

MITIGATING COSTS AND RISK OF

OIL PIPELINE ACCIDENTS

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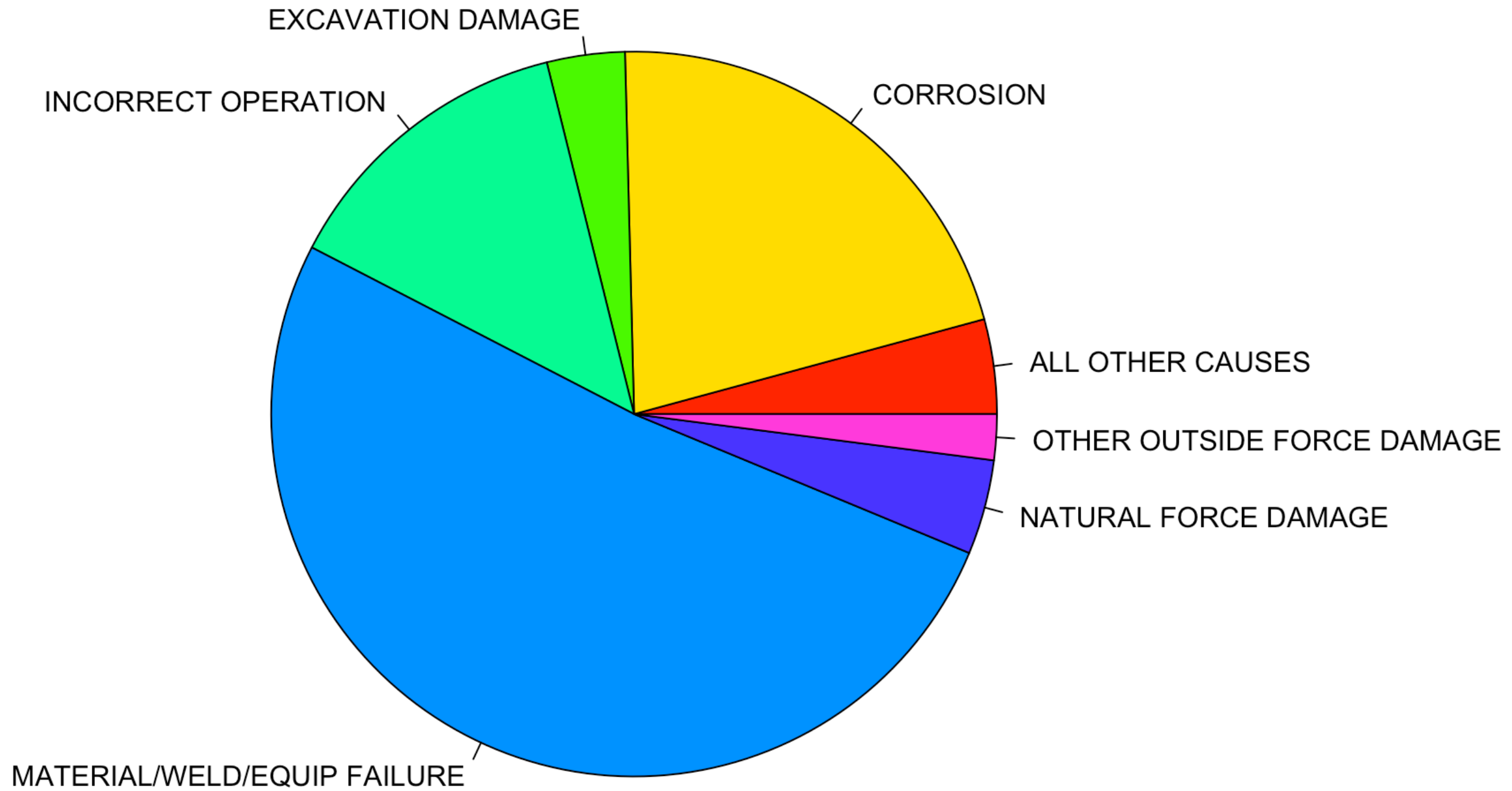
DATASET

- ▶ Open source data sourced reported from the Pipeline and Hazardous Materials Safety Administration since 2010
- ▶ All within the United States
- ▶ 2795 observations of 48 variables
- ▶ Example features: Incident date and time, operator and pipeline, cause of incident, type of hazardous liquid and quantity lost, injuries and fatalities, and associated costs

INTERESTING FINDS

- ▶ only 18 offshore accidents->2,777 onshore accidents
- ▶ 95 cases of accidents associated with ignition
- ▶ 15 cases of accidents associated with explosion
- ▶ 20 cases of injuries; 10 cases of fatalities
- ▶ Perhaps not factored into costs, but extra concern for risk, and safety

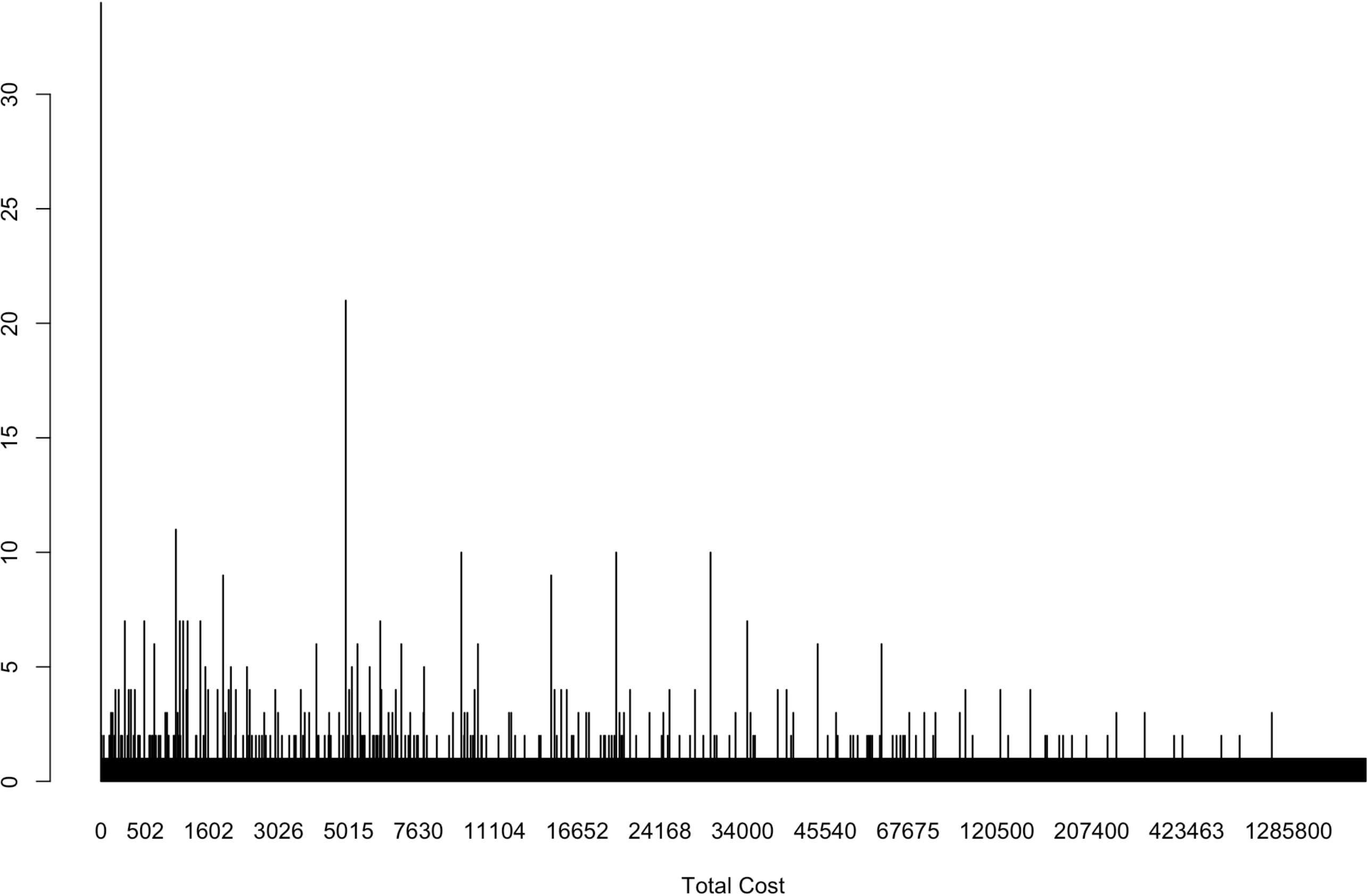
Distribution of Causes

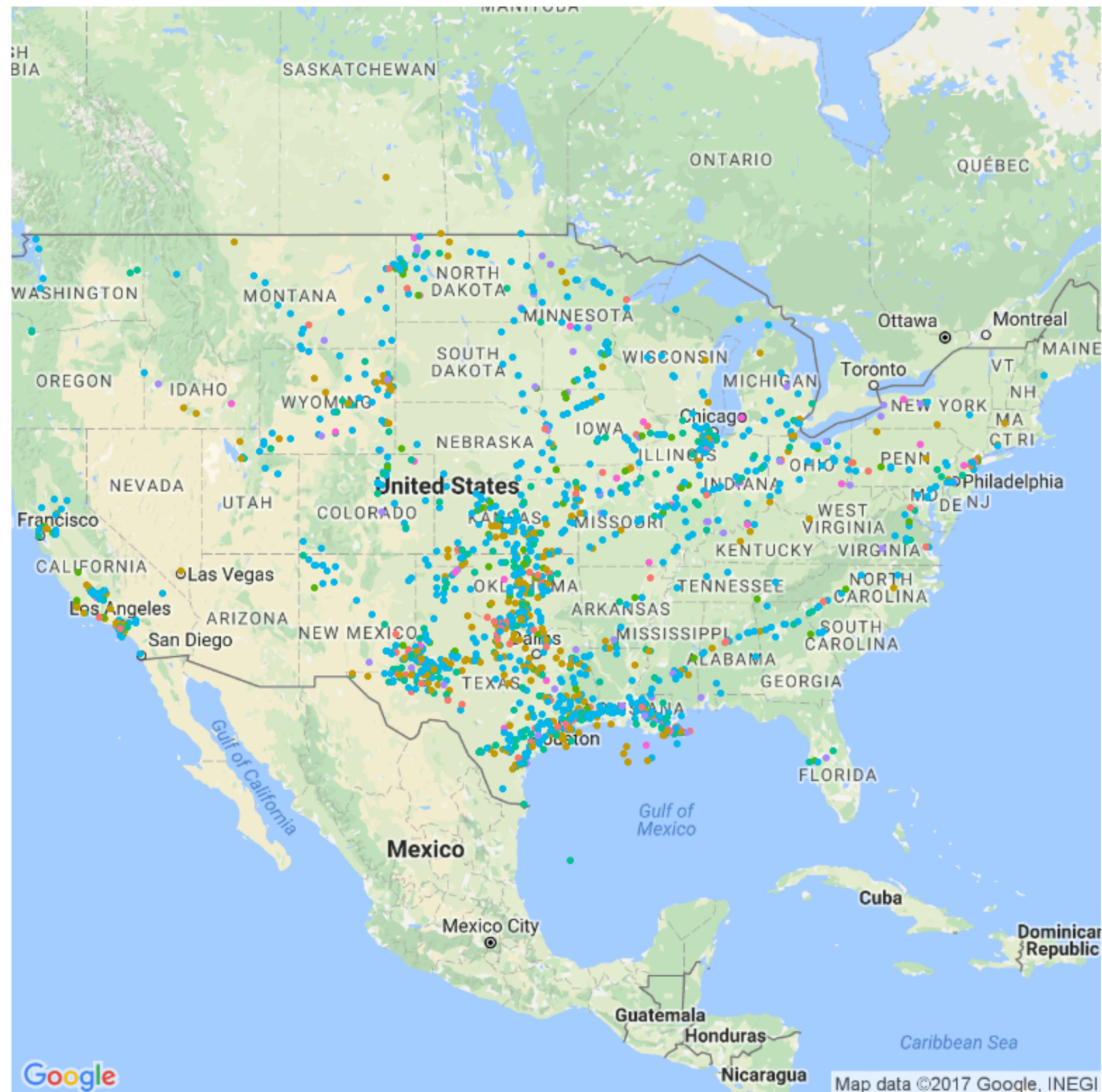


COST VS CAUSE

	TOTAL COST	AVERAGE COST	MEDIAN COST
CORROSION	395,325,677	667,779.9	46,090
EXCAVATION DAMAGE	93,101,223	959,806.4	193,841
INCORRECT OPERATION	106,140,454	280,794.9	12,750
MATERIAL/WELD/ EQUIP FAILURE	1,243,774,427	866,741.8	15,030
NATURAL FORCE DAMAGE	220,354,295	1,867,409.3	48,200
OTHER OUTSIDE FORCE DAMAGE	161,602,026	2,835,123.3	273,100
ALL OTHER CAUSES	110,824,821	939,193.4	21,632

Cost Distribution







Sites of accidents follow transportation lines.

ANALYSIS OF MAP

- ▶ Most drilling is done in Texas and Oklahoma
- ▶ Corrosion is concentrated in the extraction sites in the south, not in the main transportation lines
- ▶ Material/equipment failure follows the transportation lines

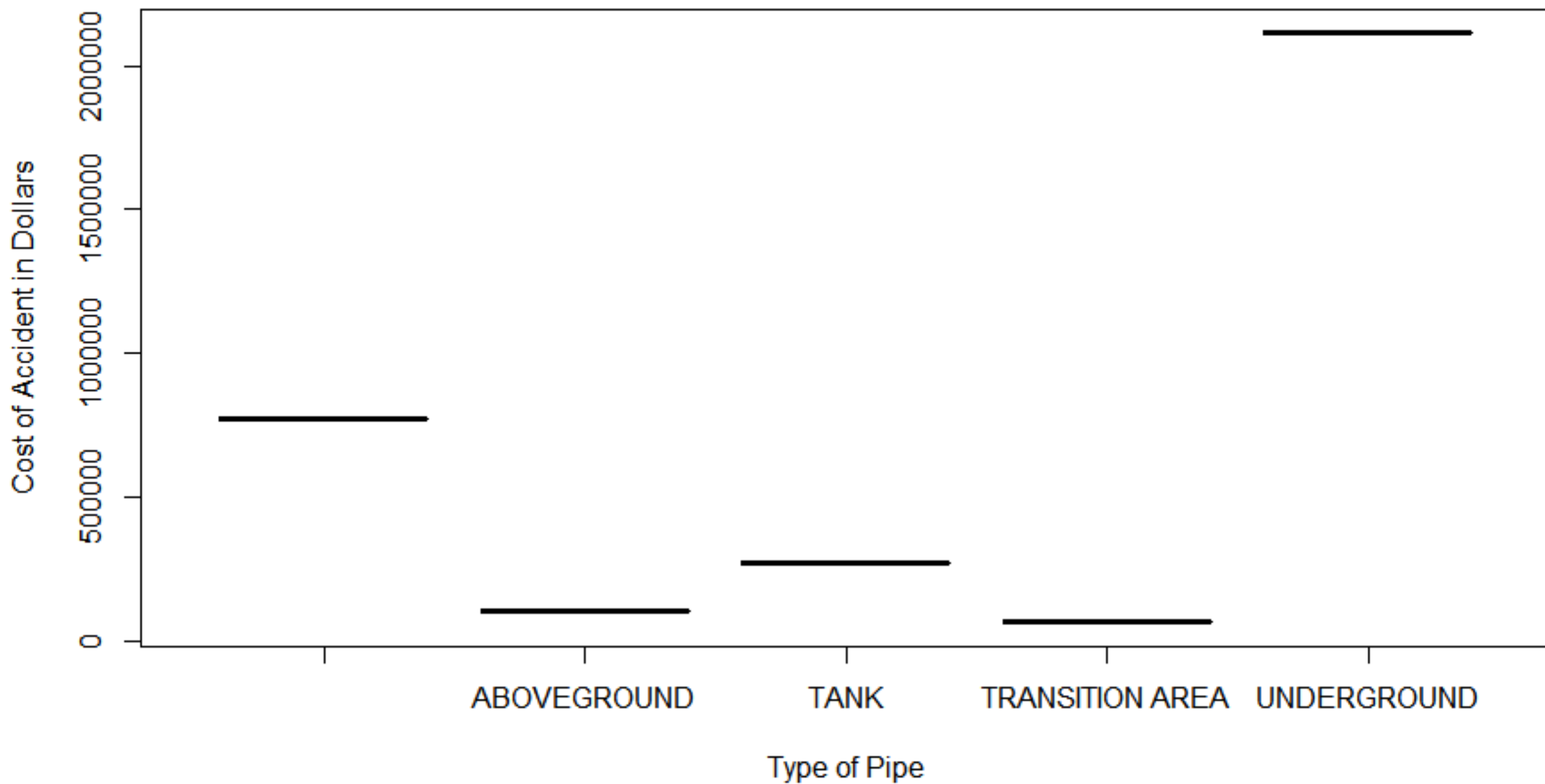


Cause Category

— MATERIAL/WELD/EQUIP FAILURE



Average Cost of Pipe Type



MODEL

RECOMMENDATIONS

- ▶ Look at importance of predictors compared to total cost.
- ▶ Optimize to minimize cost

RECOMMENDATIONS PT. 2

- ▶ Extra cost during special cases of ignition and explosions
- ▶ These are obviously extra-negative for publicity and safety
- ▶ Main subcauses for ignition: lightning, incorrect operation, pump-related equipment
- ▶ Main subcauses for explosion: manufacturing and installation
- ▶ Incorrect operation and material/weld/equip failure is the cause of majority of ignitions and explosions