

Technology Institute (GTI) to co-fund a two-year research program to identify and characterize mechanical damage, the leading cause of reportable accidents in both gas and hazardous liquid pipelines, using the technology of magnetic flux leakage (MFL) oriented in the circumferential direction on an in-line inspection tool.

We plan to conduct public semi-annual quarterly performance review meetings for the duration of this research. This meeting is the second semi-annual one to be conducted to provide an update on the research to the public, pipeline operators, vendors and interested governmental parties, such as RSPA technical and regional staff and the National Transportation Safety Board. Semi-annual meetings in the future will be held in conjunction with industry meetings, such as ones with the Association of Oil Pipelines, Interstate Natural Gas Association of America, and the American Gas Association, in order to reach a broad audience. We want the pipeline industry and especially that segment of the pipeline industry involved with in-line inspection to be aware of the status of this research. The meetings allow disclosure of the results to interested parties and provide an opportunity for interested parties to ask questions concerning the research. Attendance at this meeting is open to all and does not require advance registration or advance notice to RSPA. Each of the semi-annual meetings will be announced in the **Federal Register** at least two weeks prior to the meeting.

The quarterly performance review meetings held between the semi-annual meetings described above will be held in conjunction with GTI/PRCI Technical Committee meetings.

II. The Research

This research continues work that DOT supported at Battelle to improve in-line inspection of mechanical damage and more closely coordinates work that GTI is supporting at Southwest Research Institute to develop critical assessment criteria based on these NDE measurements. This program extends the work conducted under the RSPA-funded contract "Detection of Mechanical Damage in Pipelines" (Contract DTRS-56-96-C-0010)¹ by looking at the circumferential magnetic flux leakage field instead of the traditional axial field and extends the critical assessment criteria research to work with full scale samples that are

being used for MFL measurements. The goal of the research is to evaluate and develop techniques for assessing pipeline metal loss, mechanical damage, and cracks using circumferential MFL. These techniques are expected to complement the techniques used for axial MFL systems.

The research will extend the failure assessment methodology for mechanically damaged pipes to include the influence of local cold working due to the gouging/denting process on the pipe's remaining life. The program will combine full scale tests and MFL monitoring of pipes, laboratory tests and elastic-plastic finite element analyses to develop a validated methodology for determining the remaining life of a damaged pipe. The proposed SwRI research will complement the work at Battelle in developing criteria for characterizing mechanical damage found through in-line inspection.

III. Agenda for the Meeting

The following is the agenda for the meeting:

"Overview Project History and Impact of the DOT/GTI Projects for Using In-Line Inspection for Mechanical Damage."

Harvey Haines-GTI (15 min)

"Defect Manufacture and Installation."

Tom Bubenik-Battelle (30 min)

"Damage Severity Criteria Program Overview and Elastic Plastic Finite Element Analysis"

Graham Chell-SwRI (30 min)

Break

"Circumferential Magnetizer Design and Data"

Bruce Nestleroth-Battelle (30 min)

"Non-Linear Harmonics Measurement"

Al Crouch-SwRI (30 min)

"Tool Development for Implementation in Actual Pipelines"

Carl Torres-Tuboscope (30 min)

"Wrap up and comments"

Lloyd Ulrich-DOT (10-15 min)

IV. Tour of SwRI Facilities

On Thursday morning, April 19, 2001, Southwest Research Institute will offer a tour to anyone interested in the facilities used in this research project. Interested parties should contact Al Crouch at SwRI, (210) 522-3157.

Issued in Washington, DC on March 12, 2001.

Stacey L. Gerard,

Associate Administrator for Pipeline Safety.

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration (RSPA), DOT.

[Docket No. RSPA-00-8453; Notice 2]

Tennessee Gas Pipeline Company: Grant of Waiver and Finding of No Significant Impact

AGENCY: Office of Pipeline Safety, Research and Special Programs Administration, DOT.

ACTION: Notice of grant of waiver and finding of no significant impact.

SUMMARY: The Office of Pipeline Safety (OPS) is approving a waiver of certain regulatory requirements relating to class location changes on four natural gas pipeline segments (the "waiver segments") operated by Tennessee Gas Pipeline Company (TGP) and is permitting TGP to carry out alternative risk control activities (the "Activities") in lieu of compliance with these requirements. The waiver segments are located on the parallel Lines 800-1, 500-1, 500-2, and 500-3, approximately 11.2 miles downstream of Compressor Station 860, in Hickman and Dickson Counties, Tennessee. The waiver segments include a total of 15,006 feet of pipeline.

Background: In 1997, OPS selected Tennessee Gas Pipeline Company (TGP) as a candidate for participation in the Risk Management Demonstration Program; subsequently, OPS and TGP held discussions as part of a consultation process. During the consultation, TGP identified a portion of its system (the "waiver segments") where it believed performing alternative risk control activities (the "Activities") in lieu of compliance with current pipeline safety regulations addressing class location changes would result in a comparable margin of safety and environmental protection. While OPS and TGP continued to consult, TGP applied¹ for a waiver of the requirements of 49 CFR 192.611 for the waiver segments and implementation of the Activities in lieu of compliance.

Alternative Approach: Rather than replacing pipe or requalification testing, as required for each waiver segment under 49 CFR 192.611, TGP proposed to perform the following alternative risk control activities, with the objective of providing a margin of safety and environmental protection comparable to pipe replacement or requalification testing:

¹ Letter form D.K. Moore, Tennessee Gas Pipeline, to R.B. Felder, OPS, June 30, 1998.

¹ The final report on this research dated June 2000 is available on the OPS web site, <http://ops.dot.gov>.

1. Internally inspect the waiver segments using geometry and magnetic flux leakage in-line inspection tools, which are not required under current regulations. These tools reliably identify indications of wall loss (e.g. corrosion), as well as dents and gouges from initial construction damage or third party excavators working along the pipeline right-of-way. These internal inspections have been performed and the OPS Southern Region has reviewed the inspection results.
2. Internally inspect an extended length of pipe (the "extended segments") bordering each waiver segment to further extend the benefits of the integrity analysis. The extended segments cover the distance between Compressor Station 860 and mainline valves 861-1, 560-1, 560-2, and 560-3, a distance of approximately 18.2 miles on each pipeline.
3. Repair indications of corrosion, existing construction damage, and existing outside force damage identified by the internal inspection. TGP used more conservative investigation and repair criteria in the waiver and extended segments than is currently required by the pipeline safety regulations. The criteria call for investigation and repair of small dents and anomalies that are well below the threshold where pipeline integrity might be compromised.
4. Perform close-interval surveys on the waiver and extended segments, as an additional method to detect possible pipeline corrosion. Close-interval surveys are not required on these segments under current regulations. TGP has performed close-interval surveys on approximately 18.2 miles of pipe on each line.

Notice 1: In response to TGP's application and justification for performing the Activities in lieu of current regulatory requirements, OPS issued a Notice of Intent to Consider Waiver and Environmental Assessment of Waiver, inviting persons to submit written comments (65 FR 77422; December 11, 2000) (Notice 1). In that Notice, OPS explained its finding that TGP's implementation of the Activities in lieu of compliance with 49 CFR 192.611 is consistent with pipeline safety. OPS received no public comments in response to Notice 1.

OPS Review: OPS has compared the expected risk reduction produced by the Activities to that which would be achieved by compliance with 49 CFR 192.611 and concluded that the Activities will likely achieve a

comparable margin of safety and environmental protection. Furthermore, because of the resources saved by not having to replace pipe in the waiver segments, TGP will be able to assess the integrity of additional portions of its system, which reduces the overall risks along the TGP pipeline system.

OPS has determined that the conduct of the Activities in lieu of compliance with 49 CFR 192.611 is consistent with pipeline safety. The following factors were considered when making this determination:

1. The proposed Activities will provide a comparable margin of safety and protection for the environment and the communities in the vicinity of TGP's pipelines;
2. The four waiver segments have a good integrity history, with no leaks recorded during operation or hydrostatic testing.
3. TGP has internally inspected and conducted close-interval surveys on a total of 72.8 miles of pipe, including the waiver segments. These activities add protection against pipeline failures from corrosion, manufacturing and construction defects, and outside third-party damage along this full 72.8 mile length. Compliance with 49 CFR 192.611 would require replacement of pipe or requalification tests within the waiver segments only (less than 3 miles of pipe), with no added protection for the extended segments (approximately 69 miles of pipe). The TGP Activities provide added protection by including the extended segments.
4. TGP was selected as a candidate for the Risk Management Demonstration Program and has participated in a consultation process with OPS, which required a greater sharing of information with OPS related to the integrity TGP's pipeline.

Action on Application for Waiver: In accordance with the foregoing and by this order, OPS finds that TGP's requested waiver is consistent with pipeline safety. Accordingly, TGP's application for waiver from compliance with the requirements of 49 CFR 192.611 is granted, provided that TGP carries out all the alternative risk control activities described in the "Alternative Approach" section of this Notice. No more than 90 days after OPS adopts any new final rule related to integrity management of natural gas pipelines, TGP will be required to assess the effects, if any, of the rule on this waiver and report its findings to OPS. OPS will review TGP's report, evaluate TGP's assessment, and determine

whether the terms and effects of the waiver remain appropriate and consistent with pipeline safety. If the OPS evaluation finds that the waiver is no longer appropriate or no longer consistent with safety, then OPS will revoke the waiver and require TGP to comply with 49 CFR 192.611 and all other applicable regulations.

Finding of No Significant Impact (FONSI)

OPS has reviewed the TGP waiver for conformity with section 102(2)(c) of the National Environmental Policy Act (42 U.S.C. 4332), the Council on Environmental Quality regulations (40 CFR Sections 1500-1508), and Department of Transportation (DOT) Order 5610.1c, Procedures for Considering Environmental Impacts. OPS conducted an Environmental Assessment of granting the TGP waiver (65 FR 77422, "Pipeline Safety: Intent to Consider Waiver and Environmental Assessment of Waiver for Tennessee Gas Pipeline Company," December 11, 2000).

OPS received no public comment on the Environmental Assessment. Based on the analysis and conclusions of the Environmental Assessment, OPS has determined that no significant impacts on the environment are associated with granting this waiver. The Environmental Assessment is incorporated by reference into this FONSI.

In summary, OPS believes that the Activities performed under the waiver by TGP in lieu of regulatory requirements are consistent with pipeline safety and environmental protection. Although the waiver is expected to provide net environmental benefits, these beneficial impacts are not expected to be significant, because of the minimal environmental impact associated with gas pipeline failures. In addition, if OPS denied the proposed waiver, TGP would be required to replace or requalify pipe in the waiver segments. Pipe replacement would likely introduce some adverse environmental impacts that are avoided with the proposed action. Denying the waiver request would likely result in TGP replacing pipe along portions of the waiver segments, thereby causing environmental disruption due to excavation activity.

Issued in Washington, DC on March 12, 2001.

Stacey L. Gerard,

Associate Administrator for Pipeline Safety.

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