Baseline and Reassessment Interval

Integrity Management for Gas Pipelines Proposed Rule Public Hearing March 14, 2003

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Overlap of Baseline & Reassessment

- Throughput and Legal issues more than Technical issue
 - Significant impact on system throughput
 - Definitions & intent
 - Battelle Report and ASME B31.8s technical foundation for reassessment

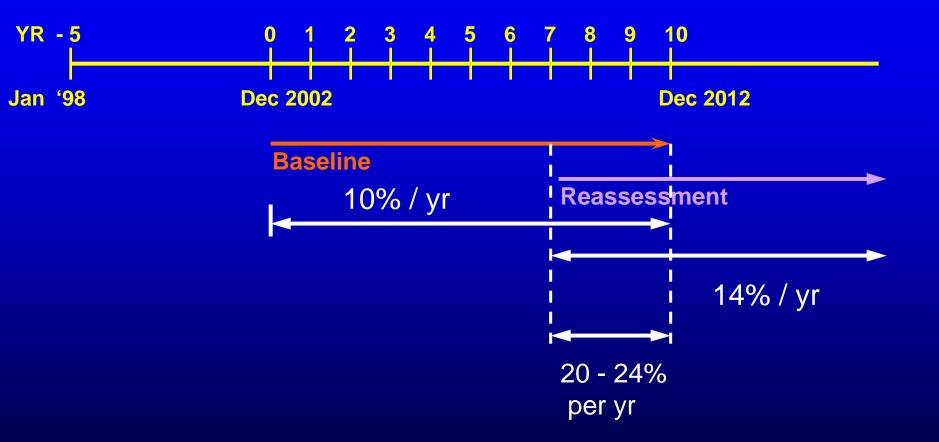
Overlap of Baseline & Reassessment

- Congress deliberated at great length during drafting of legislation
 - OPS notes from February, 2003 Public Meeting state, Graham Hill believes reassessment begins after completion of baseline.
 - "All pipelines would then be re-inspected every seven years following the 10-year interval." Press Release following the President signing the Pipeline Safety Improvement Act of 2002, from office of Mr. Tauzin, Chairman of Energy and Commerce.

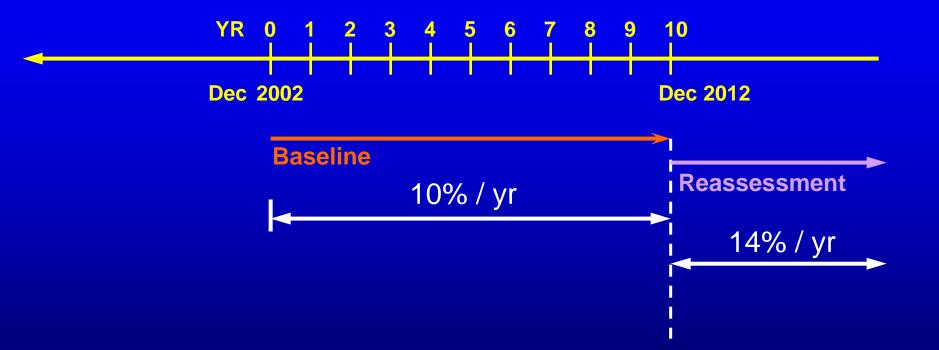
Overlap of Baseline & Reassessment

- EEA Report & impact on throughput for various Baseline periods and Reassessment intervals
 - Specifically recognized significant effort of Baseline inspections
 - Most extensive outages for facility modifications
 - Most extensive load on service industry as they gear up
 - Most extensive outages for remediation (historical inspection data indicates an order of magnitude more actionable corrosion anomalies on 1st run inspections than on subsequent reassessments)
 - Sequencing of the steps in the preparation and execution yields overlaps - exacerbating Baseline outages
 - Resulting supply interruption and price volatility are exponential

Overlap of Baseline and Reassessment Time Line – OPS



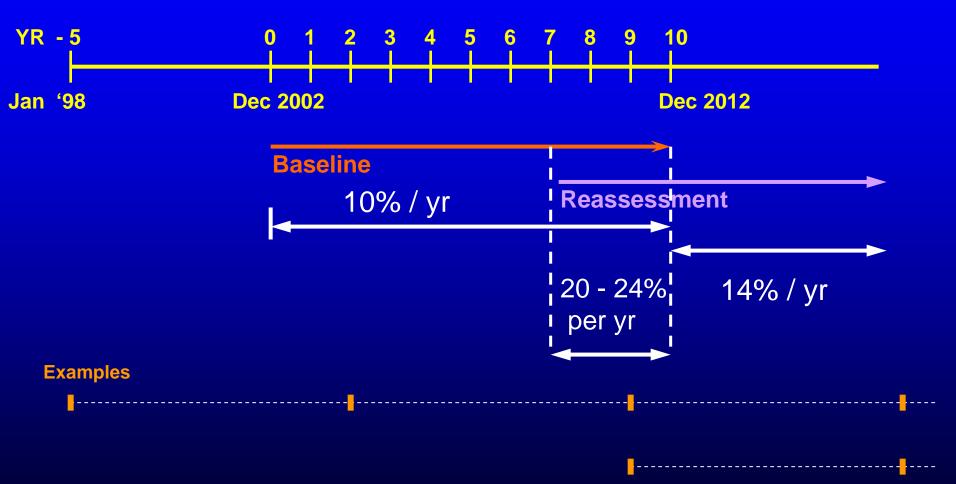
Overlap of Baseline and Reassessment Time Line – Congress



Consideration of Previous Inspection Data

- The "Baseline" implies 1st inspection ever
- Operators have inspection data prior to 2003
- Operators who have been proactively inspecting should not be penalized

Overlap of Baseline and Reassessment Time Line – OPS

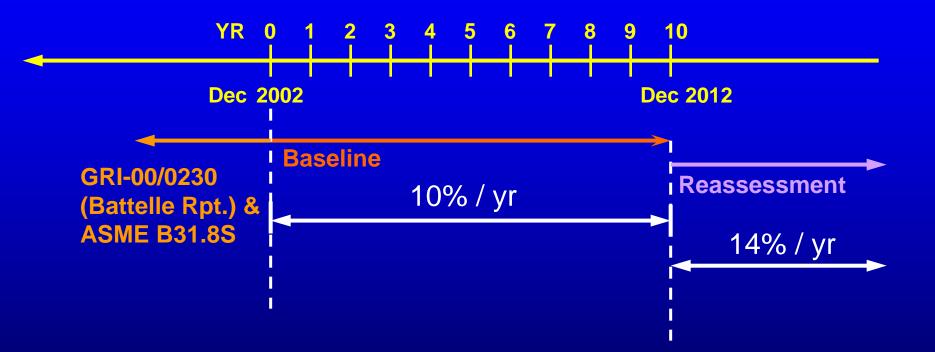


Consideration of Previous Inspection Data

Reassessment is defined technically by:

- GRI-00/0230 (Battelle Rpt.)
- ASME B31.8S
- And is a function of:
 - Testing / Repair criteria
 - System protections (effectiveness & modifications)
 - Operating stress level
- The use of Confirmatory Direct Assessment (CDA) during the Baseline Period (2003- 2012) as a reassessment tool and process control verification are technically founded and essential for lines that already have Baseline assessments in accordance with B31.8s

Use of Previous Inspection Data



Summary

- Eliminate overlap of "Baseline" and Reassessment to minimize impact on throughput between 2003 – 2012 due to magnitude of "Baseline" effort
- Encourage use of previous inspection data including data from multiple prior inspections irrespective of when it was conducted
 - Use Battelle report and B31.8s in conjunction with CDA during Baseline Period
 - Performance venue should be accessible immediately for those with sufficient data
 - Performance venue access needs clear, technically-based criteria