

Docket Management System  
U. S. Department of Transportation  
400 Seventh Street, SW.  
Nassif Building, Room PL-401  
Washington, DC 20590-0001

Re: Docket No. PHMSA-2005-22642; Design and Construction Standards to Reduce Internal Corrosion in Gas Transmission Pipelines

Dear Sirs:

Atmos Energy Corporation (Atmos) appreciates the opportunity to comment on the proposed rules regarding design and construction standards to reduce corrosion. Atmos is the largest pure natural gas distribution company in the United States serving approximately 3.2 Million customers in 12 states. Atmos also operates over 6,500 miles of intrastate transmission pipeline in the State of Texas. In its operations, Atmos is subject to the Federal pipeline safety rules and the safety rules promulgated and enforced by the various state agencies that have pipeline safety authority.

Atmos agrees with PHMSA that internal corrosion is a threat to pipeline safety and that operators should be focused on minimizing this threat. However, any new regulations on internal corrosion should be co-coordinated with the existing regulations that deal with internal corrosion. PHMSA has several existing regulations designed to address internal corrosion threats during design and construction. The provisions of 49 CFR 192.53 and 192.59 require the selection of piping material that is chemically compatible with the gas passing through the pipeline. The provisions of 49 CFR 192.475 prohibit the transportation of corrosive gas unless steps have been taken to minimize internal corrosion. There are also existing regulations focused on the monitoring of internal corrosion following the design and construction of a pipeline. The provisions of 49 CFR 192.477 require monitoring where corrosive gas is being transported, and 49 CFR 192.150 requires new and replacement pipelines be designed to accommodate internal inspection devices (smart pigs) that permit monitoring of internal as well as external corrosion.

The relatively new pipeline integrity management program regulations in Subpart O also provide specific requirements for the evaluation of internal corrosion on pipelines operating in high consequence areas. These existing regulatory requirements adequately and clearly address the issue of internal corrosion in the design and construction of pipelines as well as the monitoring of internal corrosion during operation.

Given the existing regulations requiring internal corrosion to be addressed in design and construction as well as during operations, Atmos encourages PHMSA to evaluate the proposed regulation in light of these existing regulations and to eliminate any duplication of regulatory requirements. Failure to coordinate with existing regulations will create potential conflicts within the regulations and will likely lead to unnecessary regulatory burdens on industry.

Atmos' review of the proposed regulation leads it to the conclusion that operators will be required to perform the minimum tasks identified in the proposed rule unless they can fully document that such steps are "impracticable or unnecessary." This essential becomes a documentation burden to prove a negative without any standards as to what constitutes "impracticable or unnecessary." The industry should not be placed under such an indefinite burden. This burden could be minimized and the proposed regulation co-coordinated with existing regulations by conditioning proposed 49 CFR 192.476(a) on the presence of corrosive gas or the presence of gas likely to contain liquids. This would eliminate an unnecessary regulatory burden for operators with lines that transport dry "pipeline quality" gas. Thus, most transmission lines in distribution systems would not need to engage in additional documentation to explain why they did not need to address a non-existent problem. Similar benefits would flow to transmission pipeline operators outside of distribution systems where their gas quality does not pose a threat of internal corrosion. Such a condition essentially reduces the documentation burden to a notation of the quality of the gas at the time of design and construction of the new or

replacement line. While this may be all that PHMSA expected under the proposed rule, the tone of the rule clearly communicates a much greater documentation burden.

With all operators already subject to 49 CFR 192.150, the language of proposed 49 CFR 192.476(a)(2) seems redundant and unnecessary. Since new and replacement pipelines must be designed and constructed to permit the passage of internal inspection devices, such pipelines will also be able to accommodate cleaning pigs that will remove liquid accumulations. The only other method of liquids removal would be some type of drip pot at low points which would increase the risk of external corrosion on another piece of equipment. This provision is not needed and should be removed from the proposed rule.

Again, the provisions of 49 CFR 192.150 already permit the monitoring of internal corrosion in new and replacement pipelines through the use of internal inspection devices. Thus the provisions of proposed 49 CFR 192.476(b) are redundant and unnecessary. Elimination of that portion of the proposed rule will provide better coordination with the existing regulations without any reduction in pipeline safety.

The provisions of proposed 49 CFR 192.476(c) requiring evaluation of pipelines downstream of new or replacement pipelines do not provide any substantive improvement in the regulations. Upstream changes will rarely affect liquids collection downstream and, as previously mentioned, existing regulations adequately address the need for monitoring.

There are numerous documentation requirements in the existing regulations. The wording of proposed 49 CFR 192.476(d) should be revised to more closely track those other provisions. Something as simple as “Operator shall maintain documentation demonstrating compliance with this section.” should be sufficient. If Atmos’ other suggested revisions are made in the proposed

regulation, this type of documentation language would be adequate and closely track the other documentation requirements of the existing regulations.

Atmos agrees that internal corrosion is a threat to pipelines and that appropriate changes should be made to assure the pipeline safety regulations address that threat. The revisions suggested by Atmos in these comments will add needed regulatory requirements in areas not presently addressed while eliminating unnecessary duplication and providing appropriate co-ordination with existing regulations.

Atmos appreciates the opportunity to submit these comments and urges PHMSA to revise the proposed rule to reflect these comments when adopting the final rule. If you have any questions concerning these comments, do not hesitate to contact me.

Sincerely,

Charles R. Yarbrough II  
Vice President, Rates and Regulatory Affairs  
Atmos Energy Corporation, Mid-Tex Division  
5420 LBJ Freeway, Suite 1800  
Dallas, Texas 75240  
(214) 206-2809