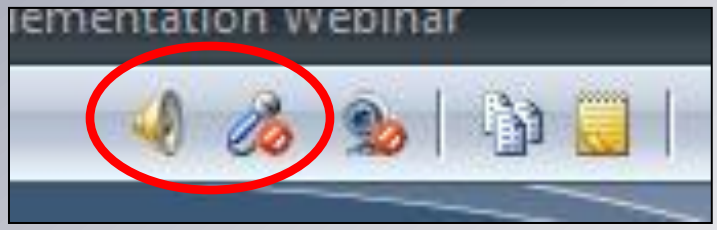
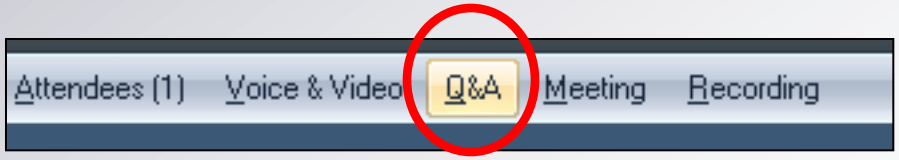
DIMP Implementation Webinar
January 25, 2012
11:00 AM – 12:30 PM EST

- Computer Audio Only – No phone line – Turn speaker on and leave mic off:



- Audio not working? Send us a message using the Q&A menu



DIMP Implementation Webinar

National Association of Pipeline Safety Representatives
Office of Pipeline Safety

January 25, 2012

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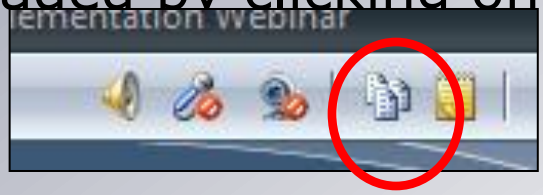

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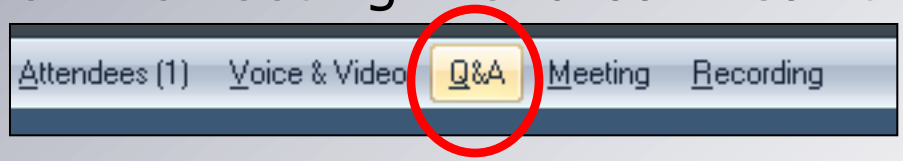
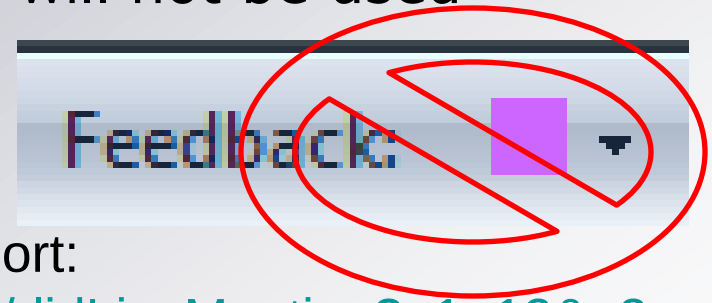


- Feedback function will not be used



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Webinar Kickoff – Linda Daugherty

- Thank you for your participation in today's Webinar and your interest in Distribution Integrity Management

Webinar Topics

- Initial Inspection Results and Issues
- Preliminary Mechanical Fitting Failure Report Data/Analysis
- Inspection Forms
- Industry Meetings the DIMP Team plans to support
- NTSB Findings and Recommendations
- Questions and Answers (All)

DIMP Inspections

- Plan development and implementation were required to be complete August 2, 2011
- Some states have begun inspections. State Program Managers anticipated completing inspections for approximately 35 operators in 2011
- PHMSA has conducted 2 DIMP inspections
- Other states will begin DIMP inspection programs in 2012
- Today's webinar will discuss some of the key findings from the inspections conducted to date

DIMP Rule Provisions

- IM Plan and Models used to develop IM Plan
- Knowledge of gas distribution system
- Identify threats that could threaten the integrity of pipeline
- Evaluate and rank risk associated with distribution pipeline
- Identify and implement measures to address risks
- Measure performance, monitor results, and evaluate effectiveness IM program
- Periodic Evaluation and Improvement of IM Program
- Report results of required performance measures
- Records maintained to demonstrate compliance

IM Plans and Development Models

- Output from model plans needs to be customized to reflect local conditions and include procedures. Some DIMP Plans lacks adequate details.
- Plan lacks specificity regarding the Operator's unique operating environment
- Operations, Maintenance, and Inspection procedures not adequately integrated or referenced, when appropriate.
- Procedures lacking specificity: who, what, when, where, how.
- DIMP roles and responsibilities were not documented
- Plans were not state specific
- Program Model documentation not incorporated or referenced

Knowledge of Gas Distribution System

- Lack of criteria for subject matter expert (SME) selection. Plan relies on "DIMP Council" and SMEs, but no selection process or criteria for these individuals is stated.
- Documentation of SME conclusions and SME interviews were not documented and SME bios/credentials were not included
- Operators need to specify how field discovery of inaccurate information is to be relayed to DIMP team
- Plan needs to reference the missing information list when it resides outside of the DIMP
- Procedures for identification of additional information were not included

Knowledge (continued)

- Specific source data was not listed including the types of documents used
- If there is no missing or unknown information, the DIMP must state this assumption
- Procedure for additional information collection process was not documented
- Plan did not list data needed to fill gaps
- Plan lacked procedure for recording new pipe data
- Should include procedures to evaluate and obtain data from external sources

Identify Threats to Integrity

- Failure to consider applicable operating and environmental factors affecting consequence (e.g., paved areas, business districts, hard to evacuate). An Operator needs to consider additional factors relating to Consequence of Failure when evaluating risk.
- Plan needs a listing of specific records used to identify threats
- No established time interval for reevaluation of threats
- Needs procedures to identify new or potential treats
- Did not address threat of excavation to pipelines in DIMP

Evaluate and Rank Risks

- System subdivision is not sufficient and inadequate subdivision of systems to sufficiently analyze risk(s).
- Failure to consider non-leak failures in analyzing risk. Operators should address failures that do not result in a release to identify potential threats
- Plans should address areas where flooding can be expected
- One operator identified that the Consequence of Failure ("COF") can be diluted by Frequency of Failure ("FOF") – a larger range under COF is needed
- Subdivision of information did not include additional criteria adopted since August 2nd, COF revisions
- Plan lacks explanation of data validation process

Evaluate and Rank Risks (cont.)

- Did not incorporate pipe replacement program in DIMP
- Validation of the risk ranking model not explained; "How do we know it's working?" SME ranking grossly different from model output, and results must be validated
- Risk ranking did not include all risks to facilities
- Model can only address mains; no risks specific to services
- After the two highest risk projects, the model ranks projects/replacements based on cost-effectiveness

Measures to Address Risks

- Link between assessed risk and identified and implemented measure to reduce risk is not clearly detailed
- No reference to leak management plan in DIMP
- No re-evaluation time interval established for measures to reduce risks

Performance Measurement

- Baselines for Performance Measures not established
- Plan lacks procedures to establish baselines
- Plan should identify “trigger points” or “significant issues” to initiate performance measures
- Performance measures not established for measures implemented to address risks

Periodic Evaluation and Improvement

- Plans lack procedures for conducting periodic evaluation
- Procedure should provide for notifying operator personnel of changes to plan or plan requirements.

Report Results

- Plans lacked procedure describing the collection of Annual Report data
- No instruction to send annual report to State agency, when required

Records Required to be Maintained

- No description as to how superseded plans and back up data will be kept
- Missing or inadequate revision log, Plan effective date, revision date
- Statements in DIMP that "all Company records were used in the development of the DIMP" – specificity is appropriate as only those records used to develop and implement the DIMP should be referenced as being records required to be maintained for 10 years.

MFFR Reporting

- **§ 192.1009 What must an operator report when a mechanical fitting fails?** (a) Except as provided in paragraph (b) of this section, each operator of a distribution pipeline system must submit a report on each mechanical fitting failure, excluding any failure that results only in a nonhazardous leak, on a DOT Form PHMSA F–7100.1–2. The report(s) must be submitted in accordance with § 191.12.
- (b) The mechanical fitting failure reporting requirements in paragraph (a) of this section do not apply to the following: (1) Master meter operators; (2) Small LPG operator as defined in § 192.1001; or (3) LNG facilities.

MFFR Reporting (continued)

- **§ 191.12 Distribution Systems: Mechanical Fitting Failure Reports.** Each mechanical fitting failure, as required by § 192.1009, must be submitted on a MFFR Form PHMSA F–7100.1–2. An operator must submit a MFFR for each mechanical fitting failure that occurs within a calendar year not later than March 15 of the following year (for example, all mechanical failure reports for calendar year 2011 must be submitted no later than March 15, 2012). Alternatively, an operator may elect to submit its reports throughout the year. In addition, an operator must also report this information to the State pipeline safety authority if a State has obtained regulatory authority over the operator's pipeline.

Mechanical Fitting Failures
Reporting and Data Analysis

- Communication of Performance Data through DIMP web page in a manner similar to Liquid and Gas IM. Annual report Performance Data for first year (2010) will be posted along with 2011 MFFR data (first year) will be posted in or about May, 2012
- There has been some Industry confusion over which failures to report. The MFFR instructions have been revised to better communicate that Operators are to report "all failures of compression type couplings, regardless of material, that result in a hazardous leak".

MFFR Data Analysis

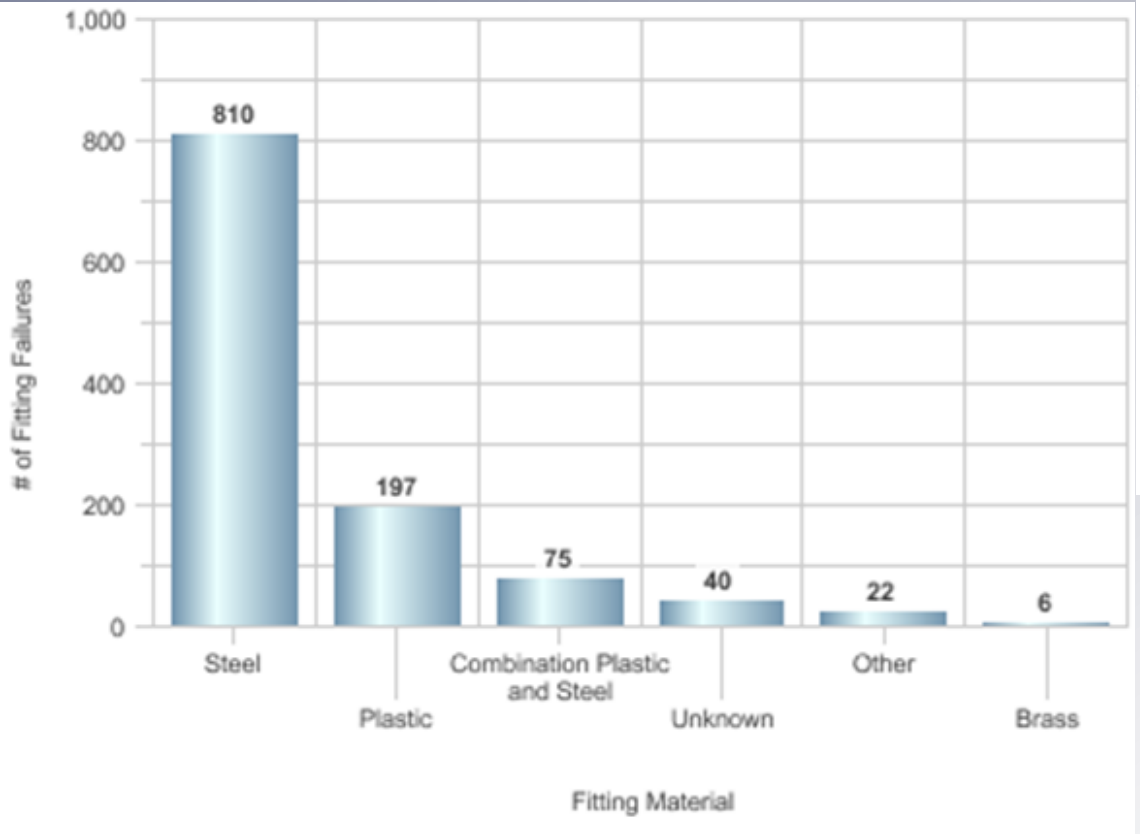
- Data from the reporting period from January 1, 2011 through January 2, 2012.
- Total 1150 reports submitted
- Data issues

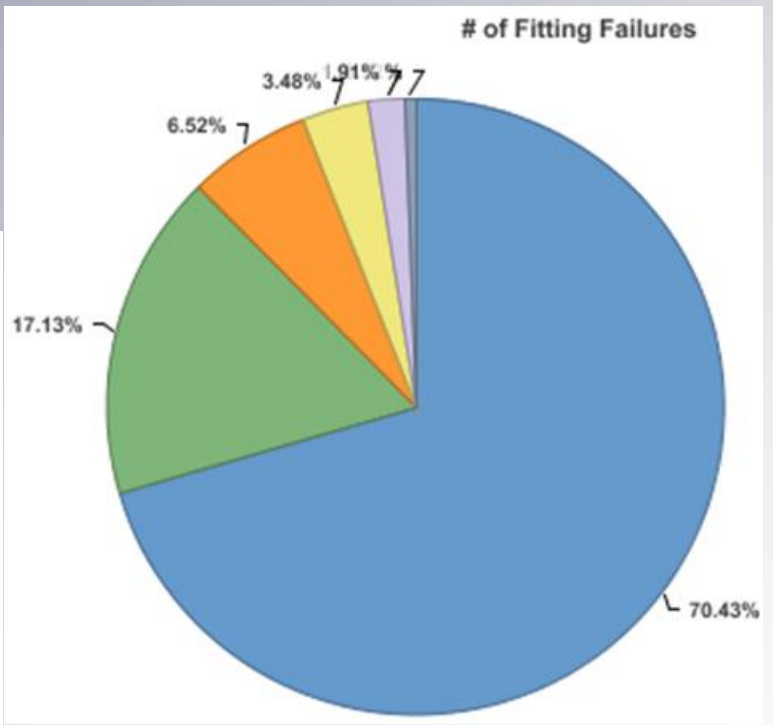
INSTRUCTIONS FOR COMPLETING FORM PHMSA F 7100.1-2

- Make an entry in each block for which data are available. Some companies may have very old pipe for which installation records do not exist. Estimate data if necessary. ***Avoid entering "Unknown" if possible.***

Mechanical Fitting Failures by Material

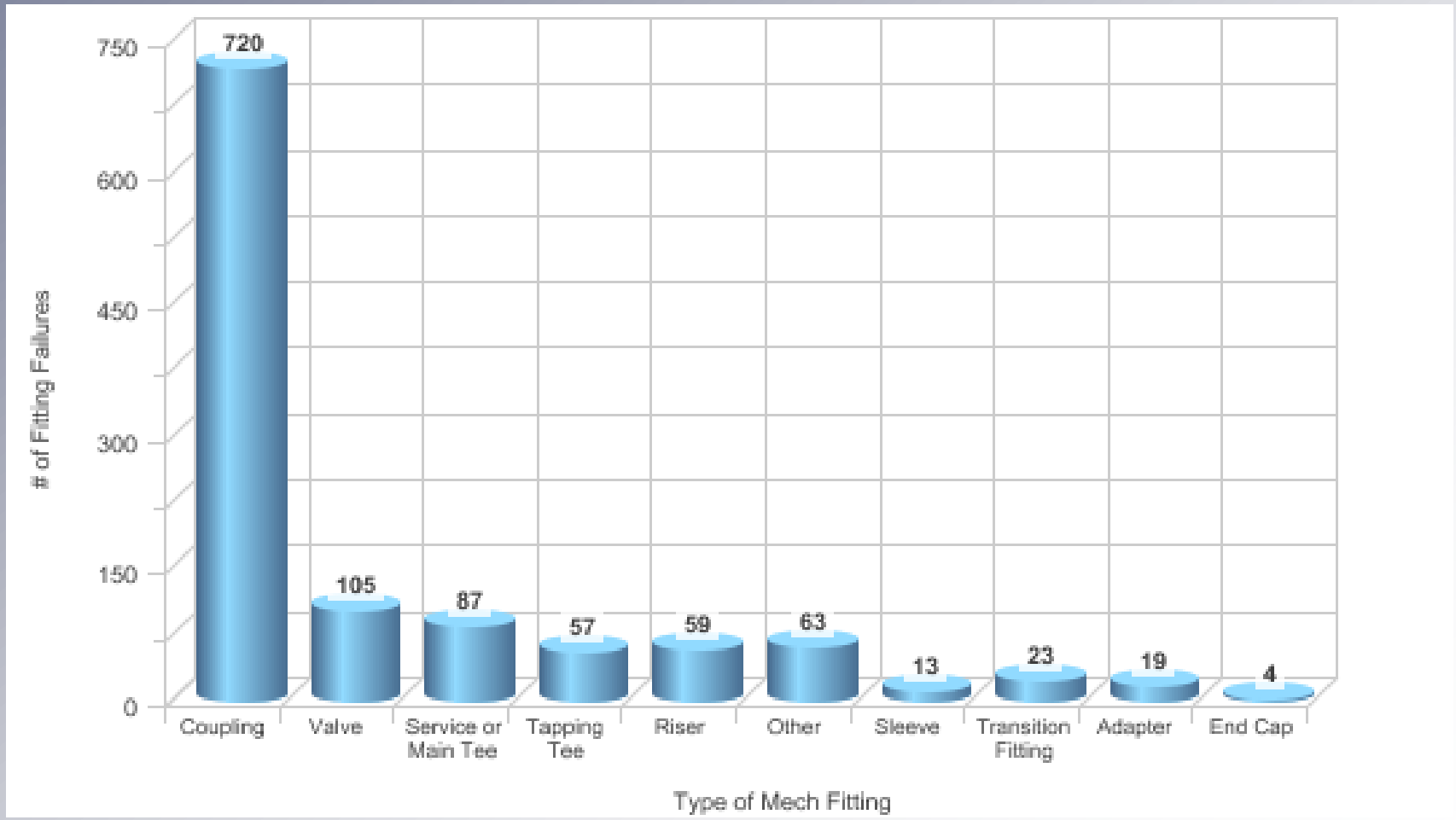
as of 1/2/2012





Mechanical Fitting Failure by Type of Mechanical Fitting

as of 1/2/2012



Specify the Mechanical Fitting Involved

Stab Type

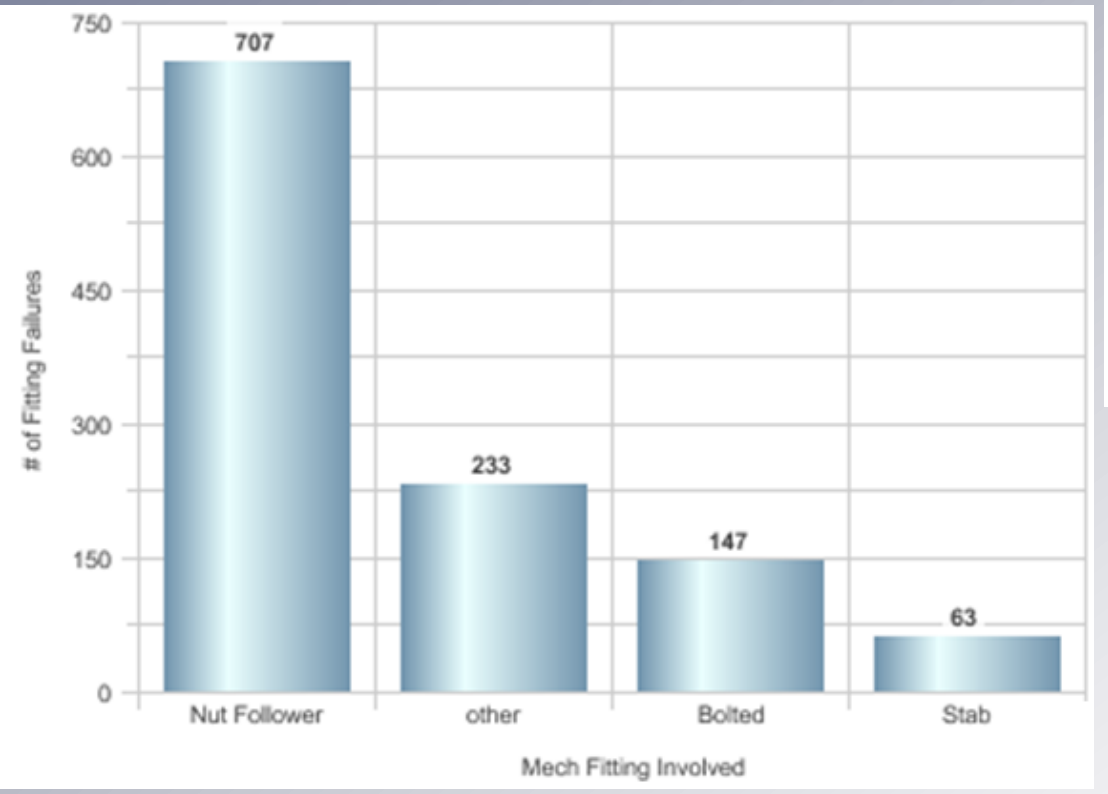
Nut Follower

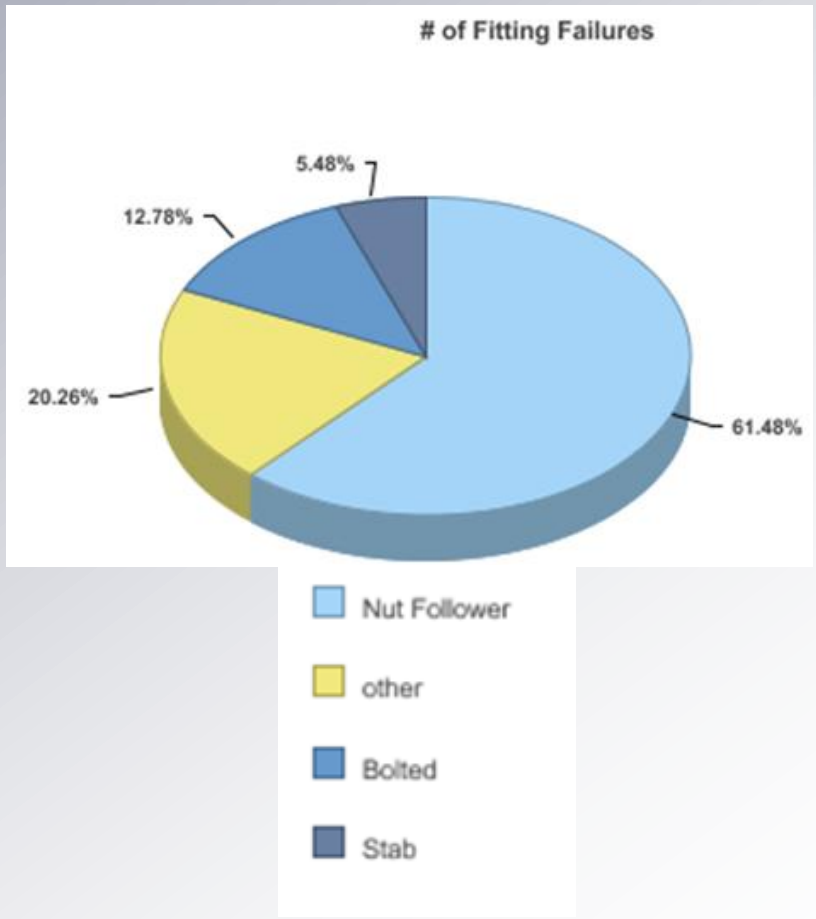
Bolt Type

Other(s)

Mechanical Fitting Failures by Type

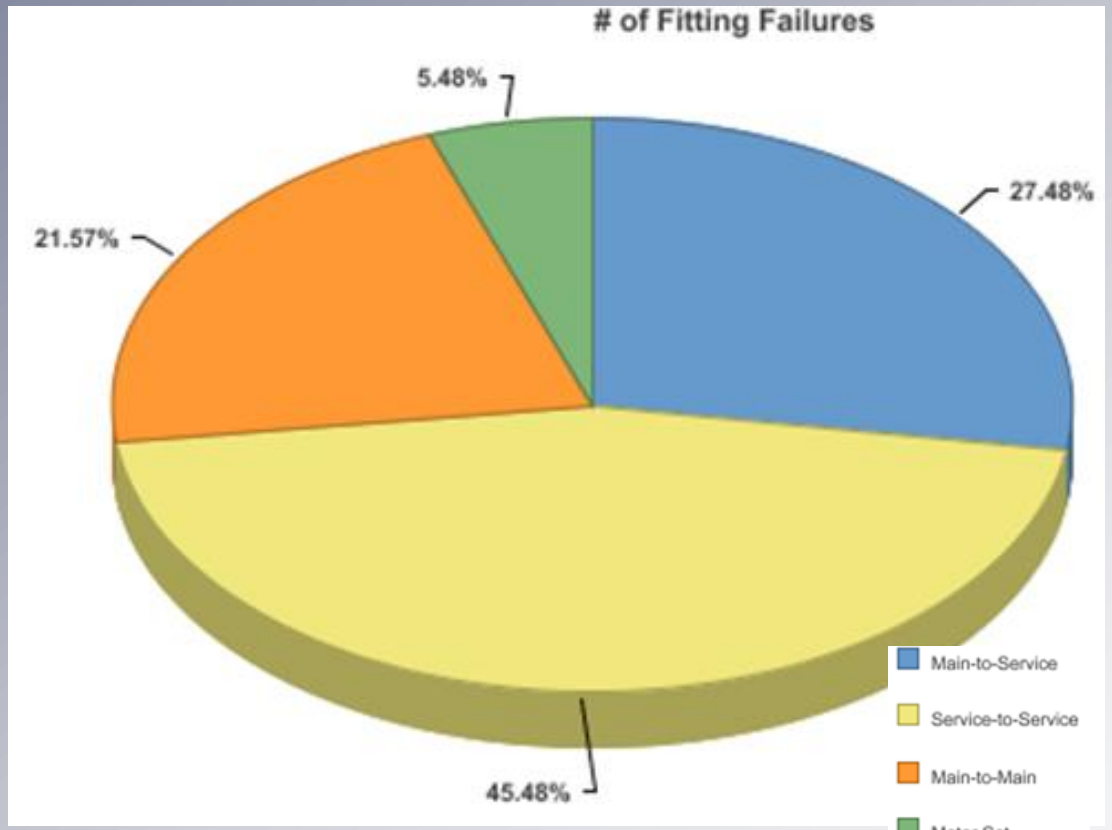
as of 1/2/2012

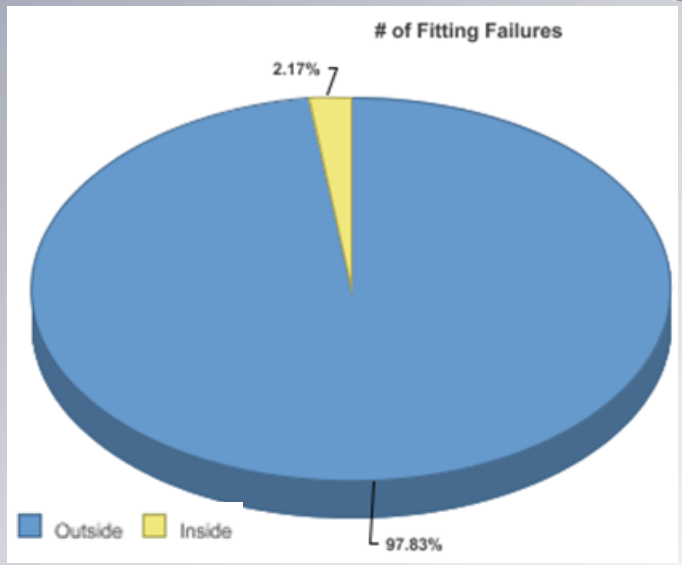


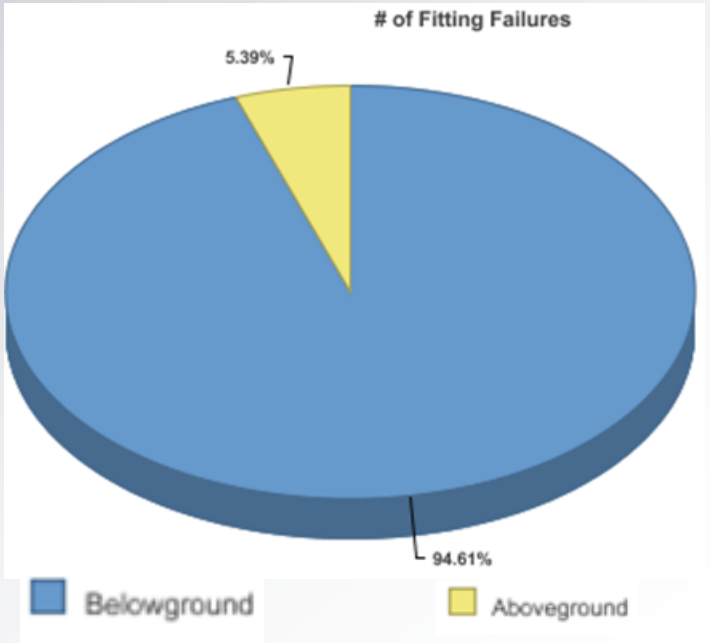


Mechanical Fitting Failures by Location in System

as of 1/2/2012







MFFR Data Analysis (continued)

- Raw data received by January 2, 2012 is presented here.
- Following the receipt of all 2011 reports (by March 15th), the MFFR Team will QA/QC the data and initiate analysis.
- Preliminary analysis of the data should be completed and posted in or about May 2012.
- Results of the MFFR data analyses will be a topic at the June 27th DIMP Workshop to be held in the DFW area.

Logging into the Portal

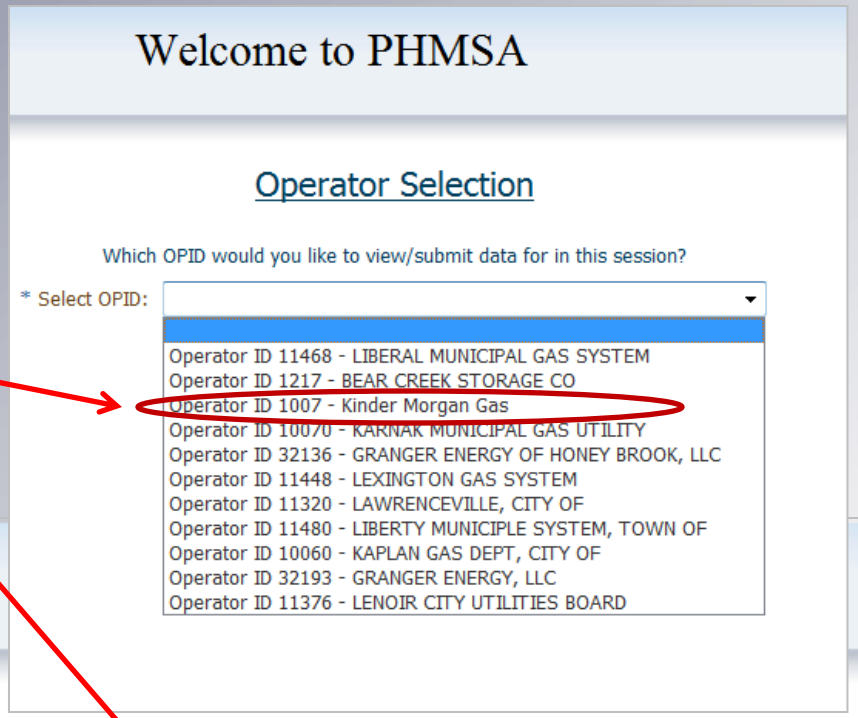
PHMSA Portal is accessible via the ODES site http://opsweb.phmsa.dot.gov **or** https://portal.phmsa.dot.gov/pipeline

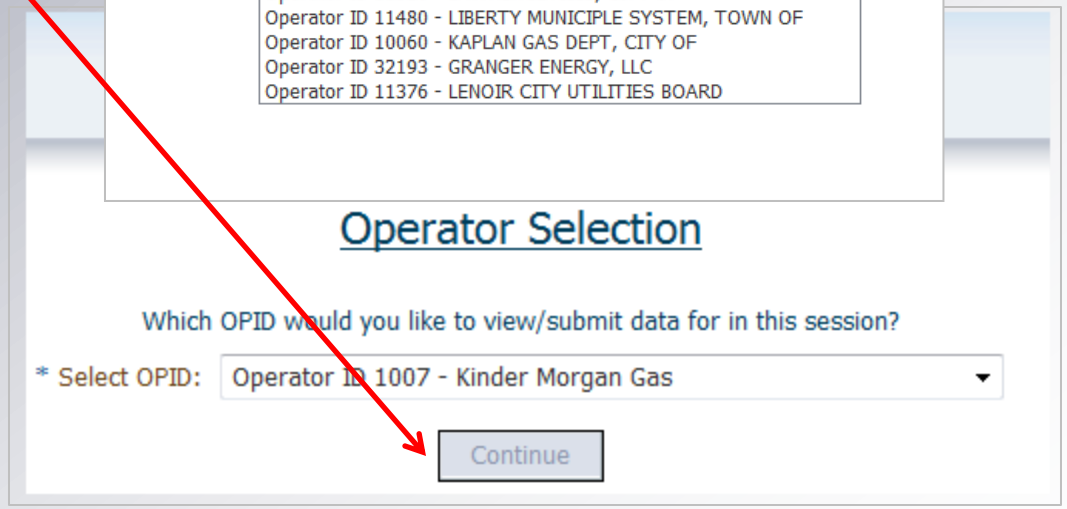
- Operators who have filed a 2010 or 2011 annual report should log in using the same credentials
- Your username is **not** your OPID and your password is **not** your ODES PIN/Password
- First time users must "**create account**"

Selecting an Operator ID

If you have multiple Operator IDs, you must select the OPID you would like to file a report for, after logging into the Portal.

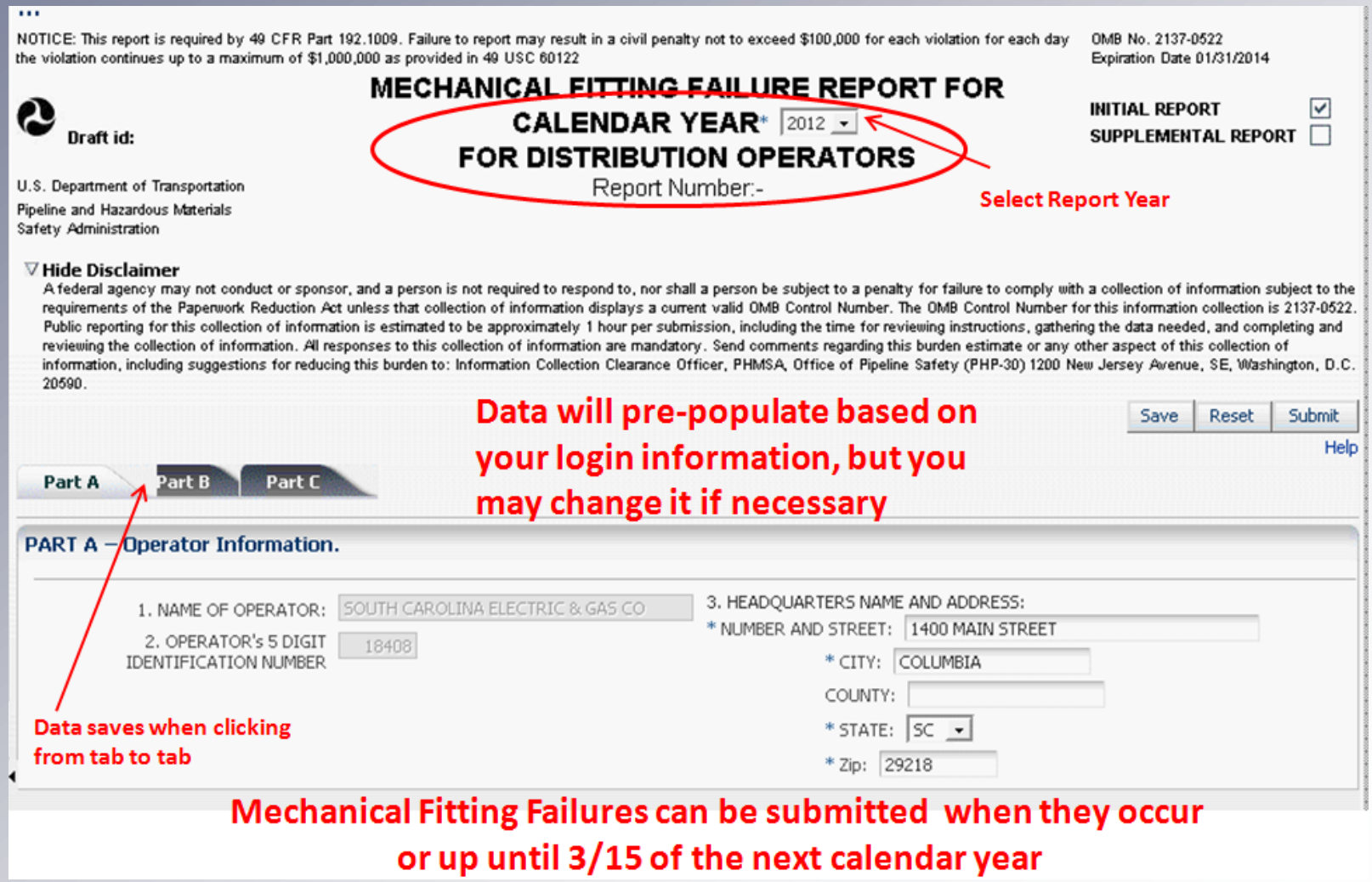
You must log out to select another operator





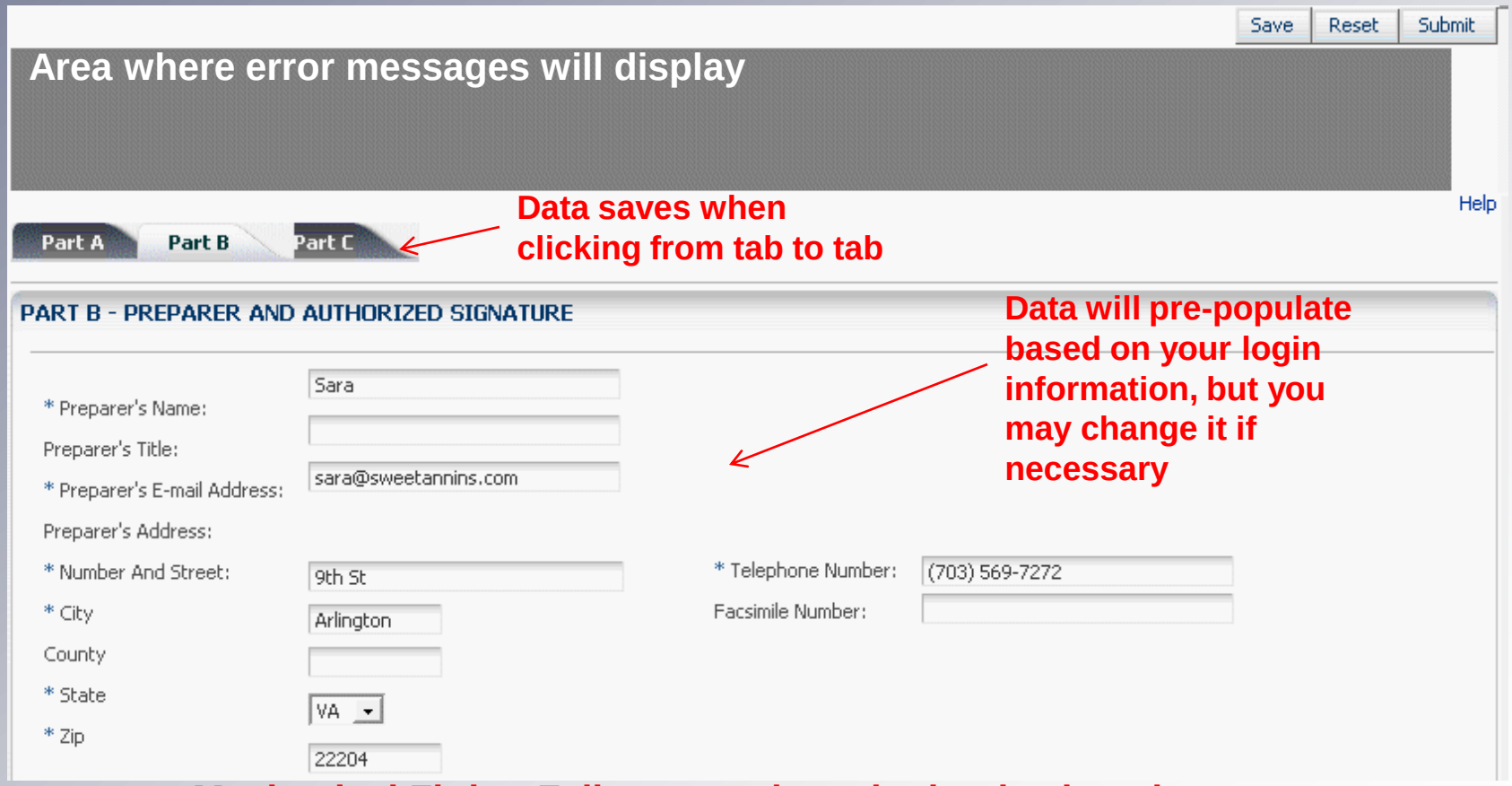
Navigating the Portal

MFF Report Submission – Part A



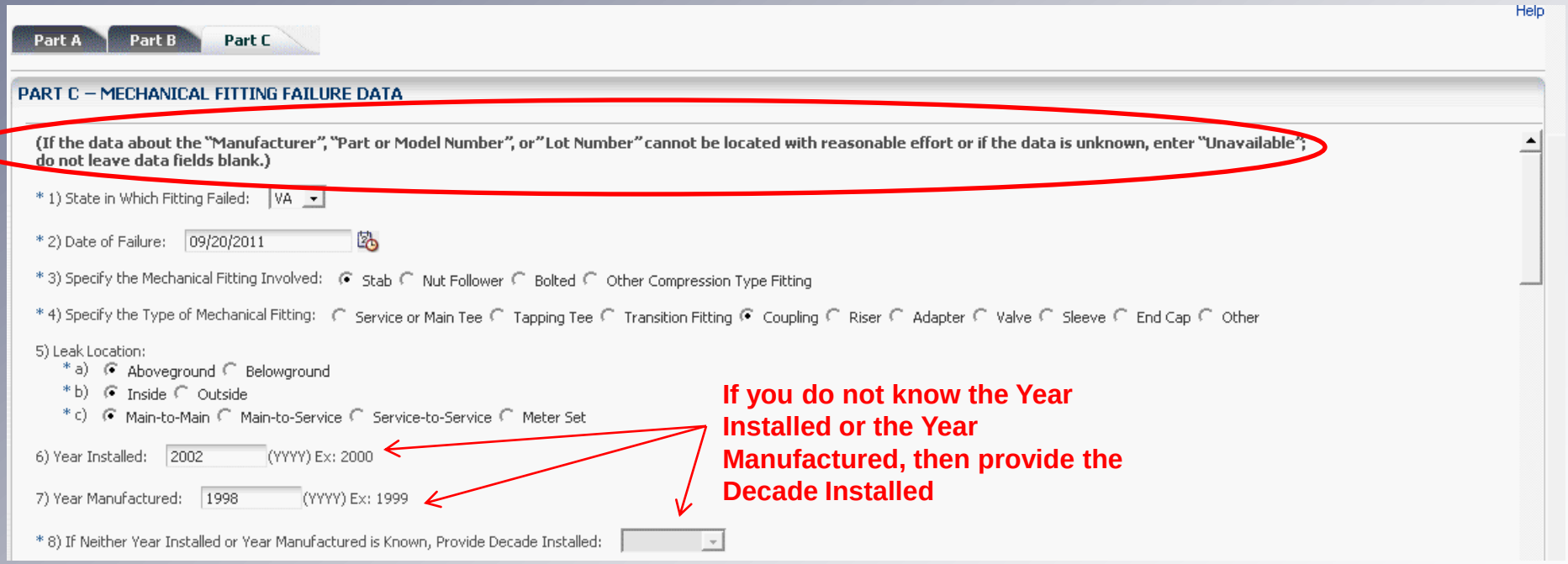
Mechanical Fitting Failures can be submitted when they occur or up until 3/15 of the next calendar year

MFF Report Submission - Part B



Mechanical Fitting Failures can be submitted when they occur or up until 3/15 of the next calendar year

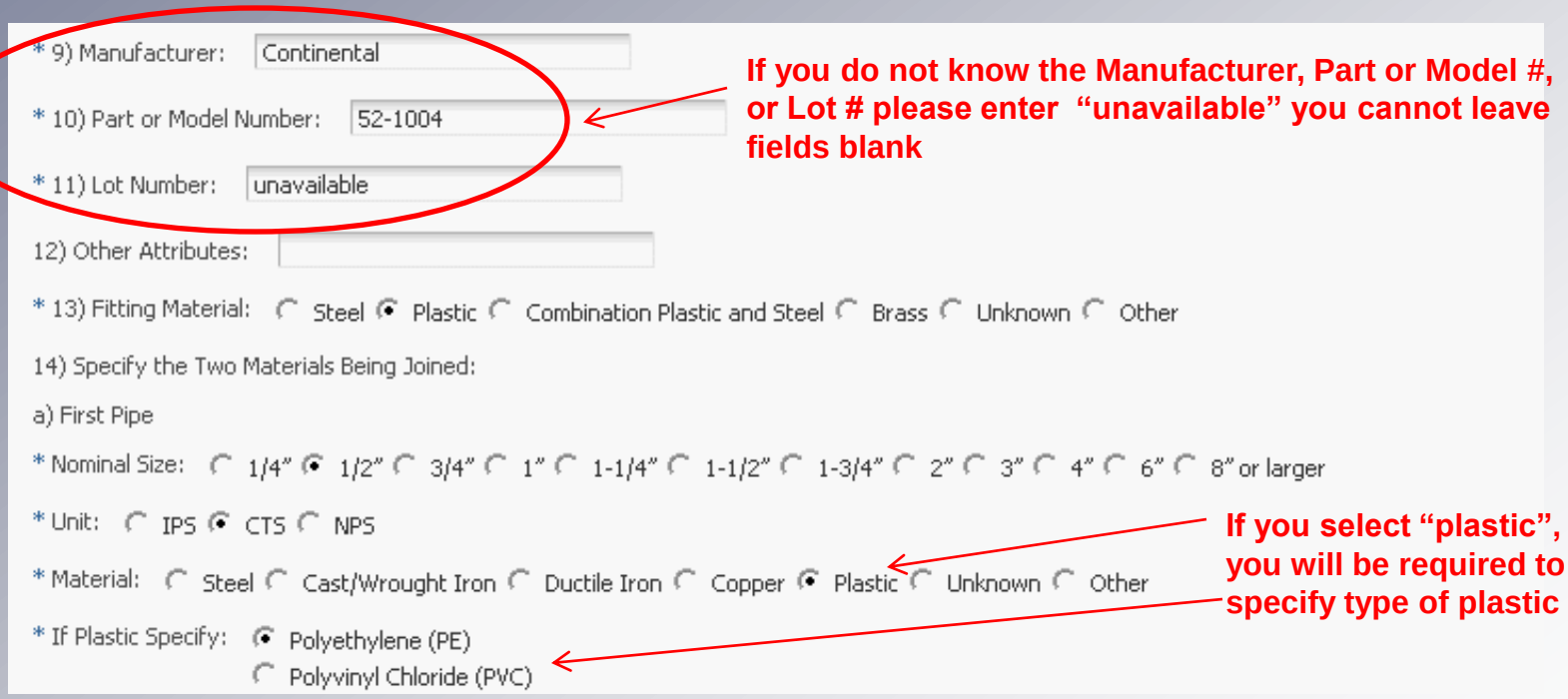
MFF Report Submission - Part C



If you do not know the Year Installed or the Year Manufactured, then provide the Decade Installed

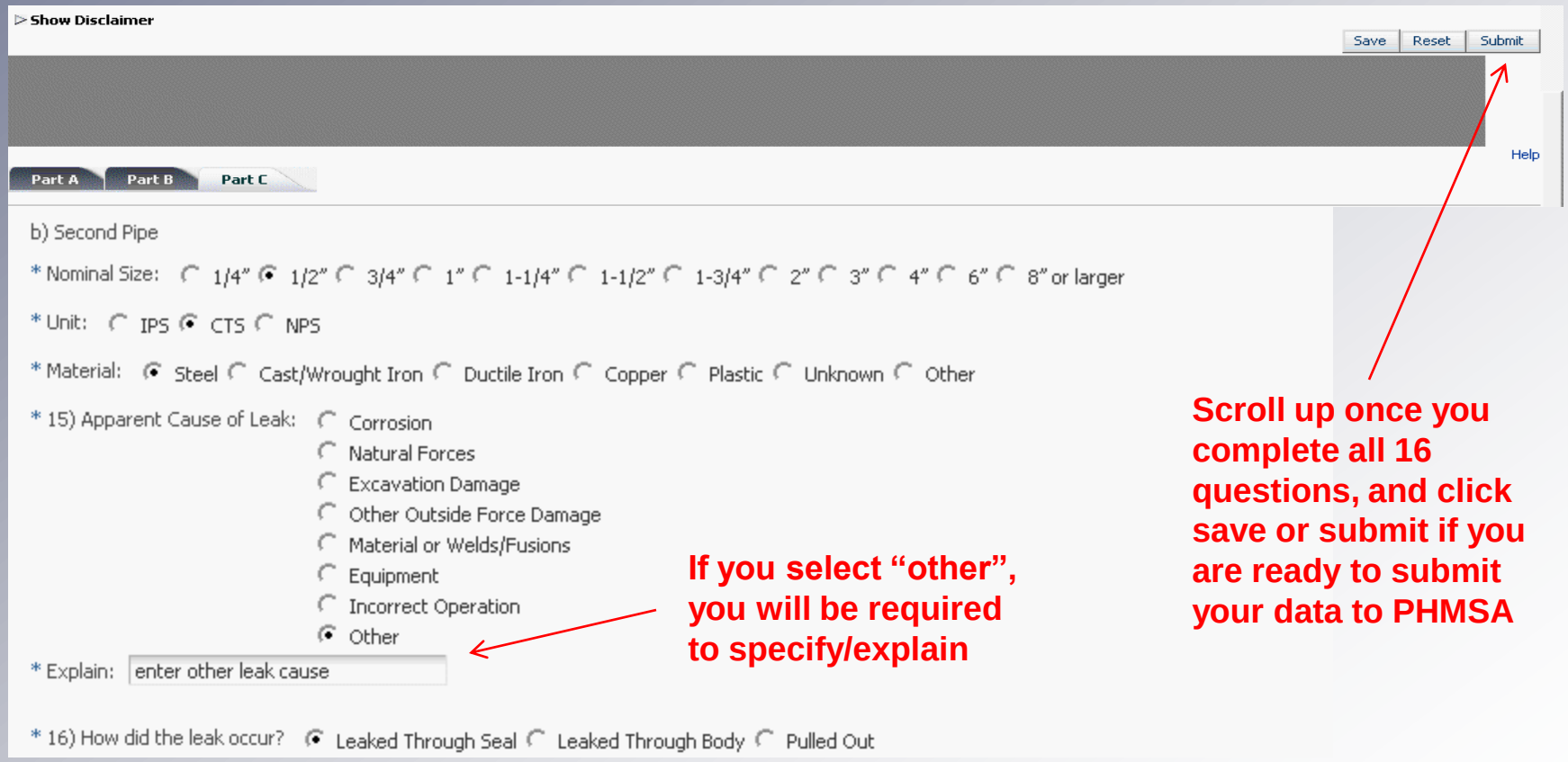
Mechanical Fitting Failures can be submitted when they occur or up until 3/15 of the next calendar year

MFF Report Submission – Part C continued



Mechanical Fitting Failures can be submitted when they occur or up until 3/15 of the next calendar year

MFF Report Submission – Part C continued

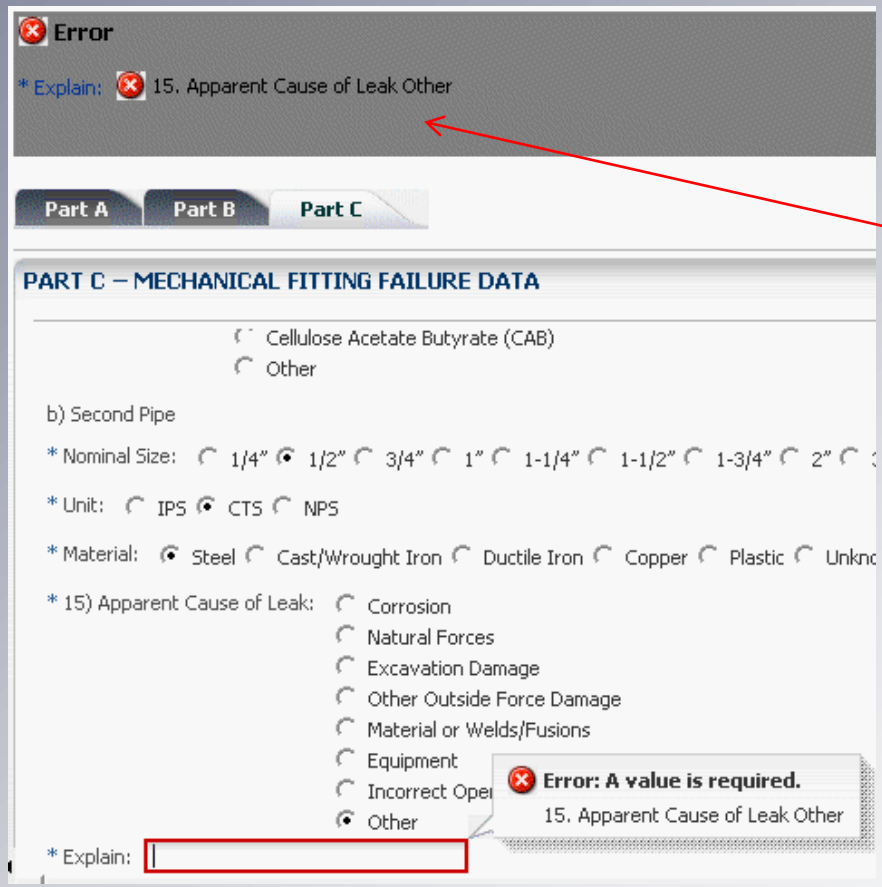


If you select "other", you will be required to specify/explain

Scroll up once you complete all 16 questions, and click save or submit if you are ready to submit your data to PHMSA

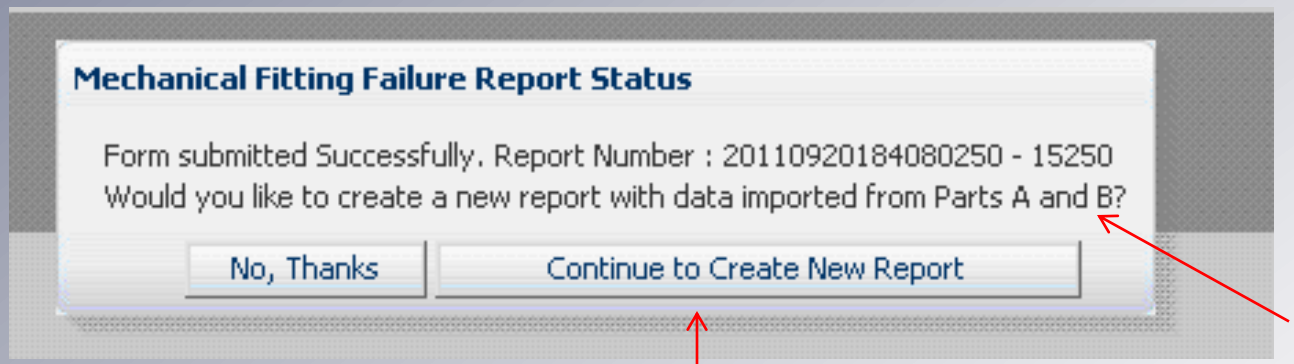
Mechanical Fitting Failures can be submitted when they occur or up until 3/15 of the next calendar year

MFF Report Submission – Part C continued



If you click submit and errors are present, they will display in the gray box and may alert you on the screen depending on the type of error. All errors must be removed prior to submitting your report.

MFF Report Submission – Part C continued



Once all data is entered correctly and you click submit, you will receive an message providing the report number

In an effort to help expedite your reporting, once you successfully submit a report, you will have the option of starting another report with Part A and B completed based on the information you entered for the report just submitted.

DIMP Inspection Forms

- PHMSA DIMP Inspection Forms for 192.1007 and 192.1015 distribution operators are available at http://primis.phmsa.dot.gov/dimp/resources.htm
- Revisions were implemented in September, 2011 that made the forms more user friendly for Inspectors. No changes were made to the wording of the questions.

Draft Record Audit Form

- Draft developed per NAPSR Board request – In Review
- Intended for inspections after initial DIMP inspections

Question Number	Rule §	Description	S/Y	U/N	N/A	N/C
		Knowledge of the system				
1	192.1007(a) .1007 (a)	Does the operator have records demonstrating a reasonable understanding of its system (e.g., pipe location, size, dates of installation, materials, operating conditions, operating environment)? List deficiencies below:				
Inspector Comments						
2	.1007 (a)(3)	Does the plan list the additional information needed to fill gaps due to missing, inaccurate, or incomplete records?				
Inspector Comments						
3	.1007 (a)	Is the operator making reasonable progress in filling identified knowledge gaps using				

Communications & Public Meetings

Industry Conferences DIMP Implementation Team will Support

- January 31 – February 2, 2012 – APGA SHRIMP Advisory Board Meeting in Ponte Vedra, FL (SHRIMP)
- March 20-21, 2012 – SGA Spring Gas Conference & Expo in Charlotte, NC (Focus on DIMP)
- March 28-30, 2012 – APGA SIF Operations Conference in Pensacola Beach, FL (DIMP Presentations)
- April 18-20, 2012 – SGA Management Conference in Austin, TX (DIMP Presentations)
- May 2-4, 2012 AGA Operations Conference in San Francisco, CA (DIMP Presentations)
- June 27, 2012 - Workshop/Public Meeting in DFW area
- July 23-25, 2012 – SGA Operations Conference in Fort Worth, TX (DIMP Presentations)

Communications & Public Meetings

- **NAPSR/PHMSA DIMP Workshop on June 27, 2012**
  - Location - DFW / Webcast for those who cannot attend
  - Presentations will discuss:
    - Expectations of implemented DIMP programs
    - Current versions of DIMP inspection forms
    - Observations from DIMP Inspections conducted
    - MFFR Data Results from 1st year (2011)
    - Methodologies that Industry is employing
    - Discussion of areas of concern current topics
  - Opportunity for Q&A

NTSB Findings on San Bruno, CA Incident on September 9, 2010

- The NTSB identified certain deficiencies and areas for improvement in Pipeline Safety Integrity Management Programs.
- PHMSA is working to address the NTSB recommendations
- A finding discussed in several recommendations is that without effective and meaningful metrics in performance-based pipeline safety programs, neither the Operator nor the Regulator was able to effectively evaluate or assess the Operator's pipeline system and detect the inadequacies of the Operator's pipeline integrity management program.

NTSB Findings

- Relevant to Integrity Management Programs NTSB also made the following comments:
  - The IM Program was based on incomplete and inaccurate pipeline information
  - The IM Program did not consider the design and materials contribution to the risk of a pipeline failure.
  - The structure of the IM Program led to internal assessments of the program that were superficial and resulted in no improvements.

NTSB Recommendations

- Several Recommendations directly included Distribution Operators:
  - Operators should provide system-specific information about their pipeline systems to the emergency response agencies of the communities and jurisdictions in which those pipelines are located. [P-11-8]
  - Operators immediately and directly notify the 911 emergency call center(s) for the communities and jurisdictions in which those pipelines are located when a possible rupture of any pipeline is indicated. [P-11-9]
  - Operators should conduct post accident drug and alcohol testing of all potentially involved personnel despite uncertainty about the circumstances of the accident. [P-11-12 & P-11-13]

Questions Submitted Prior to Webinar

1. Industry has submitted multiple letters regarding the status of Farm Taps and their inclusion in DIMP. What is the status of PHMSA work on this topic?

PHMSA has responded to one of the letters and is currently working on the second response. PHMSA takes the Industry concern on the treatment of Farm Taps and their inclusion in DIMP very seriously, but there is a process that we have to go through in this matter. It is not a simple matter, and there are ramifications with each solution. PHMSA continues to meet with and talk to industry groups to gather information, understand the need for change, and discuss solutions.

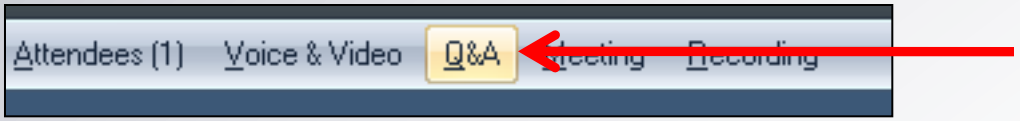
Questions Submitted Prior to Webinar

2. In order to meet the intent of the requirement of **CFR 192.1011 What records must an operator keep?**, would electronic copies of the required records be sufficient in complying with "maintained by the operator such that they are readily retrievable, protected from damage, and secured sufficiently to prevent unauthorized use"? Or will hard copies need to be maintained for the duration as required? Examples and/or clarification of this requirement would be helpful.

- Operators are required to maintain records that demonstrate compliance with DIMP requirements. These records would be subject to review during inspections. Hard copy records are not necessarily required. Electronic records can be sufficient but they should be readily retrievable, protected from damage, and secured sufficiently to prevent unauthorized use. The operator should be able to demonstrate that the file has not been altered after the time it was effective.

Question and Answer Session

Questions can be submitted by clicking on the Q&A menu in the LiveMeeting menu bar near the top of the screen:



NAPSR and PHMSA are planning:

- A DIMP Workshop on June 27th in the DFW area

Thank you for you interest in DIMP!

Submit questions or comments @
http://primis.phmsa.dot.gov/dimp/comment.htm