for Real Defects on Real Pipelines
- Already required by Regulations and Standards
- Methods are Periodically Reevaluated & Validated
 - Operators know how to use them
 - Good for all the pipe in the ground today