

PI-93-0100

January 15, 1993

Mr. Carl P. Hendrickson  
Director Codes and Standards  
Northern Illinois Gas  
P.O. Box 190  
Aurora, IL 60507-0190

Dear Mr. Hendrickson:

I apologize for taking so long to respond to your letter of September 21, 1992, in which you commented on a statement we made in the withdrawal notice in Docket PS-115. The statement was that the grandfather exception (49 CFR 192.619(c)) has practical effect only for pipelines in Class 1 locations because of the additional limits on maximum allowable operating pressure (MAOP) that §192.611 places on pipelines in more populated areas. You suggested the statement should be corrected because it may mislead operators to believe the grandfather exception does not apply to certain distribution system segments.

We recognize that the statement disregards application of the grandfather exception to high pressure distribution systems. However, we do not believe this oversight needs correction because §192.619(c) is not a new rule for which operators may need proper instruction on compliance. It is widely used, longstanding provision that is clearly drafted to cover all pipeline segments, including distribution segments.

Also, §192.621 is the primary rule governing the MAOP of high pressure distribution systems; and the grandfather exception does not apply under §192.621. So, even if an operator incorrectly assumes the grandfather exception does not apply to a particular distribution line segment, that assumption would not affect the operator's responsibility to meet §192.621. To illustrate, you mentioned that for some pipeline segments insufficient records may exist to substantiate compliance with §192.621. In such case, the operator may not rest on the grandfather exception. Instead, the operator must appropriately test or inspect the segments to establish the data needed to meet §192.621.

We appreciate your concern about correct application of the pipeline safety standards. Please let me know if we can provide any further clarification.

Sincerely,

Cesar De Leon  
Director, Regulatory Programs  
Office of Pipeline Safety

Northern Illinois Gas  
P.O. Box 190  
Aurora, Illinois 60507-0190

September 21, 1992

U. S. Department of Transportation  
Office of Pipeline Safety  
400 Seventh Street, SW  
Washington, DC 20590

ATTN: Mr. L. M. Furrow

RE: Docket No. PS-115; Notice 2, re. Gas Pipelines Operating Above 72 Percent of SMYS

The notice of withdrawal of this proposed rulemaking, published at 57FR 41119 on September 9, 1992, was very good news. Though Northern Illinois Gas (NI-Gas) is not directly effected since it does not operate any pipeline above 72 percent of SMYS, it is vitally interested in effective rulemaking. This proposal, if adopted, would have been representative of ineffective regulation.

Nevertheless, there is a serious concern with a statement made in the preamble to the withdrawal notice. The statement is the parenthetical sentence at the end of the first paragraph in the "Background" section of Supplementary Information which states:

"(The grandfather exception has practical effect only for pipelines in Class 1 locations (essentially rural or offshore locations, as defined by Sect. 192.5) because of the additional limits on MAOP that Sect. 192.611 places on pipelines in more populated locations [Classes 2 - 4].)"

This statement is misleading and reinforces the concern many operators have regarding the scope of the grandfather clause. There is widespread belief that the grandfather clause does not apply to:

1. distribution system segments operating at less than 40 percent of SMYS but over 100 psig,
2. distribution system segments operating at less than 100 psig for which insufficient records exist to substantiate compliance with 192.621, or
3. plastic distribution system segments for which evidence of post-construction test is not available.

Without the grandfather clause of 192.619(a), to continue operation at current pressure, an operator would have to utilize 192.621(a)(5) only by presuming the other criteria, 192.611(a)(1) through 192.621(a)(4) were not "applicable" because they were unknown. If he were not willing to make this presumption, he would have to expose extensive amounts of pipe and components to determine compliance with 192.621(a)(1), (3) and (4) if data was not available to determine compliance. Another possible scenario, without the grandfather clause, would allow "assignment" of MAOP well in excess of present operating pressure. This would permit increasing the operating pressure without using the safeguards of Subpart K - Uprating.

NI-Gas is aware that the preamble does not have the force of law. Regardless, it does influence operator's compliance actions. In this case, it will influence operator's perception of applicability of the grandfather clause.

In view of the serious safety and economic consequences of these scenarios, RSPA is strongly urged to publish a follow-up notice correcting this misleading statement.

Sincerely,  
Carl P. Hendrickson  
Director Codes and Standards