U.S. DEPARTMENT OF TRANSPORTATION

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PIPELINE AND HAZARDOUS MATERIALS

SAFETY ADMINISTRATION

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JOINT MEETING OF THE GAS PIPELINE (GPAC) AND

LIQUID PIPELINE (LPAC) ADVISORY COMMITTEES

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FRIDAY

AUGUST 9, 2013

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The Advisory Committees met in the F. Scott Fitzgerald Ballroom, The Westin Arlington Gateway, 801 N. Glebe Road, Arlington, Virginia, at 8:30 a.m, Colette Honorable, Chairperson, presiding.

PRESENT
COLETTE HONORABLE, Chairperson
LANNY ARMSTRONG
MICHAEL BELLMAN
TODD DENTON
ANDREW DRAKE
RICHARD FEIGEL
TIMOTHY FELT
SUSAN FLECK
WAYNE GARDNER
ROBERT HILL
RICHARD KUPREWICZ
CHARLES LESNIAK III
RON McLAIN
CRAIG PIERSON
DONALD STURSMA
CARL WEIMER
RICHARD WORSINGER
JEFF WRIGHT
CHAD ZAMARIN

ALSO PRESENT
JEFF WIESE, Designated Federal Official
TERRY BOSS, Interstate Natural Gas Association of America (INGAA)
DWAYNE BURTON, Kinder Morgan
LINDA DOUGHERTY, PHMSA
JOHN GALE, PHMSA
BLAINE KEENER, PHMSA
PETER LIDIAK, American Petroleum Institute
ALAN MAYBERRY, PHMSA

CHRISTIE MURRAY, PHMSA
AMY NELSON, PHMSA
CHRISTINA SAMES, American Gas Association
CAMERON SATTERTHWAITE, PHSMA
MARK WARNER, Questar
CHERYL WHETSEL, PHMSA

C-O-N-T-E-N-T-S

C-O-N-T-E-N-T-S (CONTINUED)

P-R-O-C-E-E-D-I-N-G-S

8:33 a.m.

MR. WIESE: We are going to go ahead to go ahead and get started. So, if everybody could take a seat? Thank you.

So, good morning, everyone. I hope you had a great night last night.

Welcome to our typical Washington weather. Those who are from town know we have had a break recently. It has been in the seventies and eighties and dry, but now we are back to like Houston. So, you guys feel right at home, any of you from Houston, right?

Very good. Well, welcome back to day two of the Joint Session of our Pipeline Advisory Committees.

In just a second, I will be turning the reins over to our esteemed ringmaster, Colette Honorable, Chairman down in the Arkansas Public Service Commission, and I think it is fair to say incoming President of the National Association of Regulatory

Utility Commissioners.

We are very pleased to have her here today. Always happy to have her next to me running a meeting.

So, today, if you can bear with us a little bit, we talked to some of the members who need to catch planes, and we want to try to jostle things a little bit. Since we don't have a vote today, I hope you will bear with us.

I thought what I would do is, when Amy cues me and tells me that she is ready, we may do the mapping thing first. Then, we will do IVP.

And I wanted, in particular, in the IVP session -- so, heads-up to any of you who want to -- Steve Nanny is going to do about a 15-minute overview for those who weren't at the day-long workshop, just high-level overview.

Then, I want the members to each have the time to get on the record.

Hopefully, no 15-minute soliloquies, but five minutes to get on the record or something like that. This is an ongoing discussion.

So, after that, we will come back and we will have Blaine Keener talk about the data, which those of you who were in the workshop already saw. And then, we will come back and talk about public awareness.

And we will run it pretty hard and fast. So, hopefully, everyone will be out of here at lunch break. Does that work for you? Okay. Very good. I am just trying to accommodate, get people home in time for the weekend with their family.

So, with that, maybe we will just unofficially do introductions because there are always new people who show up here.

So, my name is Jeff Wiese. I am Associate Administrator for Pipeline Safety at the U.S. DOT's Pipeline and Hazardous Materials Safety Administration.

I think maybe we will introduce

the PHMSA crowd, and then, we will walk around the table, starting with Ron.

MS. DAUGHERTY: Linda Daugherty, Deputy Associate Administrator for Field Operations, kind of, and Region Director in Kansas City.

MR. MAYBERRY: Good morning.

Alan Mayberry, Deputy Associate Administrator for Policy and Programs here in D.C.

MR. SATTERTHWAITE: Cameron Satterthwaite, Regulations.

MR. GALE: John Gale, Regulations.

MS. NELSON: Amy Nelson, GIS Manager.

MS. WHETSEL: Cheryl Whetsel, also in Regulations.

(Other introductions made off-microphone.)

MR. WIESE: Ron?

MEMBER McLAIN: Ron McLain. I am the President of Product Pipelines for Kinder

Morgan Energy Partners.

MEMBER FEIGEL: Gene Feigel, Vice President, Risk Analysis, the Hartford Steam Boiler Inspection and Insurance Company. I am on the Gas Committee.

MEMBER ZAMARIN: Chad Zamarin, Chief Operating Officer, NiSource, Midstream, on the Gas Committee.

MEMBER WRIGHT: Jeff Wright, Director of Office of Energy Projects, Federal Energy Regulatory Commission, Gas Committee.

MEMBER DRAKE: Andy Drake, Vice President, Asset Integrity, U.S. Operations, Inspector, Energy, Gas Committee.

MEMBER HILL: Robert Hill, Brookings County Development Director, and I am on the Gas Committee.

MEMBER FLECK: Sue Fleck. I am Vice President of Engineering Standards and Policy at National Grid, and I am on the Gas Committee.

CHAIRPERSON HONORABLE: Colete

Honorable. I am with the Arkansas Public Service Commission and NARUC First Vice President.

Pleased to be with you all today, and I want to offer my regrets for not being in attendance yesterday. I had a previously-scheduled meeting with one of the participants who is former Secretary Rodney Slater. So, he sends his regards to all of you.

And I am on the Gas Committee.

MEMBER BELLMAN: Mike Bellman, Deputy Director of Gas and Light for the City of Richmond Municipal Utility, and I am on the Gas Committee.

MEMBER DENTON: Todd Denton, President, Phillips 66 Pipeline, Liquids.

MEMBER STURSMA: Don Stursma, Manager of Safety and Engineering, Iowa Utilities Board, Gas Committee.

MEMBER WORSINGER: Rich Worsinger, Director of Utilities for the City of Rocky Mount, North Carolina. I am on the Gas

Committee.

MEMBER WEIMER: Carl Weimer, Executive Director of the Pipeline Safety Trust, Liquids Committee.

MEMBER FELT: Tim Felt, Colonial Pipeline Company, on the Liquids Committee.

MEMBER PIERSON: Craig Pierson, President of Marathon Pipeline, Liquids.

MEMBER KUPREWICZ: Rick Kuprewicz, President of Accufacts, Incorporated, on the Liquids.

MEMBER ARMSTRONG: Lanny Armstrong, Fire Chief, City of Pasadena, Texas, Liquids Committee.

MR. WIESE: Okay. Very good. I think we got everyone.

I am not going to go around the audience, although it is small enough today that I could make you all introduce yourselves.

But since time is of the essence here, just kind of a couple of quick other

things and I will turn it over to Colette.

The primary purpose of our meeting today is to really get the advice and counsel from people on this federally-chartered Advisory Committee. So, we will be here to hear from them.

Time permitting, we will provide an opportunity, at Colette's discretion, you know, if we have time, for public comment on topics that we are talking about. But we are primarily here to hear from the Committee.

If and when we have the opportunity -- we don't have any votes. So, if we had a vote, we would definitely make time. But, since we don't have a vote, we will just play it by ear, depending on timing. But if we do have time, I want to remind people from the audience, as well as people from here -- and we were slipping yesterday, a few people -- please try, since we are transcribing the meeting and everything that is said, to introduce yourself each time and

who you are with. It is really helpful to the court reporter. You know, generally speaking, we can guess that.

If you are from the audience and it is a public time, I assure you that we will try to, if you feel desperately about getting a point across, we will provide time for you. Just let us know.

What I cannot and will not abide by is people interrupting the Advisory Committee. It is a federally-chartered Committee here for a purpose. So, I am just doing that so everybody has common expectations. I do have Security alerted. If people can't abide by those rules, I will have you shown to the door, and I will do it quickly. So, let's be clear. Then, there are no hard feelings, right? I just want everybody to play it by the rule and be respectful, and we will get along just great.

The meeting is being recorded. We do remind the members that, when you have

something to say, that you take your tent card and put it up, so the Chairwoman can see that you have a question.

The meeting record, as I said, will be transcribed, and it will be available through regulations.gov. The docket number if PHSMA-2013-0156.

The last couple of things I will mention: thankfully, and by now, most of you know, there is a Starbucks on the first floor; thank you.

(Laughter.)

There are restrooms out the doors to the right and, then, all the way around to the left as you go out. And the fire exits are in the same location. So, I just want to make sure everyone knows in case there is something that happens, that that is where you need to go.

So, I think, with that, I will call the meeting to order and hand it over to the Chairwoman.

CHAIRPERSON HONORABLE: Thank you, Jeff.

As always, I look forward to these meetings. I am looking forward to being informed and looking forward to hearing from all of you.

And we will begin a little bit out of order this morning. We will hear from Amy Nelson. You heard her introduce herself as the PHMSA GIS Manager, who will visit with us regarding mapping.

Amy?

MS. NELSON: Good morning, everyone.

I'm Amy, and it is great to meet so many people that I have heard of or talked to on the phone over the years.

So, today I am going to talk about the National Pipeline Mapping System and some much-need improvements that we are making to it.

But, first, I want to kind of take

us back to 1998. Now most of us probably remember 1998, right? Well, this is what some common home pages of popular websites looked like in 1998. This is what was on the news. This is what you paid for a gallon of gas in 1998.

(Laughter.)

This is the latest in cutting-edge technology with the iMac and the big, old cell phone.

And this is what people looked like in 1998. Okay?

(Laughter.)

So, yes, a lot has changed, right? For one thing, the price of gas. But what hasn't changed since 1998? Well, the data the NPMS collects.

So, in 1998, the NPMS data standards were written in a Joint Committee with industry and PHMSA. And I heard that there would be kind of a mixed level of knowledge about the NPMS in the room and about

knowledge about GIS as well.

So, I am just going to briefly say the NPMS is our program of collecting geospatial data from operators, analyzing the data, and disseminating it. Gas transmission and hazardous liquid operators are part of this program, and gas distribution and gathering are not.

So, when the standards were drafted in 1998, they kind of reflected the state of GIS and GPSes at that time, GPSes having an evolution somewhat similar to cell phones. So, at the time the accuracy for GPSes was pretty poor, and GIS was not in its infancy. In fact, it kind of began in the seventies or eighties, but it was not as widely used.

When the standards were drafted, the optional submissions began circa 2000/2001. That is when the first NPMS web-mapping applications were launched, in the spring of 2001. But the attributes collected

were minimal because submission was optional, and we wanted to encourage operators to submit, so as not to make it too much of a burden on them.

And then, the Pipeline Safety Improvement Act of 2002 made it mandatory to submit the data to the NPMS, but there was only six months between that Act being passed and submissions being due for the first time. So, PHMSA opted not to change our data standards.

Now, it being 2013, we are seeing so many deficiencies in the dataset; it is lagging so far behind what we know that operators have and what technology can do.

This ties into PHMSA's reauthorization mandate, which had a couple of specific mentions for the NPMS, saying that we must promote greater awareness of it and also saying the Secretary has the power to collect additional geospatial data.

So, as a result, we are drafting

the information collection to obtain the data that we need to do our mission; specifically, mission goals of safety, environmental stewardship, reliability, and assisting emergency responders, as well as the government officials and other stakeholders that we work with.

The information collection is still being drafted. It is not in its final state yet. So, I am going to talk in general terms about what will be in it.

We are going to tighten the positional accuracy. Currently, that is plus or minus 500 feet. In fact, I have a diagram coming up which will show you exactly how many pipelines can fall in that 500-foot swathe. It is a lot of pipelines.

We are going to collect additional pipeline attributes. One example is pipe grade.

We are going to collect additional pipeline-related facility data. So, this is

a little different because, first, we are talking about the pipeline itself and attributes of the pipeline. Pipeline-related facility data is something like a pump station. So, that is a point, instead of a line, it is a point that sits on the pipeline. It is a separate feature.

We are going to slightly modify the LNG plant attributes, and we are going to make breakout tank submissions mandatory. They are currently optional, and we currently have definitely less than a 50-percent rate for breakout tanks.

Here's the timeline that we are operating on. We are just kind of wrapping up our internal comments right now in the information collection. It will be published in fall 2013. There will be a 60-day comment period. We expect the Final Notice sometime in 2014. So that the earliest we would start collecting this data from the operators is 2015.

A big part of the puzzle here is the security of the new data. We are all concerned about that. We know that some of the things we would like to collect are very security-sensitive. And we are going to be working with TSA on a suitable policy to protect this data. And again, it is very unlikely that most of this will appear to the public.

This is how the data is going to help us meet our mission goals. We need to better identify, regulate, and respond to emergencies for our regulatory assets. And to do that, we need to know where they are and exactly what type of asset it is.

We have risk-ranking algorithms that could be greatly strengthened by having more information about the pipe and running it through the GIS. Things like coating, SMYS, and MAOP are sample inputs to the risk-ranking algorithms.

The improved positional accuracy

that we are shooting for will help us more accurately locate the pipe, especially in areas where there is a lot of pipelines in the right-of-way.

And we have key internal tabular datasets that refer to features that are not in the GIS. I will give you a few examples of this. And we would like to link more of our tabular data to the GIS, so that we can analyze things geospatially. We can see on a map a pattern that you can't see when you are leafing through pages and pages of tabular data.

The color is a little bit faint here, but I think you can see that circle. That is a 500-foot circle. You know, there are many, many areas like this where we have got at least two dozen lines in that 500-foot radius. So, again, the 500-foot accuracy means a line could fall anywhere within that circle, no matter where it actually is on the ground.

And here are two examples of referencing data that the NPMS does not have. It is from our Data Mart, which is our kind of big collection of most of the tabular datasets that we collect, things like inspection records.

And again, I know you can't read it, the scale. But the first one refers to pump and compressor stations. It says it runs -- let me see if I can laser this here -- it runs from Station 50 through Station 54. What this is is a description of an inspection unit, which is the boundaries that an inspector inspects when they go out on an inspection.

So, how do we know where this is if we don't have the pump and compressor stations? Well, today either we can use an auxiliary commercial dataset, which usually, almost always, doesn't line up exactly on our pipelines, or we can pour through aerial imagery to say, "Is that a pump station or is

that a 7-11?" And that is kind of what we have been doing to date.

The second example, which is even fuzzier, talks about diameter. The unit consists of 153 miles of 20-inch line. Again, this is a way to define that inspection boundary.

Now, diameter, you might be wondering why I have this up here, because isn't it mandatory? Well, no, it is actually optional, and we get the records from 75 to 80 percent of pipeline operators, but not all of them. And it seems like, whenever you are looking at a line, the one you want doesn't have the diameter entered.

This is how we went about writing the information collection draft. We talked to all levels of PHMSA. We talked to the Regional Directors down to Inspectors in the field, you know, all different groups, to talk about our mission needs.

We looked at the data we currently

collect, and we said, where are the holes?

And I would like to extend my sincere thanks to five operators who I visited to interview about their GIS data. That would be NiSource, Marathon, National Grid, Colonial, and Access Midstream. They all spent a day or two with me and Leah and shared the data, and talked about what is in their GIS and what is not in their GIS.

And I also spoke with some current and former industry employees about, again, what is in their GIS; what would it take to get things into their GIS, if needed.

One of the other benefits that we hope to realize with this information collection is to simplify the annual reports. Now I have been at PHMSA for about seven-and-a-half years now. Over the past at least 10 years, we have made a couple of attempts to change the annual report and start collecting that data through the NPMS instead of the ARs. And to date, we have had mixed success, but I

think that technology and the industry is reaching a point where this is very feasible.

We don't want to collect duplicate data. We don't want you to have to prepare both the NPMS and the annual report. We are actually trying to simplify what you collect and just have this in your NPMS submission. After you do it the first time, it should be easier just to kind of spit out those figures.

For example, you pipeline construction, in the annual reports it is by decade. We are considering having it by actual year. So, if it is in your system by the actual year, you don't have to dumb it down anymore for the annual reports. It will just spit out of your system what you have in there.

And we hope that eventually, past the initial hump here, it will provide you with easier and faster annual report preparation. But the big benefit is the data will be so much better quality and more

precise.

A couple of ways in which we will use the new data. There is a lot of text here.

But promoting public awareness. This goes back to the reauthorization and improving our public awareness, and helping our emergency responders in a more complete way.

The second bullet talks about more powerful analysis. Like I said, you can see patterns in geospatial data that aren't apparent anywhere else. If you want to, for example, trace a pipeline back through different operators, you basically have to rely on institutional knowledge to know who operated this pipeline in the past.

Well, we have implemented something we call historical tracking that tracks a pipeline every year. What happened to it? Did it change operators? Did it change commodity? Was there a reroute? Was

there a lateral added?

So, this provides us with a much higher level of analysis, which, of course, will help our program evaluation and decision support, et cetera.

I talked about the risk-ranking algorithm, how it is really going to strengthen that.

And assisting our emergency responders in a more complete way by providing them with just better pipeline maps and more comprehensive data about the pipelines that we are all protecting. Certain aspects, like pressure, might come into play when responding to an emergency.

And last, helping our in-house inspectors by more accurately identifying the pipelines and giving inspectors more information when they are going out on the inspections.

Now we have the possibility to have a link between the tabular data and the

geospatial data. Then, we can show that data through our GIS, whether it be internal or external.

Okay. That wraps up my presentation. I thank you for your time, and I will take questions.

CHAIRPERSON HONORABLE: Thank you, Amy.

Let's begin first with the Joint Committee. If you will turn your placards if you have a question? And then, we will take any from the audience.

We will begin with Sue. Please identify yourself for the record.

MEMBER FLECK: My name is Sue Fleck, National Grid, and I am on the Gas Committee.

I have two questions, Amy. And we enjoyed your visit at National Grid.

MS. NELSON: Thank you.

MEMBER FLECK: I got some very positive feedback.

The first question is about distribution systems. Most of what you talked about today is more information about LNG plants, transmission lines. You are not really looking for geospatial on distribution systems yet. It is more just the how many miles of pipe kind of thing?

MS. NELSON: That is correct.

MEMBER FLECK: Great.

MS. NELSON: It is a no answer; we are not looking for distribution lines.

MEMBER FLECK: Perfect, because that would just be an abnormally huge amount of data.

The second question is you mentioned that you guys do -- you said something.

(Laughter.)

CHAIRPERSON HONORABLE: She caught you.

(Laughter.)

MR. WIESE: You have just got to

reserve your rights there.

(Laughter.)

Mains maybe; service lines, I doubt.

MEMBER FLECK: Not in this round?

MR. WIESE: Not in this round.

MEMBER FLECK: Okay. Great.

The second question, you mentioned that you do a risk-ranking. You have your own algorithm. Do you share the results of that with the companies, where you see our risk versus where we see our risk?

MS. NELSON: I might be the wrong person to answer that. There is a specific committee that does the risk-ranking, and we provide inputs to them. Now how exactly they disseminate it, I will have to refer to someone else.

MR. WIESE: Yes. I will just say that ranking is done for the purposes of scheduling our next inspections. So, we don't demand a level of precision at decimal-place

accuracy because it is really about just scheduling.

But I will tell you that, yes, we do use the aggregate data to call in operators that we are concerned with. So, if you haven't had a phone call from us recently, probably you are not at that list, and I doubt many of the members here would be. But we do use it to call operators in and have conversations about their performance.

MEMBER FLECK: Thank you.

CHAIRPERSON HONORABLE: Carl?

MEMBER WEIMER: Carl Weimer, Liquids Committee.

The recent reauthorization from 2011 under "public awareness" had a mandate to provide HCA information on NPMS, but it was a little less clear -- and I know it is hard to believe that Congress was not totally clear (laughter) -- whether that information was going to be part of the public dataset or not. I was wondering if you can talk to that.

MS. NELSON: I don't believe there was anything released about it being part of the public dataset. When we say "high-consequence areas," there is a couple of different data layers that make that up. There is the population data layers, high-populated and other populated areas. Now that is Census data, and that is releasable to anyone. That is on our website right now.

The ones that are more sensitive are the drinking water and the ecological areas. So, we are actively looking to update those. It has been a long time. I think it has been about since 2002, is when we compiled those datasets. So, yes, we are looking to update those. And again, I think TSA would certainly have to be part of the discussion about whether those could be released publicly. And Jeff might have mor to say about that.

MR. WIESE: I apologize, I won't jump in on every one. But I would want to say

on that one, Carl, the Congress wasn't terribly well-informed on that one. As you may recall, on drinking water, we made over 10,000 phone calls to drinking water supply just to get the data. There is no readily-available source of data on sole-source drinking water supplies, right? So, without an adequate alternative backup, that is the long definition.

So, we are not in a position to replicate that methodology. So, what Amy and others have been doing is talking to EPA about alternative definitions that might be out there that can be adopted.

When it came to eco, which was one of the ones that were in there, we had to strike agreements with every state's heritage conservation society and pay them money in order to get data. So, I would just tell you it is really hard to replicate that methodology.

Clearly, on population, we will

update that anytime we can, you know, and Census provides us that.

The last comment on this, you know, the reason that high-consequence areas were generated to begin with, we should be clear, was so that operators would prioritize their assessments and their repair schedules to areas where the consequences could be worse if there was a failure.

We are now through a minimum of one or two baseline periods on there. So, I think the overall concepts, while still having some validity, you know, the urgency has changed markedly.

So, I would just say you saw the list of things that we have to work on. You know, to make 10,000 phone calls and strike 50-some new agreements is probably not a high priority. And fortunately, here is one of the cases I find myself with my friend Rick agreeing; you know, we have to pick and choose at some point.

Yes, that Rick.

(Laughter.)

CHAIRPERSON HONORABLE: He wanted that noted for the record.

(Laughter.)

Don? Is your microphone on?

MEMBER STURSMA: I didn't push it hard enough.

Don Stursma, Gas Committee.

In a conversation the other day -- first of all, I don't use NPMS a whole lot, so I am not real familiar with all it can do. But a counterpart in another state was looking for information on a pipeline that kind of went in and out and then back in his state. And the view he gets right now showed the route inside his state, but he could not get an expanded view that showed more of the pipeline, not including the part in the neighboring state. Is that something that could be easily -- how hard would it be to get a little bit of an expanded view maybe in

cases like that?

MS. NELSON: Okay, Don, what I think you are talking about is that state officials have access to their state jurisdiction on the web tools. So, it would cut him off at a state boundary, and that is why he couldn't see the pipeline going out of his state.

He can use the public viewer. That is a tool that lets you see one county at a time. And we crafted that as kind of a balance between the public right to know and security concerns about identifying vulnerable points on pipelines. So, he could see that with his public viewer.

And as a matter of course, if state officials are requesting data for county that surround their state, I approve that access. So, if he contacts me, I am happy to work with him, and we can talk about the border of the states.

I know that some of your emergency

response plans, they don't stop at the boundary. They go beyond the boundary.

MEMBER STURSMA: Okay. Thanks. I think he was looking for something a little less granular than the county level, but I may tell him that I know who he should call now.

(Laughter.)

MS. NELSON: Yes. Please do.

CHAIRPERSON HONORABLE: Ron?

MEMBER McLAIN: Amy, on your slide that showed the --

CHAIRPERSON HONORABLE: I'm so sorry. Will you identify yourself for the record?

MEMBER McLAIN: Oh, Ron McLain, Liquids side.

On the slide that showed the 500-foot radius and the congested corridor, really to resolve that problem, I mean, everyone would have to go to submeter accuracy or maybe even better than that. I don't think that is what you would propose.

But I guess a comment that you are probably never going to resolve that. So, what kind of accuracy do you think is reasonable?

And then, kind of a followup is the higher accuracy required, the more likely of non-compliance. For instance, an operator has thousands of miles of pipes. Maybe the majority of it is within 100 feet or 50 feet. Some may be submeter. But there is also the consequence that, even though you try, the tighter the tolerance gets, the more likely it is a violation. So, how would you address that?

MS. NELSON: Well, thanks for asking the question I was expecting, first of all.

(Laughter.)

And, yes, it is true that the problem with all the congested pipelines is always going to be a problem in the sense that we are not looking for submeter accuracy.

And, yes, it is possible that a company could misplace lines. Sometimes they run on top of each other, and we don't have an elevation value in our data.

What we are looking for is something much, much finer than 500 feet, and it might even be in the single digits. But that is just what we are thinking. You know, this is being refined. There will be a comment period.

Did you also ask about how operators would fulfill that?

MEMBER McLAIN: No, the second part was on the more granular, the more likely a company, even though they are trying, with large systems is non-compliant. I mean, 500 feet --

MS. NELSON: All right.

MEMBER McLAIN: -- is a fairly low bar, and I don't think that is what industry would argue for, but it still has to be enough tolerance that you can practically do it

across a large system and not have non-compliance.

MS. NELSON: Right. Well, we certainly know that refining the accuracy to such a great extent poses a burden to operators. We are going to give the operators enough time to re-GPS lines, if needed. But we do feel that, with the state of GPS, they should know where their lines are within a certain tolerance, and it is less than 500 feet; it is less than 100 feet. It is much less than 100 feet. So, we expect that operators should know their lines to this extent. For older lines that might need to be re-GPSed, we are building the time into the timeframe of this information collection.

CHAIRPERSON HONORABLE: Gene?

MEMBER FEIGEL: There are a number of geocoding algorithms out there, commercial and private, and so on and so forth.

CHAIRPERSON HONORABLE: And I'm sorry, Gene, will you identify yourself?

MEMBER FEIGEL: Oh, I'm sorry. Gene Feigel, Gas Committee.

There are a number of geocoding algorithms out there. I am just interested in how you -- and they are all going to give different results.

MS. NELSON: Okay. Are you asking about the whispering thing --

MEMBER FEIGEL: No, no, no, no. No, I'm asking about -- "normalizing" isn't quite the right word, but how you normalize this data. If the inputs are based on different geocoding algorithms and you are sitting there with one database, it is not a matter of accuracy or inaccuracy. I mean, these are all algorithms. They are not specific point locations. In fact, some of that data is being accumulated, you are using normal geocoding methods. I am just curious about how that might affect your accuracy.

MS. NELSON: Okay. The way I would phrase it is projections. So, operators

submit their data in all different projections. An example of a projection is Albers is State Plane. That is probably the most common one.

So, a projection is basically just kind of a mathematical model of the earth. The globe is not flat, but we are asking for the data to be flat. So, it has to be transformed.

So, we take all the incoming data from about 1200 operators and we run it through another transformation, so it is in the same projection. So, it will all be on the map in the same data layer.

And, yes, it is true that that does tend to distort the lines a bit, but we find it is really the mileage that can be distorted, and that is in specific areas of the country or specific hilly areas. When you flatten out a hill, you are not going to have the same mileage as when you were looking at the actual elevation. But we find that, in

general, that is less than 2 percent of change in mileage or in positional accuracy.

So, those are the tools we have. We use Esri software, and the tools have the mathematical routine they go through. And those are the best tools anyone has.

CHAIRPERSON HONORABLE: Chad?

MEMBER ZAMARIN: Chad Zamarin, Gas Committee.

Just to follow up maybe on Ron's comments, I have got a couple of questions. First, I think it is important just to note that the better the accuracy, the higher the cost for the operator. It sounds simple. GPS technology has come a long way, but it still requires an extensive amount of manpower and expense to go out and survey lines. We typically focus those efforts on the larger-diameter, the higher-risk, the higher-priority areas.

But, also, I think my question would be, are we talking, in effect,

regulating an accuracy of an operator's pipeline? Because there are many parts of the code in which we account for error in the accuracy of a route. For example, where we do our high-consequence area analysis, we may assess the accuracy of our routes and add a buffer into our analysis.

But the reality is there are pipelines that are oftentimes not as accurate as -- I think when you talk about a single-digit kind of standard for NPMS submittal, it sounds like a great target. But if you are talking about, in effect, creating a regulatory requirement to have an accuracy of your pipelines which is in effect, you are getting close to kind of submeter accuracy when you start talking about single-digit accuracy.

Are you actually, in effect, saying that there will be a regulation requiring that accuracy for pipelines and potential enforcement if you lines that don't

meet that accuracy level?

MS. NELSON: Thanks for your question. I guess I will start off by saying that we understand that changing the level of accuracy to such a great extent is a big burden on operators. And I have talked to multiple sources to get estimates as to how much of a burden it is. So, I think we do have a clear view of what that takes.

We do, however, feel that it is time for operators to give us a level of accuracy that is current with the times. And, yes, there may be lines that need to be re-GPSed, but they already should have been re-GPSed.

I would certainly invite you to make comments on the information collection about this. And ask whether it could be enforced in a regulatory way, I might ask Jeff about that one.

MR. WIESE: I have deputized Amy to go out and look for you guys. All right?

(Laughter.)

An interesting question. I will say the information collection itself would not provide that, right? It would have to be done through some other means.

And we understand your points, and they are well-taken. One of the things Amy and I were talking about, though, in this, you get, and all of you, and particularly at your companies because you participated in our pilot, understand that we are dealing with stuff, a model that is over a decade old. We together want to build something that we can use in the future, not just today. So, I think we should be a little aspirational here. We are not saying submeter, you know, but, clearly, 500 feet is not acceptable.

Carl, you are going to come to my aid, I assume at some point.

(Laughter.)

You know, Carl has been working me for years about this 500-foot. You know, it

is a pretty embarrassing position to be in when I am standing in front of the public, to tell them we can tell them where pipelines are plus or minus 500 feet, and that puts them well beyond where they need to worry about it.

So, I think those are the types of things we will work through in the Committee. If you will allow me, since I have the microphone, I would say we are open to alternatives, too. I mean, we can't close our minds on alternatives.

I spoke with a gentleman the other day about a project that they have started with Google, which makes a lot of this information available and constantly updated by an operator, where you can tunnel-in, you know, as a regulator to get it. The public could tunnel into a certain level that is agreed upon and see that stuff, but it maintains an ever-evolving, constantly-fresh database.

So, I just think we want to think

about a variety of constituents' needs and think about the future, you know, but, clearly, in HCA areas and stuff like that, you know, I have a hard time saying you shouldn't have 5-foot accuracy on that. Sorry, but I just think there are too many lives at stake for us not to have accuracy. And I think you would agree.

MEMBER ZAMARIN: Yes, I am not implying that 500 is acceptable, and I do agree. I think we should aspire to have the most accurate routes possible. My comments are only to point out that I don't think it is trivial, and there are areas of our systems where you can't achieve submeter. You know, in mountainous terrain, it is sometimes very difficult to get the same accuracy that you can get in the open plain.

And so, I agree; I think setting an aspirational target -- my question is, are we going to box ourselves into something that causes a lot of pain and frustration. And so,

I support a much better quality of data, but I think we just need to work through some of the challenges that it may pose.

CHAIRPERSON HONORABLE: Andy?

MR. FINLEY: It is Andy Drake with Spectra Energy.

I echo very much the same point. I think there are a lot of issues to deal here. Certainly, a lot has changed, and 500 feet should not be our target at this juncture. And I don't know that anybody is really arguing about 500 feet and needing to get better than that.

Most all of us are moving in that direction. I mean, many of us are using GPS and we are down submeter at the point. But I think the question of that regulation does make everybody a little nervous because in between point-to-point, especially when you start dealing with vertical issues, you are not plus or minus 3 feet in between point-to-point on GPS.

And so, if we were regulating that, I don't even know how frequently you would have to gather GPS data to stay submeter on the actual route of the pipe the whole way, especially when you start doing vertical changes.

I think the other thing that comes into play, and I think how you play this may be the best thing, as you are alluding to Jeff, is rolling it out, trying to get a lot of information to make sense of this. What is the greatest common denominator? Because base maps, you know, the USGS maps that we base this on have tolerances, some of which are pretty high. And when we put our stuff on there, it is really dependent on where they are when we try to lay it on top of that.

And I think there are just a lot of issues to work through, but I do think that striding that direction is the right answer, but trying to be careful of what is possible versus what is practical. I mean, if we run

a GPS pig and we use GPS data, and we do all this, we can get to these numbers, but even when we lay that down on top of these systems, we are still going to be off by more than submeter. And I think that is the point. Practicably, what are people doing and how does it all work together in aggregate.

And I think you will set kind of an aspirational goal for people to work towards and through, but at the end what you would actually regulate is probably a net of a lot of things working together that aren't somebody being reckless or negligent. It is just the reality of the constraints of what they are dealing with.

MS. NELSON: Yes, thanks, Andy. And again, I invite you to make comments on the info collection when it is released.

You know, we do understand that there is always going to be some distortion with the elevation, with the projection, with the reprojection, with the base maps, although

I disagree that -- I believe most operators are not using the USGS-based maps anymore because the vast, vast majority of our operators are collecting GPS points and putting it directly in the GPS.

So, you start at a certain point, and it gets a little bit distorted, but we are not going to start at the 500-foot point anymore. Even though the distortion is smaller, you know, percentage overall, or smaller mileage amount as a percentage compared to if you start really tight, then it could end up being distorted. If you start at 5 feet, it could end up being distorted to 10 feet through the process.

But still, we still need to tighten it, and we do understand that, even with the best efforts, the nature of the round earth and the flat data is that things are going to get a bit distorted.

CHAIRPERSON HONORABLE: Is that Ron's card or Gene's?

MEMBER McLAIN: Okay. Ron McLain again with the Liquids Committee.

And just to clarify, sometimes technology has stuff you can do, but it doesn't mean you should. This is one of those cases that the technology may let a certain accuracy be achieved, as Andy said, but when you set the minimum or the mandatory requirements, you have to consider what can be one in all situations. And that is a much broader number, and that is a lot better than 500 feet, I think. But when we mandate a standard, it can't be for what can be done at a point; it is what can be done everywhere. So, anyhow, just a comment.

MS. NELSON: Thanks for the comment. If you feel that standard should be different in different areas, please submit comments to the information collection.

CHAIRPERSON HONORABLE: Rick?

MEMBER KUPREWICZ: Rick Kuprewicz with the Liquids.

I guess from what I am hearing from the general discussion here is a general understanding, a little apprehension about the accuracy and the standard that is going to end up. I have got no problem with that. We spent years in Washington State after a city was nearly leveled trying to come up with maps. It is now in our State law. We have certain issues there, not that you necessarily want to emulate that particular process. There are always different ways to do things. So, you can reach some middle ground.

I would be real careful about portraying accuracies because the next step is someone is going to think these are actually real, and I don't need anymore death cases. All right?

One call is the effective system that works. It doesn't rely on GPS. It takes people out in the field. So, that is a good thing. We don't want to give anybody the impression that should be replaced.

As far as the process going forward, either the government can kind of get ahead of this and start working for what their needs are or you are going to see the big heavy-lifters. They are already starting, the Google maps, SkyTruth, those outfits, you know, they are going to other sources. They will get it to the public eventually. It would be nice to be able to say that the government, for their own particular needs, are doing these things.

So, it sounds like, from the discussions I am hearing, you can get there. It is just a question of when and how fast and how accurate. And I see a willingness in some of the industry here to move in that direction, and they are absolutely terrified of if you have got to be within plus or minus a couple feet. I think that is a valid concern on the industry side. So, let's just kind of work together and move this thing forward before it is moved for us.

Thank you.

CHAIRPERSON HONORABLE: I would now like to invite any members of the public who have a question of Amy. Please identify yourself, and you will know you will have to project because we don't have a -- or we will let them use one (referring to a microphone). Okay.

I am going to start here, the gentleman in the back first.

Thank you, John.

MR. WIESE: I am controlling it.

(Laughter.)

MR. BOSS: Terry Boss from Interstate Natural Gas Association of America.

I have worked on this thing ever since the inception of it, and we helped work up on the plus or minus 500 feet. That was a compromise at the time, realizing a lot of folks hadn't GPSed their units out there or their pipelines out there. And it was also realizing in some very rural areas there

wasn't a lot of good tie-in locations for that.

The important thing to recognize is that an accurate GPS location really doesn't do you any good unless you put it in reference with something. The 7.5-minute maps, where we are not using those to actually locate the pipelines, people are using the base maps to reference where you are at. They are plus or minus 160 feet.

So, you start put inaccuracies on top of each other, and that is where some of those numbers were coming from. We did a survey in INGAA in 2006 to see where folks were at, and we had gotten down to plus or minus 300 feet on where we are at. We may be a little better now on that sort of thing. But when you are talking about all the pipelines, all the locations, that is a very, very tough target. Can you get it in a particular spot? Yes, you can.

Thank you.

CHAIRPERSON HONORABLE: Thank you.

And there is a gentleman here.

MR. LIDIAK: Peter Lidiak with API.

Terry got at the head of the line on me again.

(Laughter.)

So, I want to support what Terry was just saying. I think, you know, we have done some work recently with locates to basically try to get people to use consistent nomenclature, consistent data, datums for referencing data, and making sure that that leads to better accuracy. I think you need to consider how to write that into your standards.

I was very happy to hear that you are considering simplification of the annual report. Back in 2007, we worked with Amy to try to do that, and it was more difficult. I hope we are closer to that now. I think API's members would support simplifying the annual

report in lieu of reporting this data.

Finally, the other thing I would ask PHSMA to consider is that it has been since 1998 since the system was built, and the user interface is, frankly, very clunky and very difficult to use. So, while you are collecting this information, you ought to consider a complete redesign of the user interface.

Thank you.

MS. NELSON: Thanks, Peter, and I hear that every day.

(Laughter.)

And I agree, it is clunky. And, yes, we are considering a redesign. Actually, right now, we are doing a small pilot that has an open GIS interface behind it, which means that it is going to look more like Google maps. If that is successful and we attain funding, we are going to consider rolling that out for the public viewer. So, we do definitely see that need. It really has just

been a matter of kind of funding getting started with it.

CHAIRPERSON HONORABLE: Thank you. Okay.

MR. WARNER: Mark Warner with Questar.

You talked about spatial accuracy of plus or minus 500 feet. What about linear accuracy? If you are looking at facility data, stations and other things, it goes back to the point that Terry made. You know, you need to reference it to something. Are you looking for station values? Are you looking for still just GPS coordinates of stations? What exactly are you looking for?

MS. NELSON: Yes, that is kind of still evolving. We will be looking for GPS coordinates of these stations basically. We understand that they are not always going to fall exactly on your pipeline because the line has an infinitely-small width in the GIS. So, that is still evolving. That does need to be

close enough that we can snap it to the line when needed.

CHAIRPERSON HONORABLE: Thank you.

I am going to look behind me now to see if there are any other members. Okay, very good, if you will come forward?

And, John, I want to ask if we could move this stand down here. And for those who have comments, they can just come on up, because we have got quite a bit to cover before you have to get on your planes and go home.

MR. BURTON: Dwayne Burton with Kinder Morgan.

My question is regarding security. I know you briefly touched on security. But one of the concerns is -- I don't call it conflict, but the overlay with the TSA concerns. What is your vision for the levels of identifying of who gets what level of security? I was pleased to see that you did have something in there concerning security

and being able to protect the security of the critical facilities.

MS. NELSON: I would answer your comment because, yes, security is really paramount in this project.

So, right now, we don't really have different levels of security in a sense that, if you are a government official, you can see all the data. It is just that your jurisdiction or your area, your extent is limited. And I think we would be looking at something like that.

I am not sure that we are going to, except for the federal level, the PHMSA folks may, probably will be able to see more of the data that we are collecting than other government officials. Again, this is evolving.

But we haven't discussed making state officials different from county officials, for example.

I hope that answered your

question.

MR. BURTON: It did. Thank you.

MS. NELSON: Thank you.

CHAIRPERSON HONORABLE: Any others? I certainly don't want to discourage you. I just thought we will save five-ten minutes in the long-run if you just step over to the microphone, if you have a question.

(No response.)

Hearing none, thank you, Amy.

I am going to turn it over to Jeff.

MR. WIESE: Well, thank you very much, Colette.

I asked for just a second because I wanted to express our gratitude to several of the members of the Committee. I know that NiSource and National Grid and Colonial and Marathon -- and I don't know if there is anyone here from Access -- but we are all gracious. We don't want to march into something like that and be uninformed, nor do

we want to have you uninformed about our capability.

So, the point of conducting those many little pilots was so that your people could talk to Amy, and vice versa, and we could really have a more intelligent discussion about it. We know and had asked that they brief-up, so that we could do that here in the Committee.

We are sensitive to some of the comments that were made. You know, we understand the challenges.

You know, Chad, I hadn't even really thought too much about the enforceability of it. But I think that that is something we should talk about.

But, clearly, to get into high-consequence area, I think we are all agreeing that needs to be as accurate as we can make it.

So, I think there are discussions yet to come on this. And I will close by

saying I really was asking that we get more creative and think ahead. You know, are there other solutions that meet individuals' needs?

I will be talking with this fellow who is playing with Google now to see what they are doing. You know, that is sort of an always-ready type of thing.

Right now, I don't know, the public probably doesn't understand, but a lot of our data is snapshot. You know, it is a year old at some particular point in time.

And we are attributing more and more to the issues of performance. That system has attributes and segments that include historical tracking. So, we don't want to attribute performance negatively or positively to someone long after they have sold a system, right? It has become someone else's.

So, it is important to have historical information both about the pipe and who operated it at one point in time, and

then, be able to draw that information out. And Amy has done, I think, an excellent job of really kind of bringing the NPMS along within the constraints that government imposes on us. But, you know, we can think ahead. Are there more creative solutions out there?

So, at any rate, mostly, I wanted to thank the members of the Committee for helping us with that pilot. Very helpful. Amy always came back really enthused and excited about the people that she got to work with in your companies. So, thank you very much.

So, I will turn it back to you, Colette.

CHAIRPERSON HONORABLE: Thank you, Jeff.

We will now move to agenda item 2. We will receive a briefing on Integrity Verification Processes, Steve Nanney.

MR. WIESE: There he is.

CHAIRPERSON HONORABLE: Come on

down.

MR. WIESE: If you will allow me, for the Committee members, I am just going to set this up very quickly by saying many of the Committee members, and those who were keenly interested in this, sat through a day's worth of this stuff the other day, and they have probably had all they can take of it.

Steve has blessedly boiled it down for about 15 minutes, kind of high-level overview of what is going on. The rest of that time, I wanted to allocate to the members, not the public, the members to get on the record with what their views are. There will be plenty of time for the public and others to weigh-in on the process, but I think it is important to hear from you. And then, we will move into doing sort of the data view.

But, again, knowing that many of you already sat through that, and it is a tad painful, there is a lot of data out there, we

didn't want to make you go through that twice. Blaine does the best job I have seen of telling it, but it is painful data.

MR. NANNEY: Again, my name is Steve Nanney with PHMSA. And I will be going over the Integrity Verification Process.

One thing before we get started is what I found out is you don't go on vacation because you can get the short straw as far as given some of this when you go on vacation.

(Laughter.)

MR. WIESE: At least you got to take one.

(Laughter.)

MR. NANNEY: Anyway, before we get started, if you will look over to the left side of the room, I am going to get up and just show you one minute.

CHAIRPERSON HONORABLE: Grab that microphone, Steve, on your way.

MR. NANNEY: Just so everyone knows -- and at the break or anything, if you

want to look -- we did put some posters together that show the process in a big size where folks like me that don't see very well can see what we are proposing and why.

The one thing, when you look at the chart -- and you will see this as I go through the overview -- is one thing you might look at is Step No. 9. It could easily be the first step, but it is the step where you break out whether it is in a high-consequence area or what we call a moderate-consequence area, which is the main driver as far as having to do mitigation, whether that is hydro test or ILI or some type of engineering-critical assessment.

With that, in our meeting on Wednesday, it was here at the Westin, and we had about 240 people there at the presentation, and we also webcast it. We don't know how many people were on the webcast yet.

MR. WIESE: Two fifty to 300.

MR. NANNEY: Two fifty to 300 is what Jeff said.

Also, we have a link to the workshop and the presentations have already been downloaded for anyone that missed it that would like to see any of the presentations.

The speakers, of course, were from the NTSB, Vice Chairman Hart. PHMSA had several speakers, Jeff, myself, Alan Mayberry. The Pipeline Safety Trust was there and had a presentation. NAPSR had a presentation, and several operators from the gas and liquids side.

Why we started the Integrity Verification Process was based upon, No. 1, the Pipeline Safety Act of 2011, which mandated some testing regulations. In other words, pressure testing or an alternate equivalent means, such as an ILI program, for all gas transmission pipe in a Class III, IV, and all HCAs. It has not been previously tested. Also, it said that you had to have

records to document the MAOP.

And then, from the San Bruno incident, we had three recommendations from the NTSB. One was to delete the grandfather clause and include a spike test for a pipe that was operating under the grandfather clause.

And the grandfather clause, if you go to the regulation and look at Part 192.619(c), this is pipe that probably has not had a hydro test or it has had a hydro test below 1.1 times the MAOP of the pipe. It also could be pipe that is operating above 72 percent SMYS.

The next NTSB recommendation was stability, and the NTSB from the San Bruno incident recommended a pressure test to 1.25 times MAOP to treat manufacturing and construction defects as stable. Yes, this is addressing seam issues in pipe.

And then, the last NTSB recommendation was piggable lines. They were

recommending that you configure all lines to accommodate smart pigs, with the priority given to the older ones.

With that, PHMSA put together the Integrity Verification Process. Our goal there was to establish a comprehensive program to address the congressional mandates and the NTSB recommendations. We put together, in our viewpoint, an engineering approach to go through the mandates and the recommendations and to address them, either by pressure testing, ILI, or new technology, including engineering-critical assessment.

The basic principles of the chart that you see over on the lefthand side of the room is this: one applied to higher-risk areas, in other words, the high-consequence areas, and a new term, "moderate-consequence areas," which I will define on the next slide.

No. 2 is the screen segments for categories of concern, in other words, the grandfathered segments, to assure that there

is adequate material and documentation of records and to perform assessments to establish the MAOP.

And to give you an idea -- and you will see this in Blaine Keener's presentation on the 2012 annual data -- if you look, the HCA mileage is 19,678 miles to date is what we have gotten in from the 2012 annual reports. And the moderate-consequence areas, we estimate to be about 71,000 miles.

And from that, when we went through a screening, we estimate that right now, based upon the data we have got, that about 33,000 miles of gas transmission pipe, or 11 percent of the gas transmission mileage, would be applicable to the IVP process.

Principle No. 2, screen for categories of concern. And those categories would be grandfathered pipe, pipe that lacked records to document the MAOP, lack of an adequate pressure test, operating pressures above 72 percent SMYS, and pipelines that have

a history of manufacturing and construction defects.

Principle No. 3 was to know and document the pipe material. In other words, if you do have missing or inadequate documentation, what needs to be the process to approve it?

And again, the bullets you see here are some that we put out for discussion. Should we cut out and test pipe samples? If we do that, how many do we cut out? In situ, non-destructive testing, can we validate a process where, when you go and you dig up the pipeline, that you can actually in the ditch test it and get a close, accurate measurement of what the strength of the material is. And also, to document the seam type. You know, if you look at what happened at San Bruno, one of the issues was inadequate documentation of the seam type.

And then, field verification of valves, flanges, and fabrications, is to have

a process to look to make sure of the appropriate ANSI rating, pressure rating of materials such as that.

And then, other verifications. In other words, is there some new technology that we should be developing or that is developing that we should be considering in this process? And that was part of what the workshop was, is to present the chart and the process, and then, to ask for comments, not only from industry, but from the public and from researchers, of what should we be considering here for this process.

Principle No. 4 was assessments to establish the MAOP. As you go through and you look at our process, you will see that our goal is to allow the operator to select the best option to establish the MAOP. And some of the candidate options that we are looking at, of course, are based upon the NTSB and the congressional mandate, is a Subpart J test with a spike test, derating pressure. In

other words, if you can't pressure test, if you can't run an ILI, what would be a better way of doing it? Maybe an operator would want to lower the pressure some percentage instead of pressure testing.

The next option was an engineering-critical assessment. You can always replace your pipeline with new pipe. And then, what other options should PHMSA consider?

And again, the sheet I have got here is the IVP chart, which is again over on the lefthand side of the room. The graph process steps, this is the main steps that we categorized it on the flowchart. It is a grandfather and an MAOP review. And the grandfather clause and the sections that we are looking at here is Part 192.619 in the code.

And then, an integrity review. Have you had seam issues? Have you had failure issues or leak issues with that

segment of the pipeline?

And then, the low-stress reviews are the MCA/HCA review, would be to see if it is applicable.

And then, we have got Steps 13 through 15 as a material documentation review. Process Steps 16 through 20 is an assessment and analysis review. And then, Process Step 21 is an implementation.

Again, looking at Draft Process Step 9, is the HCA and MCA screen. And again, this is the major screening criteria of what you would have to do work on. And again, if you look, we estimated at about 91,000 miles fall into an HCA/MCA-type category.

The Steps 15 through 21 are where you would actually, once you have gone through the chart, where you have to go and do something. If you look at Steps 16, 17, and 18, 18 is the engineering-critical assessment category and, also, where you could also have an inline tool inspection-type program to

actually qualify your pipeline.

If that does not work and after you have run your ILI you see issues, that it would not meet an engineering-critical assessment, you would go to 19, evaluate those results. And you still might need to do a hydro test, depending upon the issues that you run into.

But, again, 16 and 17, 16 is to do a pressure test with a spike; 17 is the derating of your pipeline or the replacement section.

And then, once you would do that, you would go to box 21 to continue operating and maintaining your pipeline in accordance with Part 192.

The specific guidelines and criteria is, again, the IVP chart is a high-level concept. The details and specifications are under development, and we plan to use the knowledge we gained from the workshop and the comments we get in the docket. The docket

right now is open until September the 9th. And we will, after it closes, go through and review comments and see what the input we get there.

But, for example, again, as I said earlier, the things we are looking at is spike test specs. I mean, what should be the pressure for a spike test? What should be the hold time?

If we do have derating criteria, what should be the amount of the reduction? If you have an ILI program, what should be the requirement and specifications there? And if there are a material verification specs, in other words, if you do lack on an MAOP documentation and material documentation, what should be the criteria there that an operator goes out and verifies that information?

The target completion timeframes. In other words, if we put this into code through a rulemaking, we would expect this to be a multi-year effort. We would not expect

an operator in one, two, or three years to have this done, of course.

And we do, if you look on the chart over there, we do have a table with the dates to be determined or the timeframes to be determined. And it is graduated on that table based upon if you have what we call legacy pipe, which if you go through and look at the full presentation, that would be pipe like ERW, low-frequency ERW pipe that has had seam issues, cracking-type issues in the seam.

If it is in an HCA, that would have a different timeframe than if it is in what we would call a moderate-consequence area, which would be pipe in a Class II, III, or IV location that is not in an HCA or pipe in Class I areas where you have one dwelling or one identified site within the PIR of the pipeline. So, it would be based upon consequence areas there, is how that would be ranked.

And again, the proposed deadlines

are under development.

And that is all for the review. I will turn it back to Jeff.

CHAIRPERSON HONORABLE: Thank you, Steve.

I want to look at Jeff and see if he has any comments before we open it up to the Q&A.

(Laughter.)

He may also have comments throughout.

MR. WIESE: I'm going to leave the room now.

(Laughter.)

CHAIRPERSON HONORABLE: He is disciplined. All right.

MR. WIESE: I've got my flack jacket on.

CHAIRPERSON HONORABLE: I see lots of cards up, and I am going to --

MR. WIESE: Whoops, look at the line of cards.

(Laughter.)

CHAIRPERSON HONORABLE: I know. I am going to start with Gene and come down. And then, we will come down.

Well, this is interesting; there are none on this side of the room.

(Laughter.)

MR. WIESE: Liquid. Gas.

(Laughter.)

CHAIRPERSON HONORABLE: We'll see.

Gene, get us kicked off here. And, remember, please identify yourself for the record.

MEMBER FEIGEL: Gene Feigel, Gas Committee.

This isn't a technical question or a comment. It is kind of a high-level comment about your terminology.

It is an Integrity Verification Program. It always bothers me every time a regulatory agency or a trade association or a standards developer invents a new term for

something that has been around quite a while.

What you are talking about here is fitness for service.

(Laughter.)

And there is a reason for that. I mean, that term has been used and well understood for 25 years or so. There is a tremendous body of literature. There are standards in place, albeit directed towards some other equipment, but much of the technology is applicable. There is a community of engineers and scientists and quality assurance folks that are familiar with that term.

Every time you come up with a new term, you create confusion in the larger community.

(Laughter.)

I admit that IVP is a little sexier-sounding than fitness for service.

(Laughter.)

But that is not a good and

sufficient reason --

MR. WIESE: That was our primary goal, Gene.

(Laughter.)

MEMBER FEIGEL: That is not a good and sufficient reason to fly in the face of 25 years of worldwide experience with that term in that field. So, I object to your terminology.

CHAIRPERSON HONORABLE: Thank you, Gene. It is so noted for the record.

Chad?

MEMBER ZAMARIN: Chad Zamarin, NiSource, Gas Committee.

I have got a few comments, and maybe I will just go through them, and then, see if there is any response.

The first is that grandfathering on its own is a pretty big issue for our industry. I think that my initial reaction is we are trying to solve maybe too many things with one solution here.

Grandfathering on its own is not about verifying the integrity of older pipelines. It is about how we originally established the maximum allowable operating pressure of those pipelines.

And so, the process seems to me to kind of confuse a couple of different issues. It is taking on the grandfathering issue and it is taking on the integrity of vintage pipes. I think both need to happen, but it just seems like it gets very challenging to try to do both in one process.

For example, I look at the chart and I would say, if you have a properly-qualified pressure test, you have established the MAOP. You should be done. That should be one of the first questions you ask. You shouldn't worry, for the purpose of establishing MAOP, about whether you have other types of information, records. You know, you may need that information for the purpose of verifying the integrity of a

vintage pipeline, but I would just encourage that we address the grandfathering issue on its own first or at least "in addition to," because it is a big issue. It is fraught with lots of challenges. So, that is my first kind of an observation.

The second is that I am little concerned with the use of classification as a fundamental function of the process. You know, it was in the legislation; I think it is widely believed that classification is an antiquated process for establishing risk and high consequence.

We support at NiSource, and I know at INGAA, the use of the PIR. And if a home or a person could be within the PIR, then it should be considered someone that we are going to cover with advanced integrity management.

The reality is a Class II location could have no one possibly within the PIR. It is a waste of resources, a waste of focus. It is an antiquated process that I think even the

legislation recognizes needs to be looked at, as to whether or not it is still valid within the code.

And so, I would just encourage that we take at another look at whether or not class location is really the right technical means for establishing potential consequence.

And then, my last question has more to do with I saw the reference of the spike test, and I recognize NTSB used that. Again, when I think of MAOP establishment, I think of a spike test not as the proven methodology for establishing a factor of safety, which in effect establishes an MAOP. It is something that is applied in various ways to verify integrity and in very unique situations.

And so, I don't know that it has been defined what the spike test means, but I am just curious to know if that makes sense for the establishment of MAOP, because it is not something that is in the code for the

establishment of MAOP on any other pipeline.

There are kind of my comments. Thanks.

MR. NANNEY: Just to respond on the spike test, we understand your comment there. We haven't drafted regulation language yet. But, when we do, we would take the consideration just like what you said. We would not expect a spike test to be if you had pipe that -- by our definition, legacy pipe or pipe that has seam-type issues, we would probably look at an out, that you did not have to do a spike.

But we have not defined a spike yet. I know normally you would expect a spike test to be above 100-percent SMYS. You would expect it to be probably between 100 percent and 110 percent of SMYS, is what a lot of folks determine it to be.

And the timing, whether it is one hour or 15 minutes to one hour, you know, that type duration would probably be, after we get

everyone's comments, we would look at.

But if you do have a pipe manufacturing type in a segment that has not had those type manufacturing and construction defects, a spike test would probably not be needed.

MEMBER ZAMARIN: And I would just wonder what NTSB's intent really was. If we have a pipeline operating at 25 percent of SMYS, and it is grandfathered and we need to reestablish the MAOP, I would submit that we follow Subpart J. It is an established MAOP, establishment methodology. Taking it to some arbitrary, you know, taking it to 100-percent SMYS doesn't make sense and is unnecessary.

So, I think I just get a little concerned that we are almost changing 40 years of proven MAOP establishment because of a single term used in an NTSB recommendation. I think we could probably respond to the NTSB recommendation, meet the intent, and demonstrate that the code has a pretty good

way of establishing a safe MAOP.

CHAIRPERSON HONORABLE: Jeff?

MEMBER WRIGHT: Jeff Wright, Gas Committee.

As I sit between my industry colleagues, I am feeling a palpable amount of nervous energy here.

(Laughter.)

As the regulator down the line, so to speak, I have some observations and so much questions. Multi-year is an understatement. These people in the gas industry, in transmission, will be coming to the FERC for this. I am not saying safety is not a priority. What I am saying is it goes into the mix with everything else.

What I would counsel, also, is what probably my industry colleagues are saying, is finding a way, whether it is a form of triage, if you will, to take the worst case first, figure you where things can go, a priority of sorts.

We will do our best, when we get these kinds of applications, to work on them as efficiently and as quickly as possible.

There will also be -- and I don't know if either of the industry guys here to my left and right will take this up -- there will be a major cost impact as well, which will require not only filings to replace the pipe. There will be filings for cost recovery.

And in the end, like I have alluded to, there is going to be a heavy workload problem with the resources at our disposal and whether the somewhat Draconian budget restraints that we are facing continue in the future.

So, just a few observations from another regulator here.

MR. WIESE: Just I had asked Colette if I could jump in real quickly, in particular, because I didn't have benefit of the time to say to you what I have said to her.

But, for the others, you know that the mandate that is in the Act requires us to work with FERC and NARUC members to negotiate out the timelines, not the technical details, the timelines.

But, that said, you know, what we are doing in the first round is trying to work out some of the bumps on the technical proposal. But we would certainly commit both to you, as I have to Colette, with NARUC, to have substantive discussions long before we get to establishing the timelines. So, I want to make sure that you understand.

But I will say you have to walk a mile in our shows. There is a fair amount of loss of confidence in the system's ability to protect people.

This and, Gene, you know, while we like to be called sexy anytime we can, and did start out with fitness for service, there are a lot of reasons we ended up with another name that I won't go into. Suffice it to say that

this provides, it is meant to provide assurance and to stay within the integrity process that we have been working, which is very solid. We have been working it for well over a decade. So, I am not disagreeing with you, but I am just saying there are reasons for calling it that.

MEMBER WRIGHT: No, I agree we have to talk timeline and I will definitely look at my retirement plans and see how they work out.

(Laughter.)

CHAIRPERSON HONORABLE: At the Arkansas Commission, we are undertaking a comprehensive rewrite of our rules as practice and procedure after 30 years of no updates. And now, I understand why, and my Chief of Staff is threatening to retire at any day now.

(Laughter.)

Andy?

MEMBER DRAKE: This is Andy Drake with Spectra Energy, with the Gas Committee.

There is a lot of information that is sort of a little bit of a carpet bombing, a process in thinking, and I appreciate that. And I appreciate the opportunity to get together before rulemaking, so that we can provide comments and thoughts to help dial-in a better solution.

I think one thing that I want to come very clear on here is we are absolutely committed to getting to zero, not just in words, but in action. We are committed to come up with a good plan, and I think that is key, because the undertaking is quite significant that we are faced with.

I mean, the grandfather clause accounts for about 59 percent of the pipe in the United States right now. That is a lot of pipe to push through that flowchart, and there are a lot of people on the other end that are depending on the gas that goes through that pipe. So, you know, we have got to make sure it is safe, but we have got to do it in a way

that meets a lot of needs, I think as Jeff said.

I think we have to address the technical issues. We have got to address all of the recommendations that are in front of us. We share that goal. Our credibility is at stake here, too.

And very much, we have made a commitment to the public that we will rebuild their confidence in our ability to deal with this. And I think those are the tenets of a plan.

I think, you know, when I look at the NTSB recommendations, I see a lot of things focusing on the grandfather clause about testing, testing to 125 percent. And I think, to Chad's point, when I look at the flowchart, my concern is that we are taking a huge amount of the infrastructure very deep through this chart. And you have got a lot of pipes that aren't going to clear a lot of those questions.

And what is going to happen is you are going to end up with a lot of the U.S. infrastructure in this "to be discussed" on a case-by-case basis discussion. One, you don't have the time for that. Two, we don't have the time for that. Three, the public is going to freak out because those discussions are going to happen on a case-by-case discussion where the interactive variables are going to decide criteria that is different for every single operator.

Have we been there before? That didn't usually yield good results. Because when somebody has a problem, the immediate thing that comes out in the press is, hey, everybody seems to be doing different stuff. And that is not credible.

I understand the technical perfection of what we are trying to accomplish here. But I think when we back away from the tree, I think we can accomplish very quickly a huge confidence build by asking two or three

key questions.

And I loved your chart, Carl. I really did. I liked the one where he was pulling his hair out because that was a picture of me when I first looked at it.

(Laughter.)

But I think, when you get through it, there are some beautiful, simplistic questions that I think the NTSB has given us recommendations and guidance on, and Congress, too. And that is, is it in a high-consequence area or an MCA, which I actually like the term MCA. I think that is a growth opportunity for all of us.

The next question is, was it tested to 125 percent, yes/no? If it is yes, it is clearly in a different place. And I think we all agree to that. Why are we asking those questions way, way down in that box? I think those should be the first and second questions we ask. And if you clear those questions, get them out of the mix at least

for a while and put them into the IM box, because now they have got to manage the pipe.

The only other box I would put in there, which I do think is a value-add, and I may get some pressure from my peers here about fatigue, but I think it is appropriate for us at this juncture to answer credibly the issue of fatigue. What you are really answering at that question is, is the test still valid? If the test was done yesterday, the question is yes, unless it is in an incredibly-hostile environment, yes, it is probably valid.

If it was done 40 years ago, the question is, what is the environment that pipe operates in, and is that pipe seeing cyclic fatigue or an environment that would be conducive to growing problems in the pipe over time that would erode the confidence in that test?

But if you can show -- and I think most pipes are going to show -- cyclic fatigue life studies that are well beyond 40-50 years.

But that is a public confidence issue. Okay. We have cleared that hurdle.

Now take the pipes into an IM discussion box. And I think that is where you start to get to issues about the importance of records, to make good choices about safe pressure calculations of remaining strength on anomalies; to make good choices about what you are dealing with to try to manage threats.

You know, I think extending into integrity management is a lot of what is up here, but there is a lot of stuff that is not up here that is about extending integrity management also. And I think, once you clear those boxes, you are coming down into IM. And then, start asking IM questions.

I think the question, I guess, one of the questions I have about a box up here is the records box. And I feel curious, anyway, about what happened. I feel like we were told to get on the TVC train, and then, we showed up at the station, and all of a sudden, we are

told to comply with today's regulatory records requirements. It is like, well, why did we do TVC for the last two years if that is not what we are going to use to try to make decisions about our pipe?

And I think the industry has geared up around trying to provide reasonable records. I have probably as good of records as anybody I know on pipe from 1960 and 1970 and 1950. I can show you chemical analysis. I can show you mill test records. But I will be honest with you, I don't know that I can comply with today's record requirements. That puts me immediately down in a box where I have got to start worrying about cutting out pipe samples to prove something that I have got a mill test for. That is not where we want to be.

It just seems like we kind of mixed apples and pears up a little bit. I would get us back to TVC, where you are trying to make a reasonable determination about what

a pipe that was built a while ago, certainly before the new regulations, could come forward with that is credible, that you could show to the public and say, "This makes sense. We know enough about this."

And on the spike test, I am with Chad. I mean, that is kind of our background. So, we will try to avoid getting into too much metallurgical discussion. But the spike test is a good test. It was designed to deal with a very specific kind of problem, sharp-edged defects and crack-like defects. What we are trying to do is avoid extending those defects during the hold period. Okay. But that is a marginal improvement. It is good. It is better, but it is this much better. It is not this much better than the tests we have been doing for decades.

We do it. We have been doing it for 10 years. Hell, we were involved in the research that went to developing it with Battelle and others for managing FCC. And

Steve knows that. We have used it very successfully.

But, when you start applying it to all of this other stuff, I think you are starting to, one, compromise. Is the other test really that good? The answer to that is absolutely yes. You can actually calculate the difference, and it is small, between defect extension under the hold period and that. And those are the kinds of things I think we have got to get back to.

I mean, yes, if we all had our better choices, we would all buy a car built yesterday. But there are things here that are just marginally different, and it is hard for people to understand that. It is not the only way to certify the MAOP.

I don't want to take up any more of the time, but I really think it is important that it is understood we come to this table committed to getting to zero. I think the best way to get to zero is to

prioritize this stuff.

I really like the MCA prioritization that you have on the lower righthand because it starts; let's get going. Let's get to HCAs. Let's get to MCAs. Let's work our way down through the places where there aren't as many people. And I think that we are absolutely committed to getting to traction on that.

And I sympathize with the frustration of the one fellow that stood up yesterday, "I've been testing for the last two years. Please tell me, please, God, that is not wasted energy." Because that was an effort made in good faith, and now, he is standing here wondering: I can't get through those first four boxes. Am I screwed or what? And I think that is a really good question.

So, those are my comments.

CHAIRPERSON HONORABLE: Thank you, Andy.

MR. NANNEY: I don't think you

wanted an answer, but I would --

(Laughter.)

But I would like to say this, and it is a very good point. And Blaine will talk about this on the data, but we really request that you get back with your fellow operators and, based upon the meeting on Wednesday, and if they did give us bad data, they need to be getting with Blaine and resubmitting the data, because we have got about, just to give a quick overview to put it in context, on the grandfather clause, which is 192.619(c), which means that you don't have pressure test records, material records; you are based upon the five-year operating history before July 1st, 1970. We have got about 20,000 miles identified as 619(c).

And then, if you go look in the part where you look at the lowest of about four items, we have got about 32,000 miles identified as that, which I know from talking with probably eight to ten of the operators,

that some of them put that in the incorrect box.

So, if you go back to your fellow operators, please suggest to them that they take a look at how they submitted data to us and updated. It would really help in what we are looking at.

MEMBER ZAMARIN: Just on that point, Steve -- this is Chad.

CHAIRPERSON HONORABLE: I'm sorry, Chad.

MEMBER ZAMARIN: I'm sorry.

CHAIRPERSON HONORABLE: We are going to let Sue go, but I think Andy first wants to say something. We will come back to you, Chad.

MEMBER DRAKE: I just want to absolutely resound what you said, Steve. We can see there's breakdowns in the data. It is clear. When you see that 619(c), the grandfather clause, there's 22,000 miles in there, and then, you see that collectively

there's almost 90,000 miles of pipe with less than 1.1 tests done, you can't be in that box and not be in 619(c). You can't.

So, there is obviously some misunderstandings about where to be. And that is why we are so concerned about some of this. There is a lot more pipe going to go through that than what people checked that box on 619(c).

And I wanted to say one other thing that I think is really important, just for the record. I know when people talk about (c), sometimes we get very polar about how 619(c) works. You don't have all these records and you don't have all this other stuff. So, you just the five-year operating pressure. That is not true.

What it says is that you use 619(c) if you don't use the lowest of those. Many pipes, many pipes in 619(c) have great records. They have hydro tests. They just may be operating at 74 percent of SMYS rather

than 72. It is not all or none, and I think that is really important because that is how they can get through, did we have a hydro test discussion, and everything kind of washes out. That pipe is okay.

So, I just want to make sure that it is not this Grand Canyon, all-or-none sort of scenario.

Thank you.

MR. NANNEY: And we definitely realize that, and I agree. In fact, we picked out eight to ten of the operators that submitted in data that we thought was incorrect, and they did get a phone call and an email from myself and everything. But we have looked at that.

MR. WIESE: And we will add that, you know, it was obvious to us, and we jumped in ourselves to try to correct data through talking to the operators.

I remind the operators that we also have other recommendations, which, of

course, we were following before anyway about verifying the accuracy of the data that you submit. Okay?

So, we will, through integrity management, be looking to validate. Don't just go back and say, "We don't like the way those" -- I know you don't anyway. But I am just saying it is a cautionary note. Make sure that you can prove your records and what you submit. Okay? Good.

CHAIRPERSON HONORABLE: Sue?

MEMBER FLECK: Thank you.

Sue Fleck, National Grid, Gas Committee.

It is nice to follow up people who can explain things so well, so I can kind of skip over. But I just want to get on the record that I agree with Andy's comments around the commitment to safety and the commitment to compliance. Certainly, that underpins everything that we are talking about today and all the questions and concerns that

we are bringing to you.

I also agree with what Chad said about the spike testing. He said it a lot better than I can, but I share his concerns.

I believe that we should separate the MAOP verification from the expansion of the integrity management issues. I am uncomfortable with changing the definition of high-stress from greater than 30-percent SMYS to greater than 20-percent SMYS. I haven't really felt comfort that that is the right thing to do.

I have a lot of concern about the dates. When I see "TBD," it makes me very uncomfortable because, you know, you can switch that. You can put anything in there later. So, I just want to be on the record saying I am concerned about how long it is going to take us to comply.

I don't understand what you mean be derating and how much, and how that is going to be determined. So, the whole

deration option makes me as uncomfortable as "TBD," because in my mind it is a "TBD".

And I also agree with the comments about there is a significant underestimation of the amount of pipe that is going to get pulled into this process.

And I think there is also a great underestimation of the amount of money it is going to cost to deal with it. When you look, on distribution company sides, a lot of us have these transmission mains running through extremely-crowded urban areas. I can't even imagine the difficulty of trying to hydro test a transmission line in downtown Brooklyn or Manhattan or Detroit or Chicago that has already been hydro tested at 1.5 times twice.

But I wouldn't pass through this, and I would go back and cut coupons out of it and retest it a third time. So, I just don't understands how the existing mains in those kinds of areas are going to be dealt with, and if there is a real understanding of the

consequences of trying to rehydro something like that, or rebuild it. Where would I put it? Where would I put a pipe?

So, just some of our concerns. Thank you.

CHAIRPERSON HONORABLE: Chad?

MEMBER ZAMARIN: Thanks.

Chad Zamarin, NiSource, Gas Committee.

Just a kind of final thought on Steve's point the records. One thing I would mention, we have focused most of our energy on Class III and IV and HCAs because the legislation kind of put us in that direction. And this does open up beyond that. So, I think we will learn more and most of us are continuing to go through that process beyond Class III/IV and HCAs. And so, I think we are going to get better data over time on the broader dataset.

The last thing that I would mention is, you know, I spoke yesterday about

the 42 mandates. You showed 42 mandates. And I know we want to accomplish everything.

But if, in 2030 -- you know, we talked about Outlook 2030 -- we looked back and said that you addressed the grandfather. All pipe that could impact a person has a pressure qualified by a method equivalent to or better than a pressure test, I think you would have made the biggest impact of anything we have been talking about, you know, following San Bruno.

And so, I just worry, again, that we get caught up -- and Andy's right; I rarely disagree with him; he is my first boss ever, so I have to be careful.

(Laughter.)

I think fatigue is a big issue, but it is not an issue associated with how you establish a pressure for the original design of a facility. And so, I guess I just get down to, at the end of the day, I think the most important issue that came out of

legislation, that came out of NTSB, is let's make sure that every pipeline has a pressure that has been established by testing. And then, let's continue to work on improving how we operate and maintain pipelines. But, if we did nothing else, if we got yelled at by Congress, and for all the other things that we may or may not have gotten done, if we achieve, I think we will have made the biggest impact possible.

So, that is why, when I look at that, I go back to, and I think maybe even Carl's point, was it tested, yes or no? If it wasn't, let's get it tested or do something else that provides that equivalent level of safety. And I think we will have hit the mark.

Thanks.

CHAIRPERSON HONORABLE: Steve? And then, Alan.

MR. NANNEY: Just one thing, back on what Chad was saying. When we did go back

to the operators on the 1.1 MAOP test, a lot of them put mileage in there because they had not completed looking at their records. And so, it was a data dump. So, we know that the 91,000 is too high, based upon I had three or four operators, large operators, to tell me they had not finished looking at their data. So, they just put it in that box.

So, you know, again, if you are talking to any of the other operators that have done that, it would be good that they come back and tell us that, and give us a date when they are going to get that information updated. So, I do know that.

And again, Chad, we agree on what you are saying on the fatigue, but we also know that, if you do have seam problems or cracking problems -- let me put it that way -- the "one and done," it is not the methodology that needs to be here. That is why we are probably seeing a lot of the failure and leak issues that we have had in the past five or

six years. It is because maybe the methodology was the "one and done". So, that is the issues that we will be looking at as we go through the rulemaking process. But your point is well-taken.

Thank you.

CHAIRPERSON HONORABLE: Alan?

MR. MAYBERRY: Just a couple of thoughts. You know, there is no easy button on what we are trying to do here. I wish there were a button on that chart there.

In the words of the NTSB Chairman, she recognized that this would be a heavy lift for us and for industry. So, we are not taking this lightly, obviously. We appreciate your comments.

You know, a lot of the concerns are related to some areas of the chart that we really need your input on, because there is a tendency to think of the worst case. And certainly, we all realize what we are trying to solve. We are trying to prevent another

San Bruno.

You know, you had a worst-case situation there. When you deal with the issue, you have the worst case; you also have a wide range in between.

So, we are trying to solve, as we have pointed out, with our numerous briefings on this topic, a number of things besides confirming the MAOP, confirming the material strength. We are also dealing with records.

We are also dealing with an area where we have seen weaknesses in some of our inspections regarding engineering-critical assessment.

We can appreciate that people have done due diligence. They have pressure-tested, and they are concerned about how we will consider that pressure test. But I think that would be some of the stuff, some of the input, that will go into how, say, someone performs an ECA on the pipeline.

We still need to fill out how we

are going to handle that. We need to fill out how we are going to handle the spike test. Because there are a lot of scenarios out there, a lot of situations out there, with Class III and IV pipe, that maybe they do have a pressure test already, at least 1.5 times the operating pressure. Do you need to go all the way to yield if it is not operating at the upper limit of the stress level of the line as well? Maybe not.

So, we are aware of that. But, again, your input on the areas we need to fill out is very important to us.

So, thanks. That's all.

CHAIRPERSON HONORABLE: Ron?

MEMBER McLAIN: Ron McLain, Liquids Committee.

You know, this discussion is really about gas, but I can tell you liquid operators know it is coming to a theater near us soon.

(Laughter.)

And as a operator, you know, we operate about 70,000 miles of natural gas transmission. So, the cost is incredible.

I keep hearing about San Bruno as a driver. And certainly, that was a tragedy. But as I read the NTSB reports, a lot of what happened at San Bruno appeared to be non-compliant with existing rules.

So, we can come back and do a lot of things when -- and I am not being critical of that company; I think they are making tremendous progress right now.

But sometimes we go from no records to perfect records, and I just want to caution against that. That is what seems to happen downstream of the hydro test here.

I do agree with Chad and some of the other speakers that there is a subset of records or tests you have to have, but they are certainly not perfect. And I appreciate your openness to feedback on the box. I think it can be made better.

But, at some point, this box addresses normal integrity management. So, there ought to be a hurdle that it was designed, and it is adequate design, to support your MOP or MAOP on the gas side. But, at some point, you go back into normal integrity management for ongoing after that point in time.

So, that is my comment.

MR. WIESE: I'm stepping in as Acting Chairperson for just a moment.

Thank you, Ron.

The order I was given, and I follow orders here, was, Rick, I believe that you were next, then Rich, and then, Mike. Okay. That was the order I was given.

MEMBER KUPREWICZ: Thank you, Jeff.

I guess I would say, from standing back and spending more time on reviewing the San Bruno than many people in this room, probably even Nick earlier this week in his

comments, some of it I supplied testimony and other things. I read most of the records and all that. It doesn't make me an expert in all these issues.

But some general issues: extreme anxiety here. I understand and appreciate the effort you guys are doing, putting here. You have an obligation to meet a congressional requirement, and this is a great starting point. And I think you can get there.

A couple of general observations: yes, the integrity management versus the MAOP, this is a conversation that happened in California and people were under oath. Not all of them told the truth. Not my call. Go get them, if you wish. All right? I mean that was, basically, in the State of California. That is a California process. They have to decide how they are going to deal with that.

The cost in there is come anywhere between $2 to $10 billion. The question is,

who pays and does it fix the problem?

I think Nick, from what I heard earlier this week, he is trying to change the company culture. I wish him the best of luck. It is a tough task. None of you should be in that situation.

Let's not all forget here, the San Bruno rupture occurred on a relatively-low-pressure, large-diameter transmission system, a 30-inch, 400-pound MAOP, actually operating lower than that, and failed below MAOP.

One thing that hasn't come up here is, well, related to it, the issue of the cracking threats. We still haven't got a really good assessment process, except hydro testing, and that is not where people want to go. All right?

I have even seen people testify under oath lately the hydro test damages pipe. Well, gentlemen, you are in conflict with a lot of industry research, and you need to explain that. All right? That is where some

players are going to be.

The reason I bring this up is it is about to hit FERC in some serious ways, because, normally, when FERC approves pipelines, they assume you are building to run MAOP. I think that is a fair call.

What is happening here, and maybe not necessarily just in California, is some pipeline operators, while they are complying with the MAOP test, are cross-threading them, MAOP and integrity management, but they are just focused on MAOP, and they have crack risk.

And the last thing you want to be doing is dropping operating pressures because you have got a crack threat, because your pressure-cycling spectrum goes way off the chart. Okay?

So, if you have a crack risk and you are dropping operating pressures, you could be changing seriously your pressure spectrum, to the point where your fitness for

service is off by decades. And so, that is just something to think about.

Normally, when I build and design pipelines, we were building them to run higher than MAOP, and not to drop the pressures because we have faults. So, you want to be careful about pressure reductions in terms of gas service especially.

So, I think you can get there. I heard some really good comments this week. I think Carl has given us a lot of thought. No, Rick Kuprewicz didn't put Carl up to that. That is the Pipeline Safety Trust thinking on their own. They are getting really smart. You ought to listen to them.

So, I think you can get there. This is a very important step. It has got a lot of work to go. I would just be real careful about, if you have got crack risk and you think you needed to solve this by pressure reduction, you could be really setting yourself up for a terrible surprise.

Anyway, my comment.

CHAIRPERSON HONORABLE: Thanks, Rick.

I think we are ready for Rich.

MEMBER WORSINGER: Rich Worsinger, Rocky Mount, Gas Committee.

A lot of discussion, good discussion. I just want to point out a couple of things in here.

We talk about cost. Our concern is that these costs ultimately are going to be passed on to the LDCs and our customers. So, I urge PHMSA to make sure that we obviously can't take this all on at one time. We don't want another San Bruno, but we don't want all the pipelines replacing every line they have that they don't have modern records. So, I urge you to work with them, to work on what they determine are the most hazardous pipelines. Good comments, Andy.

The second thing, just to point out, 90 percent of the American Public Gas

Association's members are captive to one pipeline. So, I am concerned if any of these pipelines have to be taken out of service for this testing, or whatever, how our members are going to continue to be supplied gas.

Thank you.

CHAIRPERSON HONORABLE: Thank you.

Mike?

MEMBER BELLMAN: Mike Bellman, City or Richmond Municipal Gas Company; also, along with Rich, on the Gas Committee.

Kind of echoing some of what Rich said on the cost. And this was in the Pipeline Safety Act. The timeframes for testing takes into account potential consequences to public safety and the environment, and it minimizes cost and service disruptions.

American Gas Association submitted some comments on this before the workshop, I think, and it included an engineering study that placed the cost of testing the high-

consequence area, the Class III and IV locations, and at the 30-percent SMYS level at about $23 billion. If we extrapolate that down to the 71 million customers that this cost is going to roll down to, we are talking $325 a customer. You may say, "Well, that's not that much."

In the City of Richmond, we have 100,000 customers. There is a $32 million revenue requirement right there.

And there is a little misunderstanding on rate-setting because I know the Congress said you are going to talk to FERC and you are going to talk to NARUC. Well, on the municipal side, our rates are set by elected officials.

In the City of Richmond, you know, 45 percent of our population is below the poverty level. So, if I had to go to them and say that, "By the way, we are going to up your rates by $325 over some period of time," those Council Members are not going to be reelected,

and we are not going to get that as a revenue requirement addition to what we already have.

So, now I have to step back and say, "Well, where is that money coming from?" In our organization, I don't think Massoud -- and he is not here today -- is going to say that I can stop doing my critical valve inspections for a year or I could postpone some leak surveys.

So, it has to come from somewhere else. And right now, the only place I can take that from is cast iron renewal.

So, all of this rolls downhill from an integrity management issue on transmission that is going to affect the integrity of the distribution system. So, again, keeping that in mind.

The aspect of the service disruptions and the public safety, I know we had a good presentation from PG&E on their efforts of bringing in mobile LNG and mobile CNG.

One of the points that he made is he would have liked to have had more time to do better planning around that effort. And that just sends shivers down my back because, like Rich, we are relying on just one or two pipelines for our entire supply. And if they are saying they would have rather had more time to plan this, then I would be kind of concerned about that.

And then, the whole aspect of siting a mobile LNG station somewhere in the near vicinity to the City of Richmond, I can't see where that would happen and what the aspects of public safety would be there.

Thank you.

MR. WIESE: Well, first of all, I appreciate all the comments, and we still have more to come.

But I do want to illustrate for the public. Okay? So, I would listen-up. This is the discussion that we get put into all the time. If we were in right after San

Bruno, no one would be talking.

What happens in America is people's memories fade. Really, eight people died in that. A number of other people lost their homes. So, I am not denying any of the points that you are making, but I want the public, not you because you understand this, to realize that these tasks are monumental.

You know, the country depends on the supply. The rate model -- forgive me; I have a couple of Commissioners and FERC with me -- is broken. It is disconnected from the safety model in some ways that it shouldn't be, in my view. But these are huge problems. They are not minor.

And again, we put a model out to provoke the discussion. We did it in a very public way, transparent, brought people in to talk about it.

It is not a minor undertaking. So, we are not unsympathetic to the points you make. And actually, that is why we had "TBD"

in the chart, because we started out with some actual numbers in that chart, and it became a real argument even in-house.

(Laughter.)

So, we decided that that is really where we need to have FERC and NARUC involved in that. The municipal angle is another one altogether.

So, I just wanted to point out, as we get into the commenting, we are cognizant of it. We are not unsympathetic in any way, shape, or form because we understand it. But it is a bit of a Gordian knot here, you know. How the hell do we provide the public the assurance that they deserve when they live and depend on these pipelines, and yet, pay for work that probably -- we shouldn't be paying for work that doesn't need to be done, but we really do have to focus more resources, move faster. I think we are all agreeing on that in general.

So, forgive the soliloquy.

CHAIRPERSON HONORABLE: All right. We are going to move on to -- but I think Jeff has now pushed a button with me.

(Laughter.)

I am keeping a list.

MR. WIESE: She has Chairman's rights.

CHAIRPERSON HONORABLE: But I wanted to mention there are a number of examples across the country where the regulatory framework works very well. But I do agree with you that we do need to focus on how we make safety a priority, even in the ratemaking context.

But I think Arkansas is a great example of where, if I might say so myself -- and it happened long before I arrived -- but where we are very responsive to the needs of the LDCs, to not only get the pipe out of the ground, but get it out more quickly, and even where it costs a bit more to do it, because safety is a priority.

And now, since I have the microphone, I won't let you respond to that.

(Laughter.)

And we will go to Gene. And then, we will go to Carl.

MEMBER FEIGEL: Gene Feigel, Gas Committee.

If I were to take your chart and just ask you the following question, what failure modes are we most concerned with? I mean, they are sort of implicit, but not explicit in what you are doing here, in my estimation.

MR. NANNEY: Well, one of the main modes would be pipe manufacturing and construction issues, whether that is a seam-type issue or --

MEMBER FEIGEL: No, that is not my question. What failure modes are you concerned with?

MR. NANNEY: What failure? Do you mean rupture or leak? Or what are you --

MEMBER FEIGEL: That is exactly what I mean. I you worried about fast fracture? Are you worried about --

MR. NANNEY: Well, we would be looking for ruptures, of course. Ruptures would be the main issue that we would be looking for, yes.

MEMBER FEIGEL: More specifically, let me turn it around. What failure mechanisms, then, are you most concerned with?

MR. NANNEY: You mean like selective seam corrosion, stress corrosion cracking?

MEMBER FEIGEL: Yes.

MR. NANNEY: Is that what you are asking?

MEMBER FEIGEL: Yes.

MR. NANNEY: Those would be the type issues we would be looking at.

CHAIRPERSON HONORABLE: Okay. Are you done, Gene?

MEMBER FEIGEL: Well, I have got

another question, if I may.

CHAIRPERSON HONORABLE: Well, go right ahead.

MEMBER FEIGEL: It is sort of related.

Have you explicitly, what I will call, stress-tested this approach based on a selection of historical failures?

MR. NANNEY: You mean, have we put this into place on a pipeline? Is that what you are asking?

MEMBER FEIGEL: Yes. Have you run -- I will pick San Bruno -- through this process?

MR. NANNEY: Well, just to answer your question, yes, we have. In the process, we worked with one operator, Magellan, on the Longhorn pipeline, and we have gone through a public environmental assessment where we did put it out last year for public comment. And it is in the process of being inputted and implemented, and that pipeline is operating

today.

MEMBER FEIGEL: Well, I'm sorry, that is not -- maybe I will try to put it another way. If you took the San Bruno pipeline and ran it through this process, and you can pick different time periods, for example, where you might have gone through this prior to that failure, I guess what I am after is some gross estimation of the probability of having detected, and therefore, prevented that failure by applying this process. But have you gone through that kind of process?

MR. NANNEY: Well, first of all, the answer would be yes and no. We haven't got the process developed fully. We haven't said and written it into rulemaking of how it would be implemented. That is why we had the workshop on Wednesday. That is why we are having the meeting today. And we have got the docket open until September the 9th.

We do not plan to sit down and do

that until we get everyone's comments. Then, we will look at them. We will look at San Bruno, and we will do our best to get measures in place and what will come out in the proposed rulemaking that addresses those type issues.

CHAIRPERSON HONORABLE: Thank you. All right, Carl?

MEMBER WEIMER: Carl Weimer, Pipeline Safety Trust, Liquids Committee.

Just a couple of questions, or not questions so much as comments, because people have used my name and mentioned my chart. So, I thought I had better go on record.

(Laughter.)

That makes me somewhat uncomfortable because I am probably not in the upper 50 percent of the smartest people in the room. So, if you are starting to use my chart, that might cause some concerns.

(Laughter.)

CHAIRPERSON HONORABLE: Carl,

while you are doing that, will you also tell us where we can find it? I bet it is on your website.

MEMBER WEIMER: It is actually in one of the presentations from the IVP that PHMSA has already posted online.

CHAIRPERSON HONORABLE: Very good. Thank you.

MEMBER WEIMER: You know, I have looked at this and in the last couple of days have gotten more clarity on this. And I really appreciate all the comments on the IVP process.

Clearly, we are trying to do a number of different things and roll them all into one process, and I appreciate that because I think there is a whole number of things that need to be done. So, I really appreciate PHMSA trying to do that in one thing.

I have no problem separating those out, if it leads to greater clarity, and doing

them in separate processes, as long as those separate processes are done in parallel and in parallel timeframes. I don't want to see this become a serial process where I am dead and buried for 20 years before we get to some of the things that are trying to be addressed in this one attempt.

So, if we can separate those out for clarity and run those in parallel timeframes and parallel processes, I don't have a problem with that.

A number of things that I really like in it -- and I mentioned this the other day -- I like the expansion into MCAs. I think that is a good idea. I like a lot of th stuff in here.

One of the things that is clear -- well, it is lack of clarity, in my mind, and I think the chart needs to be changed -- is the whole issue of people that have done valid pressure tests. But because of the way the diamonds are arranged on the chart, those kind

of don't meet. And we are looking at people that -- well, yes, there is the wonderful chart (laughter) -- don't meet the intent of, that they have done a valid pressure test, but they can't get through the chart without doing another one. So, I think that is something that, clearly, I have heard operators ask, "Will we be covered or not?" And they haven't gotten a straight answer to that question. So, I would love to see that move forward.

And like I said before, when we get into kind of the integrity management section of the charts, the whole engineering-critical assessment, we have some concerns of whether that is as valid a way to determine MAOP as a pressure test.

So, those were my comments. Thank you.

CHAIRPERSON HONORABLE: Thank you. Very good.

Commissioner Gardner?

MEMBER GARDNER: Wayne Gardner

with the Gas Committee.

I have been sitting almost, let's say, somewhat patiently because I didn't really think that I had a lot to add to the discussion.

But I did want to commend PHMSA for its effort here. I think that this is a very important topic on top of the fact that you actually have a legal mandate to get it done. And as a result, you should be moving in that direction.

And I guess I also have some pushback on industry. I hear their concerns. I think their concerns are legitimate. But this is not a fait accompli. It is a work-in-progress that you are asking for comments on. And please give them the comments, unless you have given them to them already and they aren't listening to you, in which case, then, I think you have real grounds for raising issues.

But the big piece that I wanted to

speak to was comments from across the table around cost recovery and the concern.

In Pennsylvania, where I am a Commissioner, we have estimated that we have our at-risk pipe, cost to replace it is going somewhere between $14 and $20 billion. And we have very large gas distribution companies and some really, really small companies, on the order of a few hundred customers.

But the big piece of that was that the companies were using that cost of replacement as a legitimate excuse for, in my opinion, for doing nothing. And as a result, pipe that had already been identified as at-risk could take as long as 80 to 100 years for the companies to get around to replacing it. In my opinion, that is not good enough. And in fact, I will say, beyond my opinion, the Commission's opinion, because all of our companies now have been ordered to come up with accelerated replacement programs.

And we also got the support of the

Legislature, which passed a law for a distribution service improvement charge, which is a way to help companies accelerate recovery.

So, cost is legitimate. I do have sympathies for Commissions that are elected, but I also think that, as Chairman Honorable stated, safety is a priority and we really, really have to bring safety up to the level and start to push back a little bit on cost and get this job done.

CHAIRPERSON HONORABLE: Amen.

With that, I will turn it back over to Jeff.

MR. WIESE: Thank you.

So, just retaining my prerogative as whatever they call me, Designated Federal Officer -- (laughter) -- or whatever it is, just a couple of comments, if I can.

I think in many ways you hear a lot of agreement, right? In the higher-level principles, something needs to be done. You

know, things need to be accelerated. People need to be protected.

You know, there are legitimate costs that need to be recovered. There are lots of discussions that need to happen about the balance between shareholders and ratepayers and all of that. And I get it. We will be having a lot of discussions with FERC and NARUC.

But we felt you couldn't have a productive conversation until you had a model to discuss. So, we have presented our model and in public, and the public has a right to see this, just as the companies do and other regulators. So, we have invited your comments.

As you all know, actually, we have done a lot of webinars outside to try to explain this model to people and give them plenty of opportunity to understand what we have said. I don't think we have ever claimed perfection, but we think we have a good model.

It is complex.

What I hear more is people feel that it is too much or it would be too costly, or whatever. And I think we are sympathetic to that, and I think Andy, in particular, said you can move one block up here and really discount a lot of that.

So, we have heard some really good comments, and I appreciate that going forward. I would like to rename the grandfather clause "the great grandfather clause".

(Laughter.)

I think at the time that was created, it was created for the right reasons. But how many years have passed since then? I think we all recognize it shouldn't be there anymore. But, as Chairman Hersman said, it is a heck of a heavy lift, as you have heard today.

But we are talking about this because I think we have agreed on all those principles I just mentioned. And I will just

highlight the last couple of things and be done.

During our workshop, you know, we tried to emphasizes the connections between these things. I know people want to separate them, and it is probably the way it will go. You know, we should talk about it.

But knowing your system is key to integrity management, and openly admitting you don't know your system, what the pipe is, what its materials and chemical properties are, you know, but it just passed the pressure test, we have to debate whether or not the Weimer Chart gets us everywhere we want to go. Or do we just lean into the integrity side?

The legacy pipe challenges are real. We see this in many of your states. You know, Pennsylvania and Arkansas are two of the ones represented here; the great State of Iowa, not aware of, although there was a lot of mechanical damage up there done that we are going to have to work on.

In integrity management, I think we see operators taking advantage of the latitude that is inherent in integrity management. So, I am not pointing fingers at you as individuals. I am saying the industry as a whole.

So, I think this was an attempt to tighten up some of the latitude that we have seen abused within the system. Once you do know your system, you need to know your environment. And the MCA, by the way, while it is new in this setting, you will see it again. It is a concept that I think makes great sense for us all as we get into risk management, to deal with things where consequences could be worse. So, I think that will all come out to play.

I will close on saying let us not rest our entire laurels on PIR. We have seen PIR burn patterns well exceed the boundaries of that. So, maybe it is PIR plus a buffer, you know, to whatever it is. You know, let's

feel good about what we are going to propose.

Class location, we do have a Federal Register notice that went out. As we had told you the other day, ironically, it was not us, but it was The Federal Register who made it into a Proposed Rulemaking. All we sent forward was a Request for Comments on it. And honestly, we could show you the document. We screw up enough, but that one wasn't ours.

So, the last thing -- and I will just leave on this one -- is we tried to allow, there will be time in there for technology to play a role. We believe in technology and its ability to help us solve some of the problems in this Gordian knot.

That said, R&D remains a huge challenge for the industry, the states, and the federal side to get together and figure out how are we going to do what needs to be done. If we don't want to undo this knot the old way, which is what we are sort of talking about, how do we deliver technology into this

fast enough to solve some of these problems on cracking?

I know a failure, in particular, where I felt like the operator was doing spike tests. They were, then, running corrosion tools. They had, then, run a TIF tool in there. They still had a failure, and it was still a hook crack in the low-frequency ERW pipe. I felt like the operator was looking. So, the technology has failed us in that case, but I am pretty sure that it can help us, if we can figure out how to get together on that notion.

I have written to the Commissions asking them to be sensitive to letting companies recover investments. And to the industry, I will say we have got to find a way to pool those funds and maximize our impact and deliver stuff into the market.

So, with that, I will stop and turn it back to the Commissioner.

CHAIRPERSON HONORABLE: Thank you.

And I think these are certainly challenging issues, obviously, but I am hopeful that, through this continued dialog, and I certainly trust that PHMSA, all of the subject matter expertise are heeding your concerns.

We appreciate you, first, for being present, but also for caring enough about the work that you do to be here to improve the process.

So, with that, are we going to trudge forward or are we going to take a break?

MR. WIESE: With your permission, I think what we will do is -- you know, I have tried to be sensitive; some people have flights coming up soon. And forgive me, if you are going to leave now, I will just say thank you for your service and for taking time out of your schedules.

We do have a couple of things. So, I plan to stick around. I hope anybody

else who has the time will, particularly if you need updates on public awareness or on the amount of pipe that we are talking about that will be subjected to IVP, because those are the two next topics we will cover.

May I suggest that we just take like a 10-minute quick break --

CHAIRPERSON HONORABLE: Sure.

MR. WIESE: -- reconvene. People can check out if they need to.

All right. Thanks.

CHAIRPERSON HONORABLE: We will begin at 11:00.

MR. WIESE: Eleven.

(Whereupon, the foregoing matter went off the record at 10:49 a.m. and went back on the record at 11:06 a.m.)

CHAIRPERSON HONORABLE: We are back on the record in the joint meeting of the Gas and Hazardous Liquid Pipeline Advisory Committees.

And for your information, we have

now returned to agenda item 1, with a briefing by Blaine Keener on the Gas Transmission 2012 Annual Report.

Blaine?

MR. KEENER: Thank you.

This thing works? This thing doesn't work?

CHAIRPERSON HONORABLE: It was working, yes.

MR. KEENER: Okay. The things I am going to cover are up on the screen now. So, I won't read them to you.

But, sort of as a prelude, we made some significant changes to the Gas Transmission Annual Report after the congressional mandate came out and the NTSB recommendations were received. So, 2012 is the first year that we have collected some of the data that is contained in the annual report.

The 2012 reports were due June 15th. It is three months later than our usual

due date for the Gas Transmission Annual. That was to allow operators more time to review their records and, also, allow us time to get the IT system in place to collect it.

As of July 1st, we had 903 operators that submitted reports. This is 32 less operators than 2011. And we also have less miles total in 2012 than we had in 2011. So, we have been in contact with those operators that were with us in 2011 and not in 2012, trying to make sure that we have a complete dataset.

We have 115 reports that have been supplemented to either update or correct data. And we are expecting more, for some of the reasons that I will cover in my presentation.

There are two links that allow you to access the form itself and the instructions on our website.

We collected a lot of different ways, a lot of different slices and views of the data in the various parts of the form.

And again, Part Q and Part R are brand-new for 2012, dealing with, how did you establish your maximum allowable operating pressure and do you have complete records? And then, Part R, the pressure test range and internal inspection capability. And you know, that goes by a lot of different monikers, ILI, piggability. So, it is basically just the concept of can you internally inspect your pipe.

The HCA mileage is included in three parts of the form, Parts L, Q, and R. So, we get total mileage in all the parts, and we get the HCA miles in three of the parts.

We realized that this data was going to be of interest to a lot of people. So, we had the July 1st dataset added to the IVP docket and our public meeting web page in early July. And we found that some of those reports are missing parts. So, in other words, we don't have the same number of records in every part, like we would expect

to. I will talk about that a little at the end here, too.

In mid-July, we put out some key data points related to the mandates and recommendations. The data in here is solid. That summary that we put out in mid-July, we were off on the Part Q. What we actually did was we added the total miles and the incomplete record miles, which was not the right logic. But, as I said, today's presentation does not repeat that error that we made in mid-July.

There is a link for the OPS website, where you can go to get the current dataset as of July 31st. Data was added earlier this week.

And some of our reports are still missing parts. Our IT group is still digging into it. We think most of them are empty. For some reason, the data collection algorithm created more parts than were needed. And actually, the user couldn't even see the

parts, if they wanted to add data in the user interface. So, we are still trying to iron that out.

But I guess the good news is those extra parts are empty. So, they are annoying, they shouldn't be there and we are trying to get rid of them, but we think the mileage data that we have is accurate. And we are going to continue to update that dataset monthly, as we do with all of our web downloads for annual report and incident data.

And again, since different attributes come on different parts, you are going to find that the total gas transmission miles and the gas transmission HCA miles are not identical in each part. If you have got an operator with 15,000 miles of pipe, we would have to go many, many decimal places out and cause extreme angst to require them to be equal.

So, what we targeted was a half of a percent on the total gas transmission miles

and .3 percent agreement among parts for the HCA miles. We also missed that a little bit, and we will be in touch with operators soon who went over that threshold and asked them to resubmit their report to get the mileage by part tightened up a little more.

Traditionally, we use Part J, by decade installed, for our total gas transmission miles. There is a page on our website that shows the mileage over years, and Part J is what we traditionally use. So, our official number is almost 302, well, it is 302,427. That is our total gas transmission mileage.

For our official HCA mile number, we use the data in Part L. So, we have almost 20,000 miles, 6.5 percent of the total that is in HCAs.

And this chart just gives you a look at the HCA and Class location data. So, if you look in the upper right, the Class I and Class II non-HCA miles, that is 88 percent

of the total gas transmission miles. And as you might expect, if you look at the percent in the HCA column, that goes up as your Class location goes up, which is what we would expect. And so, there's the total numbers, and you can see the non-HCA greatly outweighs the HCA. That is part of the motivation for coming up with an MCA concept, so that we have more miles under the integrity management paradigm.

Okay. I am going to have a whole series of slides here that runs through the various parts of the form. So, Part H is th nominal pipe size. You can see most of it is clumped in that 10-to-36-inch. We have a lot more on the low end than we do on the high end. And then, the other is just if people wanted to pick a 4.5-inch, instead of the 4-inch nominal pipe size. So, that is basically noise in the data. All that should be allocated into a nominal pipe size range. Luckily, it is not many miles because it is

going to be a pain to clean up. But, essentially, most of it is in that 10-to-36 range.

If you look at it by the decade that it is installed, 59 percent of it is installed before the seventies. That is our pre-code pipe. And you see the big lump in the fifties and sixties. And then, except for the 2000s, it has been fairly steady afterwards.

When you look at it from specified minimum yield strength in Part K, particularly troubling is the "unknown" category. There is almost 7,000 miles where the operators have steel pipe and don't know what percent SMYS they are operating at.

You get a fair chunk that is on the other end at less than 20 percent. So, that is your transmission-by-definition, not by SMYS, category. And you see the bulk of it there is in the 61-to-72-percent range, which is your Class I and Class II areas. So, that

is a recurring theme. Most of it is Class I and Class II outside HCAs.

Then, we have the grandfather interlude, which we talked about a lot on Wednesday at the public meeting; 619.83 is not the grandfather clause. We caused some confusion by making that statement in an Advisory Bulletin. But if you look under 619(a), you have to consider four different factors. You have to consider your design, your pressure test, and then, your operating pressure in the five years preceding 1970, and your pipeline history. And then, you pick the lowest of those.

We had a good number of miles reported under 619(a)(3), which is basically telling us that, yes, we had design records; we had pressure test records; we have pipeline history information. Yet, we chose to go at a lower operating pressure based on what the pipeline actually operated at between '65 and '70. So, you can't pick 619(a)(3) unless you

know your design and your pressure test information.

And then, 619(c) is the grandfather clause where design/pressure test goes out the window, and you say, okay, what was my highest operating pressure between '65 and '70? Bang, that is my MAOP.

So, looking at Part Q, this is the total miles. And again, (a)(1) and (a)(2) your design and pressure test is the predominant method that was used. That big chunk of miles in (a)(3), we are kind of scratching our heads over.

And then, Part D is the alterative AOP where you are allowed to exceed the Class location ranges if you comply with the alternative AOP regulations.

If you look at the HCA miles, and how the MAOPs were established there, you see, again, it is a real similar distribution for the HCA miles as what we had for the total miles, except for the Part D. And a lot of

that is shown as being in HCAs.

And then, when we look at the incomplete records, again, record status was not collected for Class locations I and II outside of HCAs. Eighty-eight percent of the gas transmission pipelines, we did not collect data on whether your records were adequate.

I guess another way to look at it is that the most mileage that could have incomplete records would be the remaining 12 percent, about 36,000 miles. So, again, it is a real similar distribution to what we saw for how MAOP was established on the other charts. Most of it is pressure tests and design pressure.

This is the last part of the form, Part R. Essentially, it has three pieces. The three bars on the left show all the pipeline miles and what their pressure test range is. So, the majority of the pipelines were pressure tested to more than 1.25 MAOP, just a little bit in that mid-range, and then,

a significant chunk that is less than a 1.1 times MAOP pressure test.

The chart in the middle shows you, for lines that can be internally inspected, what their pressure test is. So, obviously, again, the pressure test less than 1.1 is what we are concerned with the most.

And then, when internal inspection is not able is the right three columns. And you can see we have still got a significant amount of mileage where the pressure test was less than 1.1 MAOP and internal inspection is not able.

All right. And then, the last couple of slides here are going to, again, pull out some key data points that relate to the congressional mandate and the NTSB recommendations.

So, the first is Section 23 of the Act, where they had to verify records for HCAs in Class location III and IV. We got just over 5400 miles that were reported with

incomplete records, with a little less than half in HCAs and a little over half outside HCAs.

And then, the other portion of that mandate was the strength test, pipe and HCAs, well, that was not tested. That is operating over 30 percent SMYS. We have just over 3200 HCA miles that have that pressure test less than 1.1 MAOP. And we assume that about 77 percent of that is over 30 percent SMYS. The 30 percent SMYS question is sort of diluted by another NTSB recommendation that doesn't necessarily care what this SMYS level is, but talks about testing pipe in general, regardless of the SMYS level.

So, here is where we see generally 77 percent of the total mileage is operating over 30 percent SMYS. So, that is where we came up with that estimate that 77 percent of the pipe is going to be over 30 percent SMYS.

And then, NTSB Recommendation P-11-14, that is the eliminating the

grandfather clause and require the hydro tests for pre-'70 pipe. So, here what we did, when we said, okay, how much is really grandfathered, we included the miles that were reported under 619(c) and the miles that were reported under 619(a)(3). And that brings us to just over 55,000. We got almost 94,000 where the pressure test is less than 1.1 MAOP.

And then, the other factor that we were concerned with here is the miles where the stress level is over 72 percent SMYS are unknown. Happily, that number is less than the grandfathered because, except for special permits in the MAOP pipelines, we can't think of a reason why a pipe would be allowed to operate over 72 percent SMYS except for the grandfather clause.

So, I guess the punchline is that we expect that the grandfather miles and the pressure test less than 1.1 MAOP are actually pretty close to the same number, and we think that number is somewhere between 55 and 94

thousand miles.

This just gives you an idea of where the grandfathered miles are located. So, you can see on the right we have got a little bit in the HCAs. Most of it in the Class I areas outside of HCAs. And this chart stacks the 619(a)(3) miles on top of the 619(c) to come up with our best guess of the actual grandfathered models.

And this just shows you that pressure test less than 1.1 of MAOP constitutes 31 percent of our mileage, and you have got 6 percent that is in that mid-range somewhere, with the majority being greater than 1.25 MAOP test.

And where there was 1.1, less than 1.1 miles that are located, as shown here a little bit in the HCAs, and again, most is in Class I, not in HCA.

And here is a look at the operating stress levels, over 72 percent SMYS and the unknowns. Possibly the most

disturbing is that 6,000 miles of intrastate gas transmission where operators don't know the SMYS level, an indication that you really don't have much, if any, information about the material properties of your pipe.

So, again, we expect that if it is between 72 and 80 percent SMYS, that that is either grandfathered, special permit, or alternate MAOP.

Recommendation P-11-15 dealt with the manufacturing and construction defects, considered stable only if the pipe is pressure tested to more than 1.25. Since the manufacturing and construction defects are an integrity management issue, we just looked at the number of miles that are in HCAs where that pressure test is less than 1.25. So, again, just over 3200 miles and about fairly-evenly-divided between able to be internally inspected and not able.

And this graph shows where those pressure tests less than 1.25 MAOP miles are.

And again, this shows the whole gamut. Those 3200 miles I talked about are all the way on the right in the HCA. So, again, most of the miles that haven't been pressure tested, 1.25, are in your Class I and not in HCA.

And then, the final NTSB recommendation we will talk about here is configuring lines to accommodate smart pigs. We have got 40 percent of the total gas transmission where internal inspection is not able. And diameter, we gave some numbers for the miles of pipe that are less than 8-inch and the miles of pipe that are less than 6-inch. With current technology, it is kind of "iffy" if you can really internally inspect 8-inch-and-below lines.

So, some of that ILI, not able, is just based on the diameter of the line. You can't get a pig in it. And then, we don't really know how many miles might be not able to do system configuration, metering and measurement devices that would obstruct the

passage of the pig through the pipeline.

And this chart, again, breaks down that internal in-line inspection, able and not able, by Class location and by HCA. So, you can see, from the bottom line, again, internal inspection, not able, on the righthand side, is about 40 percent of the pipelines. And again, most of them are Class I, not an HCA, and Class II, not an HCA.

And there will be a quiz after. I'm sorry.

(Laughter.)

No, we will give you the slides because we realize it is much more than the human brain can absorb in the 15 minutes I have been talking. So, the slides will be available. And as I said, the data update, we are going to continue to update that monthly and have it available for the website.

CHAIRPERSON HONORABLE: Thank you, Blaine.

We will begin now with questions

for Blaine from the Joint Committee members, and we will begin first with Gene.

MEMBER FEIGEL: Gene Feigel, Gas Committee.

Is the data on your website granular enough that we could get in and link sizes and pressures and all sorts of different things or is it largely aggregated much along the lines that we saw --

MR. KEENER: It is not aggregated, but it is segregated. We know how many miles operate over 72 percent SMYS. We can't tell you how big they are.

MEMBER FEIGEL: Okay.

MR. KEENER: We can't tell you their diameter. Can't tell you which portion can be inspected internally and which portion can't. So, they are discrete sets of data by particular attributes.

The proposal that we heard from Amy Nelson this morning, that would allow us to do that kind of crunching and combining

things if it was in a GIS where we had the attributes for each segment. Right now, with the tabular annual report, it is like eight separate slices of the data.

CHAIRPERSON HONORABLE: Any other questions from the Committee members?

(No response.)

Very good. We will now turn to the audience. If you are a member of the public and you have a question or a comment on this current topic, if you will come to the microphone now?

(No response.)

MR. WIESE: We might have worn them out already.

(Laughter.)

CHAIRPERSON HONORABLE: Very good.

Seeing none, thank you, Blaine, very much for that presentation.

And we will return to our agenda for agenda item 3. It is a briefing on the public awareness meeting and an update.

Christie Murray?

MS. MURRAY: Good morning.

I am Christie Murray with the Office of Program Development within Pipeline Safety.

I kind of see my presentation this morning as a preview in a movie theater. Really, I wanted to provide a brief update on what we are doing with our public awareness efforts and to talk about some upcoming activities that we are going to partake in.

So, where I wanted to start, PHMSA and our state partners have spent the past two, two-and-a-half years conducting public awareness inspections. Many have been targeted inspections, and some have been combined with other inspection initiatives.

PHMSA, we completed all of ours and our interstate agents at the end of 2012, and states are still conducting public awareness inspections. Their efforts are ongoing throughout the end of this year. And

many are combining them with other inspection activities.

Pretty much what we went out and did is we took a look at public awareness programs, visited with operators, to really assess their compliance with public awareness regulations 192.216 and 195.440, and, also, the first edition of the American Petroleum Institute's RP 1162.

Currently, this is a little outdated. It is probably about a month old, but we have conducted, roughly, about 350 total inspections. We have a database that we are actually collecting a lot of the results of our inspections within PHMSA.

PHMSA, we completed about 135 total, and the states, roughly, around 180 so far. And more are still being input into the database. Our PHMSA inspectors are still wrapping up some of their results. So, are the states. So, it is still a work-in-progress put into that system.

And we are also taking some looks at what we are seeing so far. We have a pretty good data size. So, we are looking at some of the results that we are seeing by each inspection question, just to say, what are some of the leading indicators and what areas that we may want to look at strengthening awareness? Where are operators doing really well, and what areas may they be struggling in?

And I just wanted to just point out a couple of general areas. I know there is a lot of interest in getting a hold of the data that we have in this database, and operators are anxious to find out what they can to improve their programs. That is really the essence of my conversation today, is to start the dialog around what is next with public awareness.

But there are a couple of key areas that, if operators were to look and focus their efforts without having the full

results of what we are seeing from the inspections -- Harold Winnie at our public awareness workshop, I thought he did a great job of providing the general overview of some of the areas where we are seeing some areas of concern with the inspections by question.

So, I just wanted to point out just a few areas that, if we could take back or to just put into perspective that here are some of the things that we are going to be talking more about in the future, the first would be stakeholder identification. I actually participated on some of the public awareness inspections, not as many as some of our inspectors, but I did participate on a few.

But I think this area is an area where there is a lot of opportunity to really look fundamentally at how operators are identifying their stakeholders and looking back over time, multiple years, into their program to do some basic analysis, to make

sure they are reaching the intended stakeholders that they should be reaching.

And by stakeholders, there are four key stakeholder audience groups: the affected public, public/local officials, emergency officials, and the excavation or excavator community.

Also, with the written programs, the whole essence of these inspections was also to, four years after implementing the public awareness program, operators were required in June of 2010 to conduct an effectiveness evaluation. How well is our program working? Are our messages reaching their intended audiences? What are we learning from this process, so that we can continuously improve?

And one of the takeaways from what we saw with the inspections is there was a lot of struggle around the effectiveness evaluation, and for different reasons, just due to the nature and flexibility and

variability, and how those effectiveness evaluations were conducted and could be conducted. There was really no one standardized methodology or approach taken to conduct those. So, we saw a lot of variation there.

But one of the key messages that I wanted to point out is, if you don't define what your intended goal, your metrics, how you will know when you have gotten to where you need to be with your program, it will be very difficult for years into implementation to determine whether or not it was effective.

So, my second area that I think we probably need to spend more time discussing ways to improve is the written program itself and making sure that upfront, when you are developing out the public awareness programs, that there are metrics and defined goals input into it that will give you a great baseline for assessing your program when you are trying to assess it for effectiveness years later.

Also, another key area was maintaining liaison with emergency officials. There is a lot of different efforts with the public safety community with regards to maintaining liaison. Are we providing the right information that emergency officials and first responders need in a timely manner? What do you do within those first 10 to 15 minutes of an incident?

And so, we are seeing a lot of variation again in this area. I think there are some operators that are doing a really great job with reaching out to their emergency officials, but I think there are still some opportunities and overall with this area where we can focus our efforts more on what do they really need to know and when do they really need to know it.

So, some of the activities since we have conducted inspections and we are starting to look at the results that we are undergoing, back in June, we had a great

public awareness workshop in Dallas, where we brought various stakeholders together and individuals from our four stakeholder audience groups and had a two-day workshop to talk about some of the challenges and successes we have had with public awareness and, also, what are some of the opportunities we have for improvement moving forward?

And we actually on the second day we had breakout sessions where we broke out into three smaller groups with diverse stakeholders in each group, so that we could have rich conversation around some of the needs and some of the challenges from different stakeholder perspectives.

We have a lot of that information, the presentations from the workshop, and we will be putting the actual breakout group comments on our public awareness website. I didn't provide the link, but I can make sure I provide it back to the Committee.

Now the next step, and one of the

things we did talk about at that workshop that we wanted to do next, is to formulate a small working group to primarily look at the different input items that we have, whether it is reviewing our inspection summaries and findings, identifying some of the gaps in our public awareness requirements, whether it is in our regulatory requirements or recommended practices; also, taking into consideration the feedback from the working group -- excuse me -- from the breakout groups that we had at the workshop. And pretty much our end goal is to talk about ways to improve public awareness moving forward in the form of a report or issuing findings.

And a key point to that -- and I will talk about that small working group on the next slide a bit more -- but the intent of the group is not to recommend we should make "X" changes to the regulations specifically or to recommend that we are going to make exchanges to RP 1162. It is to really

generally look at practical and reasonable areas where we have seen challenges collectively, and we want to really be practical about what makes sense moving forward on ways we can address it. How we address it will be outside of the scope of this actual working group.

And that feeds into the next point, RP 1162. Even though our current regulations, the first edition of RP 1162 is what is incorporated in our current regulations, we know that the second edition of RP 1162 is published and available and has been for a few years. But we have not adopted any additional additions because we wanted to get through the inspection process and make sure we had a good feel for what is working and what some of the areas that we need to strengthen before making that next step, because we may want to propose some changes or look at things differently.

So, if there is any concern over

what is next with the 1162 incorporation, we are really waiting until after we make recommendations and we decide if any requirements to public awareness need to change before making a decision on whether to incorporate any further additions.

And just one last point here. The working group we are looking to create, I know in the slides and the binder I think I said that we would work tentatively until the end of 2013, the end of this year. But it could spill over into early 2014. So, I wanted to make that clarification.

Generally, this is just an overview over public awareness is more of an iterative process. Things change. Technology changes. The needs of stakeholders change. The climate in which we all operate changes. So, continuous improvement is a focus for our operators. We know it is a focus for all the regulators, and all the stakeholders have expectations and perspectives about how we go

about doing those things. So, this is just kind of a snapshot on all the pieces that really fit into the puzzle for public awareness. And the overall goal is to keep finding ways to get the right information to the right stakeholders at the right time.

And this chart is just a brief representation of what we would like to put together for the working group for public awareness. I have already started reaching out to some of the stakeholders you see listed here, personally inviting them to participate on this working group because they have specialized knowledge, experience, perspectives that we believe will be very valuable in advancing our discussion on public awareness.

And that is really all I have to share. The reason why I say it is more of a movie clip is because there is more to come, and this is just kind of the preview of some of the work we have ahead.

CHAIRPERSON HONORABLE: Thank you, Christie. Thank you for the trailer. We appreciate it.

And we will acknowledge Linda, although she technically doesn't have the tent card up. She tried; it fell.

Linda?

MS. DAUGHERTY: Linda Daugherty. I'm with PHMSA.

And I just wanted to make a really quick note and say thank you to Christie. Christie is a brand-new Director for us in Program Development. And she handled quite adroitly a very difficult public awareness meeting in Dallas. She handled some disruptive behavior. And I just wanted to acknowledge to the group for the record she did really well.

And I think you might also see a repeating theme in some of Jeff's introductory marks, that in the current environment, we sometimes have to set expectations and the

whole idea about not being disruptive or rude to commenters. So, we want everybody to have an opportunity to make a point and make a statement, but sometimes you have to be limited in order to get your main objective achieved on a mission.

So, thank you again, Christie.

CHAIRPERSON HONORABLE: Thank you, Linda.

Don?

MEMBER STURSMA: You gave some numbers for the number of inspections performed. I think you said 313 total and 178 by states. What is the date of those numbers? Because I know the states have been conducting these inspections and uploading their reports, and those numbers seem awfully low.

MS. MURRAY: The date of those were about the end of June. So, I have seen an influx of more inspection reports come in.

And also, keep in mind that that was based on who led the inspection, and there

could be a little bit of a variance between those numbers, based on how it was actually sorted.

CHAIRPERSON HONORABLE: Thanks, Don.

Andy?

MEMBER DRAKE: Andy Drake with the Gas Committee.

I appreciate what you are working on here. I think that one of the things that when we were trying to do integrity management and contingency improvement, we really figured out that engineers don't really understand how to communicate well.

(Laughter.)

MS. MURRAY: Hey, I'm an engineer.

MEMBER DRAKE: That is probably shocking -- Christie is the exception -- that is probably shocking to many of the people around the table here, but we came to that amazing self-awareness, and we actually went outside ourselves and brought in a group that

was designed specifically for public outreach. And it really helped fuel us with a lot more information than we had been getting previously to make better choices.

And I think when you are looking at this public awareness working group -- I was going to say "PAWG" (laughter) -- but when you are looking at that working group, I think it might be helpful to visit back with folks like Cathy Landry and Susan Waller, in particular. They were very instrumental in setting that group up and have been very active in outreach to the emergency responders and other folks.

And I think what we learned was amazing. But I think, as much as anything, to offer that to this group as you start up might help kind of jump-start it a little bit, those two folks, in particular.

MS. MURRAY: Thank you. Will do.

CHAIRPERSON HONORABLE: Thank you, Andy.

Any other questions, comments from the Committee members?

(No response.)

Seeing none, I will turn to the public now. If you have a question or comment, you may step to the microphone and identify yourself, please. You can go on over.

MR. LIDIAK: I am not an engineer. I play one on TV.

(Laughter.)

CHAIRPERSON HONORABLE: Will you tell us who you are for the record?

MR. LIDIAK: This is Peter Lidiak with API.

CHAIRPERSON HONORABLE: Thank you.

MR. LIDIAK: I just wanted to let everyone know that probably pretty much in alignment with the schedule that Christie just talked about is we will be looking to form a revised work group to update for the third edition of 1162 in early 2014. So, this is a

little bit of a pre-announcement. We will also be publishing the intent for this in the NIST publication that comes out early in the year on standards activities.

So, think about whether you have people that can contribute to that revision. We will be working with PHMSA on what they found from the inspections as well.

Thank you.

CHAIRPERSON HONORABLE: Any other members of the public? Now is your time.

(No response.)

Seeing none, thank you, Christie, and congrats on your promotion.

MS. MURRAY: Thank you.

CHAIRPERSON HONORABLE: I look forward to working with you.

All right. I think that now we have concluded our listed agenda items, and we are now into the period for open discussion, and I will yield to Jeff.

MR. WIESE: Well, I just wanted to

point out for Andy's benefit there were a couple of other people in the room who actually worked with Susan on that. Christina is in the back of the room. I was on there. There might be others, too, and I don't mean to leave anyone out on that.

So, yes, we have been working this one for a long time. We created the CATS program in which Christie used to be the National Coordinator for the CATS, for the same reasons that you had said.

We had put engineers in really untenable positions before public meetings that were really rough, and it hadn't gone so well. So, we figured we had better bring on a corps of people that we could train to communicate better. I mean, they knew their stuff, but they would get flummoxed, you know, in a really tough public meeting and just go south on them.

So, at any rate, I think we have all learned a lot. We have come a long ways

with public awareness and appreciate Peter's comments as well, because we have worked well to get everybody into agreement, including Carl and everyone else's points of view on that.

So, that is really all I had to add to that, short of my own congratulations to Christie.

And then, I think Ken Lee is here, too. Ken, could you just stand up for a second and wave at people?

Ken is the new Engineering Director. We will work on communication skills then.

(Laughter.)

We will put him into a CATS job for a little while and test him.

But Ken is the new Engineering Director for us. We are really thrilled to have him. Those of you who know Ken know he has national-level expertise on a lot of issues, including welding. So, any issues

relating to welding, you can count on him.

We are happy to have both of them onboard.

So, that is really all I have. So, I guess I will turn it back to you, and we can open it up to the Committee, if there is anything you want to say.

CHAIRPERSON HONORABLE: Thank you, Jeff.

Are there any matters for open discussion from the members of the Joint Committee?

(No response.)

We have worn you out.

(Laughter.)

Okay. I will ask one more time. Someone may be a little nervous.

(Laughter.)

All right. Here we go.

(Laughter.)

MR. WIESE: You gave them enough time.

CHAIRPERSON HONORABLE: I just wanted to say we really mean it; now is your time.

Craig?

MEMBER PIERSON: Craig Pierson, Liquids.

Just curious about the plans for the next meeting.

MR. WIESE: We might as well do that now. That was actually in my closing, but I will make it early.

So, I have to be sensitive to a lot of moving parts here and working with Cheryl, who will be notifying you. But one of the moving parts which I really want to make sure that I keep onboard is my Chairwoman, who is also going to be the President of NARUC and whose life will be heavily committed in there.

CHAIRPERSON HONORABLE: Even more so.

MR. WIESE: Even more so.

CHAIRPERSON HONORABLE: How can it

possibly be?

MR. WIESE: I know. I feel that pain.

CHAIRPERSON HONORABLE: We all do.

MR. WIESE: But we are shooting for December. So, we will ask Cheryl to put out a -- we don't want to get too close to the holidays, but I will ask Cheryl to put out a request to you for calendar availability in very late November into mid-December. So, if you could help us with that, it would be great.

We do want to continue to have the meetings regardless of whether we manage to get any rules passed to anyone else outside of PHMSA, so that we have things to vote on.

But, also on that, you know, we sit and cram trying to figure out what do we want to bring to you when we don't have those rules. So, we are wide open to that. Who knows? We might even have a liquid IVP by then.

(Laughter.)

I know you guys are looking forward to that.

(Laughter.)

Hey, now fair trade here. The liquid guys took the heat on integrity management first before we got to gas. So, IVP goes to gas first and, then, liquids.

MEMBER PIERSON: So, I presume we are talking 2015 then.

(Laughter.)

MR. WIESE: For the next meeting or?

CHAIRPERSON HONORABLE: Who wants to clarify the record? Andy?

MEMBER DRAKE: Just one comment, and I know I heard this from other Committee members. But I appreciate why we couldn't get an agenda before the night before, but it really puts us at a disadvantage when we come into a meeting and we can't read ahead or think ahead even. I know why it was done.

But if there is some way we can like create some -- what did Stacy used to call it? -- a knot in the tree or something, where we could post it up, and I can go get it, and no one else can see it, or something. But I think it would help us to get --

MR. WIESE: Not "hole in a tree". It was a literary reference to "To Kill a Mockingbird".

MEMBER DRAKE: Yes.

MR. WIESE: But, yes, that would have been Stacy's style, not hole in a tree.

But, yes, we hear you. So, I apologize for that.

MEMBER DRAKE: I know why it was done, and it is not a criticism.

MR. WIESE: I understood.

CHAIRPERSON HONORABLE: Thanks, Andy.

Go ahead, Jeff.

MR. WIESE: Sorry. And I just mentioned to Colette most of you were here

yesterday when we said thoughts about a digital briefing book. You know, we just noticed that some of the bios are out-of-date. So, I have asked John and Cheryl to send you an alert when we have a meeting, "Here's things we could use from you. You know, check your bio. Is it current?" Understood that in a few cases probably it is not.

So, we would welcome your input on that. You know, we are trying to make sure we have things for you and others to look at. We want it to be current.

But any thoughts on the digital briefing book? You don't have to do it now because I know a lot of you have got flights. But feel free to send them in to his. You know, Cheryl, John, myself, people can forward.

Can we have just kind of a general view of who is in favor of digital briefing?

CHAIRPERSON HONORABLE: You can open it in Docs to Go or something like that.

MR. WIESE: Yes, you have to a computer or iPad.

CHAIRPERSON HONORABLE: Well, a lot of people have tablets.

MR. WIESE: Okay. I saw a general support for that notion. So, we will consider the December meeting a pilot of a digital briefing book.

CHAIRPERSON HONORABLE: But save the trees.

MR. WIESE: Yes, that's right; save the trees.

No colored printing. That is a PHMSA joke. Apparently, we are restricted on color printing now. Okay.

CHAIRPERSON HONORABLE: All right. Carl? And then, Sue.

MEMBER WEIMER: Just a question. This is Carl from the Liquids Committee.

I notice there's a lot of openings on the Committees. I was wondering if you could just comment on where the filling of

those openings is. I think there are some of us that are approaching retirement from the Committees, which I am hopeful for.

CHAIRPERSON HONORABLE: No, no.

MEMBER WEIMER: So, I was wondering if you can comment on that, too.

MR. WIESE: If you ask that question one more time, Carl, we will just put you on the other Committee. Okay?

(Laughter.)

And that solve the appointment and the term problem.

There are a number of nominations in the process. As you can imagine with the change in Secretary, it is going to complicate it. You know, he has got to get his feet underneath him.

This is we nominate people. Let's be clear, the Secretary selects and appoints. So, it is like a rule. There are a lot of things past us.

The one I am having the most

difficulty with, honestly, are government. Honestly, I wanted to get Jim Watson from Besse to come over. Watson just announced he is leaving. We actually tried to appoint Watson when he was in the Coast Guard. Then, he left to get to Besse. Then, we were going to move to appoint him while he was at Besse, and he is leaving to, I think it is the American Bureau of Shipping. So, offshores, in kind of an awkward spot.

But, yes, we are sensitive to that, and we are making nominations, but it is taking a while. Sorry.

CHAIRPERSON HONORABLE: Sue?

MEMBER FLECK: I withdrew my question.

CHAIRPERSON HONORABLE: Very good. Are there any others?

(No response.)

I will ask a third time.

(Laughter.)

All right. I will close it down.

Thank you so much for the opportunity to chair the meeting again. I am always enlightened. I don't have the luxury to work as closely with the issues. You guys are the subject matter experts. So, thank you again for being committed to this work. It is important and, most of all, it is important to the people that we serve.

I will turn it back over to Jeff.

MR. WIESE: Okay. And thank you, Colette. I appreciate both you and Wayne making time out of your schedules to come join us, and all of you, for that matter.

So, I won't draw it out. You have got planes to catch.

Thank you for your service. It is enlightening for us, too, and we work on it on a day-in and day-out basis. So, that is why we have an Advisory Committee. Your help is very important to us. And thank you so much for your service.

Safe travels home.

CHAIRPERSON HONORABLE: We are adjourned.

(Whereupon, at 11:53 a.m., the meeting was adjourned.)

C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Gas Pipeline and Liquid Pipeline Advisory Committees

Before: US DOT

Date: 08-09-13

Place: Arlington, VA

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

Neal R. Gross

Court Reporter