U.S. DEPARTMENT OF TRANSPORTATION

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

SPECIAL PERMIT

Docket Number:	PHMSA-2006-26618
Pipeline Operator:	Tennessee Gas Pipeline (TGP)
Date Requested:	November 28, 2006
Code Section(s):	49 CFR 192.611

Grant of Special Permit:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) grants this special permit to Tennessee Gas Pipeline (TGP) waiving compliance from 49 CFR 192.611 for a segment of TGP's Niagara Spur Loop Line 230B-200 (Line 230B-200); a natural gas transmission pipeline where a change has occurred from a Class 2 location to a Class 3 location near Lockport, NY. This special permit allows TGP to continue to operate the pipeline segment at its current maximum allowable operating pressure (MAOP) of 877 pounds per square inch gauge (psig). The Federal pipeline safety regulations in 49 CFR 192.611 require natural gas pipeline operators to confirm or revise the MAOP of a pipeline segment after a change in class location.

This special permit, which is subject to the conditions and limitations set forth below, applies to the Niagara Spur Loop Line 230B-200 "*special permit segment*" and *"special permit inspection area"* defined as follows:

- ***Special permit segment*** - 1,503 feet of the Niagara Spur Loop Line 230B-200 in mainline valve section (MLV) 230B-206 from survey station 268+12.50 to survey station 283+15.55.

- ***Special permit inspection area*** - the area that extends 220 yards on each side of the centerline along the entire length of the Niagara Spur Loop Line 230B-200 from MLV 230B-207 located approximately 3.05 miles upstream of the *special permit segment* to the suction side of the Lockport Compressor Station located approximately 11.90 miles downstream of the special permit segment. [Note: The *special permit inspection area* extends approximately 15.23 miles.]

PHMSA grants this special permit based on the findings set forth in the *"Special Permit Analysis and Findings"* document, which can be read in its entirety in Docket No. PHMSA-2006-26618 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

Conditions

This special permit is granted subject to the following conditions:

1) TGP must continue to operate the *special permit segment* at or below the existing MAOP of 877 psig.
2) TGP must incorporate the *special permit segment* into its written integrity management program (IMP) as a *"covered segment"* in a *"high consequence area (HCA)"* per § 192.903, except for the reporting requirements contained in § 192.945. The *special permit segment* included in this special permit need not be included in TGP's IMP baseline assessment plan.
3) TGP must perform a close interval survey (CIS) of the Line 230B-200 along the entire length of the *special permit inspection area* not later than one year after the grant of this special permit and remediate any areas of inadequate cathodic protection. A CIS and remediation need not be performed if a CIS and remediation have been performed on the pipeline along the entire length of the *special permit inspection area* less than 6 years prior to the grant of this special permit. If factors beyond TGP's control prevent the completion of the CIS and remediation within one year, a CIS and remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year after the grant of this special permit.

4) TGP must perform ongoing periodic CIS of the *special permit segment* at the applicable reassessment interval(s) for a "covered segment" determined in accordance with § 192.939.
5) TGP must perform a Direct Current Voltage Gradient (DCVG) survey of the *special permit segment* not later than one year of the grant of this special permit to verify the pipeline coating conditions and to remediate any integrity issues in the *special permit segment*. If factors beyond TGP's control prevent the completion of the DCVG survey and remediation within one year, a DCVG and remediation must be performed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year after the grant of this special permit.
6) TGP must evaluate the potential for stress corrosion cracking (SCC) of Line 230B-200 according to § 192.929(b)(1) within one year after the grant of this special permit. If the potential for SCC is identified, TGP must perform a stress corrosion cracking direct assessment (SCCDA) of the pipeline along the entire length of the *special permit inspection area* according to the requirements of § 192.929 not later than one year of the grant of this special permit.
7) TGP must submit the DCVG, CIS and SCCDA findings including remediation actions in a written report to the Director, PHMSA Eastern Region, not later than 2 years after the grant of this special permit.
8) TGP must amend applicable sections of its operations and maintenance (O&M) manual(s) to incorporate the inspection and reassessment intervals by in-line inspection (ILI) of Line 230B-200 along the entire length of the *special permit inspection area* at a frequency consistent with 49 CFR part 192, subpart O.
9) TGP must amend applicable sections of its O&M manual(s) to incorporate the inspection and reassessment intervals by CIS of Line 230B-200 *special permit segment* at a frequency consistent with 49 CFR part 192, subpart O.
10) The assessments of Line 230B-200 along the entire length of the *special permit inspection area* using ILI must conform to the required maximum reassessment intervals specified in § 192.939.

11) TGP must schedule future reassessment dates for Line 230B-200 along the entire length of the *special permit inspection area* according to § 192.939 by adding the required time interval to the previous assessment date.

12) TGP must ensure its damage prevention program incorporates the applicable best practices of the Common Ground Alliance (CGA) within the *special permit inspection area.*

13) TGP must give sufficient notice to the Director, PHMSA Eastern Region to enable him to observe any or all special permit related activities in the *special permit inspection area.*

14) TGP must determine and provide certification that all inspections and activities associated with this special permit will not impact or defer any of the operator's assessments for HCAs under 49 CFR part 192, subpart O, particularly those associated with the most significant 50 percent.

15) Within three months following the approval of this special permit and annually thereafter, TGP must report the following to the Director, PHMSA Eastern Region:

   a) The economic benefits of the special permit to TGP. This should address both the costs avoided from not replacing the pipe and the added costs of the inspection program (required for the initial report only).

   b) In the first annual report, fully describe how the public benefits from energy availability. This should address the benefits of avoided disruptions as a consequence of pipe replacement and the benefits of maintaining system capacity. Subsequent reports must indicate any changes to this initial assessment.

   c) The number of new residences, other structures intended for human occupancy and public gathering areas built within the *special permit inspection area.*

   d) Any new integrity threats identified during the previous year and the results of any ILI or direct assessments performed during the previous year in the *special permit inspection area.*

   e) Any reportable incident, any leak normally indicated on the DOT Annual Report and all repairs on the pipeline that occurred during the previous year in the *special permit inspection area.*

   f) Any on-going damage prevention initiatives affecting the *special permit inspection area* and a discussion of the success of the initiatives.

g) Any mergers, acquisitions, transfer of assets, or other events affecting the regulatory responsibility of the company operating the pipeline.

16) At least one cathodic protection (CP) pipe-to-soil test station must be located within each HCA with a maximum spacing between test stations of one-half mile within an HCA. In cases where obstructions or restricted areas prevent test station placement, the test station must be placed in the closest practical location. This requirement applies to any HCA within the *special permit inspection area.*

17) If any annual CP test station readings on Line 230B-200 within the *special permit inspection area* fall below 49 CFR part 192, subpart I requirements, remediation must occur within six months and include a CIS on each side of the affected test station to the next test station and identified corrosion system modifications to ensure corrosion control. If factors beyond TGP's control prevent the completion of remediation within six months, remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Eastern Region not later than one year after the grant of this special permit.

18) Anomaly Evaluation and Repair:

a) General: TGP must account for ILI tool tolerance and corrosion growth rates in scheduled response times and repairs.

b) Dents: TGP must repair dents to Line 230B-200 in the *special permit inspection area* in accordance with § 192.933.

c) Repair Criteria: Repair criteria apply to anomalies located on Line 230B-200 within the *special permit inspection area* when they have been excavated and investigated in accordance with §§ 192.485 and 192.933 as follows:

i) *Special permit segment* - repair any anomaly with a failure pressure ratio (FPR) less than or equal to 1.39 for pipe operating at up to 72 percent of SMYS and any anomaly greater than 50 percent of pipe wall thickness.

ii) *Special permit inspection area* - the response time must be in accordance with 49 CFR part 192, subpart O, the applicable edition of the American Society of Mechanical Engineers Standard B31.8S, *Managing System Integrity of Gas Pipelines* (ASME B31.8S) and TGP's Integrity Management Program.

d) Response Time for ILI Results: The following guidelines provide the required timing for excavation and investigation of anomalies based on ILI results. Reassessment by ILI will "reset" the timing for anomalies not already investigated and/or repaired. TGP must evaluate ILI data by using either the ASME Standard B31G, *Manual for Determining the Remaining Strength of Corroded Pipelines* (ASME B31G), or the modified B31G (0.85dL) for calculating the predicted FPR to determine anomaly responses.

i) Special permit segment:

- Immediate response: FPR equal to or less than 1.1 and anomalies equal to and greater than 80 percent of pipe wall thickness;
- 1-year response: pipe operating up to 72 percent of SMYS - FPR equal to or less than 1.39 and anomalies equal to and greater than 60 percent of pipe wall thickness;
- Scheduled response: pipe operating up to 72 percent of SMYS - FPR greater than 1.39 and anomalies less than 60 percent of pipe wall thickness.

ii) *Special permit inspection area:* The response time must be in accordance with 49 CFR part 192, subpart O, ASME B31.8S (applicable edition) and TGP's Integrity Management Program.

19) PHMSA may extend the original special permit segment to include contiguous segments of the Line 230B-200 up to the limits of the *special permit inspection area* pursuant to the following conditions. TGP must:

a) Provide at least 90 days advanced notice to the Director, PHMSA Eastern Region and PHMSA Headquarters of a requested extension of Line 230B-200 *special permit segment* based on actual class location change and include a schedule of inspections and of any anticipated remedial actions. If PHMSA Headquarters makes a written objection before the effective date of the requested special permit segment extension (90 days from receipt of the above notice), the requested special permit extension does not become effective.

b) Complete all inspections and remediation of the proposed special permit segment extension to the extent required of the original Line 230B-200 *special permit segment.*

c) Apply all the special permit conditions and limitations included herein to all future extensions.

Limitations

PHMSA has the sole authority to make all determinations on whether TGP has complied with the specified conditions. Should TGP fail to comply with any conditions of this special permit, or should PHMSA determine this special permit is no longer appropriate or that this special permit is inconsistent with pipeline safety, PHMSA may revoke this special permit and require TGP to comply with the regulatory requirements of 49 CFR part 192.611.

AUTHORITY: 49 U.S.C. 60118 (c)(1) and 49 CFR part 1.53.

Issued in Washington, DC on MAR 1 0 2008.

Jeffrey D. Wiese,

Associate Administrator for Pipeline Safety