

CPA News

Cathodic & Anodic Protection

Commission provides cost guidance for PIM programs

Effective January 1, 2006, jurisdictional natural gas companies will have new guidelines on how to account for costs associated with the implementation of pipeline integrity management (PIM) requirements. Mandated by the U.S. Department of Transportation's Office of Pipeline Safety (OPS), PIM programs require owners and operators of natural gas and hazardous liquid pipelines to assess, evaluate, repair, and validate the safety, reliability, and security of their facilities in high-consequence areas (HCAs) to better protect the public and the environment. OPS estimates that the cost of compliance with PIM regulations for jurisdictional and nonjurisdictional entities will be \$4.7 billion over 20 years.

The guidance on accounting for PIM-related costs, provided by the U.S. Federal Energy Regulatory Commission, stipulates that the following costs should be expensed:

- Preparation of the plan to implement the PIM program.
- Identification of HCAs.
- Development and maintenance of a recordkeeping system.
- Inspection of affected pipeline segments.

The Commission identifies the following costs as being capitalized:

- Modification of pipelines to permit inline inspections, such as installing pig launchers and receivers.



Photo courtesy of Brad Lewis, Kinder Morgan Energy Partners.

- Certain costs associated with developing or enhancing computer software or costs incurred to add or replace other items of the plant.

Minor items of property replaced as part of a remedial action, however, should continue to be expensed. Amounts capitalized in periods prior to January 1, 2006, will be permitted to remain as recorded.

For more information, see the Commission's Web site: www.ferc.gov. **MP**

—G.A. Jacobson



Continued from MP Forum, page 10. The following NCN items relate to cathodic & anodic protection.

Please be advised that the items are not peer-reviewed, and opinions and suggestions or recommendations are entirely those of the inquirers and respondents. NACE does not guarantee the accuracy of the technical solutions discussed. MP welcomes additional responses to these items. They may be edited for clarity.



AC limits

Where can I get information on the allowable limit potential for alternating current (AC)-induced corrosion on an underground cathodically protected natural gas pipeline?

I recommend a maximum of 30 A/m² or 3-mA AC current flow to earth via a 1-cm² uncoated coating defect in the form of a coupon. There is no voltage limit as current flow to earth is dependant on voltage and soil resistivity. The key factor is current flow.

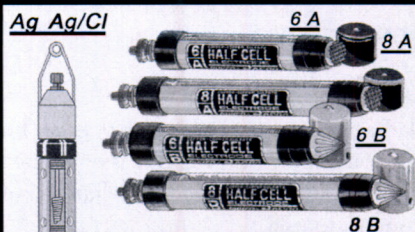
Some sources use the 30-A/m² and others use the 20-A/m² criterion. Others merely say to lower the voltage as much as is practicable.

The real information that is needed is the current density at the most

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2 A



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