



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

AUG 10 2010

Mr. Patrick Bowie
Director of Utilities
City of LaGrange
P.O. Box 430
LaGrange, GA 30241

Dear Mr. Bowie:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated May 6, 2010, you requested an interpretation regarding the applicability of 49 CFR Part 192 of the Federal Pipeline Safety Regulations to a pipeline used to transport landfill gas in the City of LaGrange, Georgia. You stated that your collection system is typical of most systems and consists of perforated vertical and horizontal pipes installed throughout the landfill cells and connected through a series of wellheads, headers, and lateral pipes to a blower which removes the landfill gas by placing a small vacuum on the system. You stated that a portion of the gas is directed to a flare with the remaining volume being compressed, chilled, filtered, and reheated for use as boiler fuel by two local industrial customers.

You mention PHMSA's interpretation letter #PI-92-010. You stated that letter states "... in a landfill system, the vacuum lines and compressor station are used to extract gas from the landfill. These facilities are, therefore, production facilities, and are not subject to Part 192..." You stated that you have received contrary opinions through a recent email from my staff.

Between September and October 2009, you explained the characteristics of your pipeline as follows:

- In service date of October 2005,
- SDR11 polyethylene pipe with diameters of 6, 4, and 2 inches, operating pressure of 35 to 45 psi,
- the gas is delivered to three large customers, and
- the three large customers are not downstream from a distribution center.

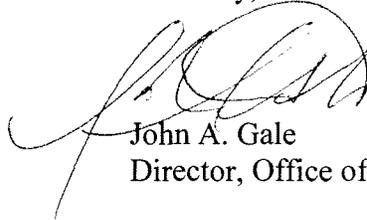
Since your May 6, 2010, letter does not provide any new information regarding the characteristics of your pipeline (other than two instead of three large customers), we assume the characteristics have not changed. Therefore, our October 7, 2009, response to your request remains unchanged. That is, the pipeline downstream from your compressor station is a transmission line under § 192.3 because the pipeline serves large volume customer and the pipeline is not downstream from a distribution center.

Regarding interpretation letter #PI-92-010 – the definition given for transmission line in that interpretation is: "... 'transmission of gas' as 'the gathering, transmission, or distribution of gas by pipeline or the storage of gas, in or affecting interstate or foreign commerce.'" However, our email determination was based on a revised definition for transmission line that provides, in part: "Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to ... large volume customer that is not down-stream from a distribution center." The definition of transmission line did not include large volume customer until the 1996 edition of 49 CFR Part 192. Therefore, we do not see contradiction between these two interpretations.

In your most recent correspondence, you requested that we affirm, clarify, or rescind PL-92-010. It is not the policy of this office to rescind previously issued interpretation letters. They are retained for historical purposes; however, previously issued letters may be affected by policy changes, technology changes, or rulemaking activities, as is the case here. The Final Rule for Gas Gathering Line Definition; Alternative Definition for Onshore Lines and New Safety Standards [71 FR 13289] was published on March 15, 2006, changing the agency's approach from that which was employed in the early 1990's.

I hope that this information is helpful to you. If I can be of further assistance, please contact me at (202) 366-4046.

Sincerely,



John A. Gale
Director, Office of Regulations

cc: Danny L. McGriff
Director, Facilities Protection Unit
Georgia Public Service Commission



PI-10-00051

May 6, 2010

Office of Pipeline Safety (PHP-30)
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
East Building, 2nd Floor
Mail Stop: E24-455
1200 New Jersey Avenue, SE
Washington, DC 20590-0001

To Whom It May Concern:

This letter is to request a formal letter of interpretation regarding whether or not the piping in a landfill gas collection system meets the definition of "gathering line" under 49 CFR Part 192.3. Our collection system is typical of most systems and consists of perforated vertical and horizontal pipes installed throughout the landfill cells and connected through a series of wellheads, headers, and lateral pipes to a blower which removes the landfill gas by placing a small vacuum on the system. A portion of the gas is directed to a flare with the remaining volume being compressed, chilled, filtered, and reheated for use as boiler fuel by two local industrial customers.

As outlined below, there appear to be conflicting regulatory opinions about whether landfill gas systems should be classified as "onshore gathering" or "production" facilities. Your published response to this question will clarify the matter for the City of LaGrange and other similar landfill gas systems in operation around the country.

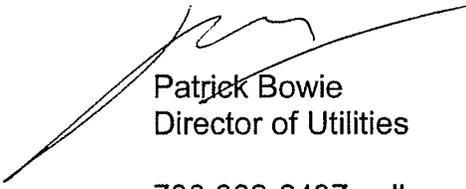
PHMSA Interpretation Letter #PI-92-010 issued by Cesar DeLeon on March 12, 1992 states that "in a landfill system, the vacuum lines and compressor station are used to extract gas from the landfill. These facilities are, therefore, production facilities, and are not subject to Part 192 [emphasis added]." This conclusion that landfill gas systems are production and not gathering facilities seems to be supported by the definitions, figures, and decision trees in API Recommended Practice 80 and the language found in 49 CFR Part 192.8.

Our confusion exists because we have received contrary opinions through a recent email from your office and a subsequent letter from the Georgia Public Service Commission (attached). Following my informal phone call and follow-up email to PHMSA last September, an email was sent from Tewabe Asebe on

October 7, 2009 stating that "...the piping upstream of the compressor station are considered gathering lines...[emphasis added]" In a November 9, 2009 letter from Danny McGriff, Director Facilities Protection Unit of the Georgia Public Service Commission, it was stated that "the landfill gas pipeline, being operated by the City of LaGrange, transports gas from an onshore gathering line to a large volume customer [emphasis added]."

It is my hope that you will affirm, clarify, or rescind Letter of Interpretation #PI-92-010 in order to provide some certainty about this issue so that our city and others can move forward with the proper operation of our landfill gas system under federal pipeline safety regulations. Please let me know if you have any questions or require further information.

Sincerely,



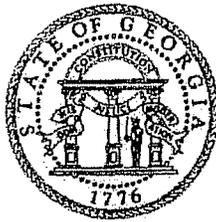
Patrick Bowie
Director of Utilities

706-302-6437 cell

c: Danny McGriff, Director, Georgia Public Service Commission
Kelli Leaf, Staff Attorney, Georgia Public Service Commission

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November 9, 2009

Mr. Patrick Bowie
Director of Utilities
City of LaGrange
P. O. Box 430
LaGrange, GA 30241

Dear Mr. Bowie:

1. I have reviewed the original inspection report prepared by my staff on the City of LaGrange landfill gas system (Inspection Report Number LB09-049 of June 23, 2009), as well as your response dated September 10, 2009.
 - a) As you stated in your response letter, there are several landfill gas systems currently operating in the state of Georgia. I am aware that the City of LaGrange has operated this landfill gas system as a distribution system since January 13, 2006; however, as landfill gas systems become more prevalent, they are coming under increased scrutiny at the Federal level, and those concerns are being passed down to the states. While I can appreciate your concern that the Commission be "...sensitive to the fragile economics of these projects...", you need to recognize that I, and my staff, must balance that concern with our responsibility for ensuring the safety of the people who live, work, and travel in the area of these operations.
 - b) As you pointed out in your response letter, "...the gathering lines being operated by a landfill operator are not jurisdictional to PSC oversight." However, as noted in Pipeline and Hazardous Materials Safety Agency (PHMSA) Interpretation Letter #PI-92-010 (March 12, 1992), the pressurized lines downstream of the landfill processing facilities are jurisdictional to the Commission.
 - c) Your landfill gas system came under increased scrutiny because of questions and concerns that arose during the development of the Troup County, County-Wide Safety Plan. While I can appreciate the fact that you are concerned about any "...undue regulatory burdens...", the implication from your reply is that there may not be a "...consistent set of standards for their operation." I can assure you that the Pipeline Safety Staff works diligently to ensure that the enforcement of the requirements imposed by the Pipeline Safety Regulations are carried out in a consistent manner. However, as I am sure you are aware, parts of the regulations are prescriptive, while others are performance based, so in some instances it is not as simple as comparing "apples to apples." If you feel that any of my Inspectors are incorrectly interpreting any provisions from the Pipeline Safety Regulations, please provide me the specific code citation and I will evaluate the situation.

PHMSA Interpretation #PI-92-010

Mar 12, 1992

PHMSA Response Letter

Mr. Edward M. Steele
Supervisor
Gas Pipeline Safety Section
The Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43266-0573

Dear Mr. Steele:

I am responding to your letter of January 28, 1992, asking to what extent the regulations in 49 CFR Part 192 apply to gas pipeline system operated by SBM, Inc., at a landfill in Gahanna, Ohio. The landfill system consists of a network of vacuum lines that collect gas from various wells in the landfill, a compressor station at the end of the collection lines, and two pressurized lines that transport gas downstream from the compressor station to industrial customers.

Part 192 applies to pipeline facilities and the transportation of gas, except certain gathering of gas offshore or in rural areas (see §192.2). Section 192.3 defines "transmission of gas" as "the gathering, transmission, or distribution of gas by pipeline or the storage of gas, in or affecting interstate or foreign commerce." A "gathering line" is defined as "a pipeline that transports gas from a current production facility to a transmission line or main." Based on these definitions, Part 192 does not apply to production facilities.

In the landfill system, the vacuum lines and compressor station are used to extract gas from the landfill. These facilities are, therefore, production facilities, and are not subject to Part 192. The two pressurized lines are used to transport gas directly to consumers from the production facilities. These lines, therefore, are not production facilities or gathering lines. They are either "transmission lines" or "distribution lines" under the definitions of those terms in §192.3. Thus, in the landfill system, the jurisdiction of Part 192 covers only the two pressurized lines downstream from the compressor station.

Sincerely,

/signed/

Cesar DeLeon
Director, Regulatory Programs
Office of Pipeline Safety

-----Original Message-----

From: Asebe, Tewabe (PHMSA)

Sent: Wednesday, October 07, 2009 12:58 PM

To: 'Patrick Bowie'

Cc: Benjie Dukes

Subject: RE: LaGrange Georgia landfill gas system

Good afternoon Mr. Bowie,

Our understanding of your system is as follows:

1. Gas is from the landfill in plastic piping and flows to a compressor station
2. At the compressor station the downstream pipeline pressure is boosted to 35 to 45 psig
3. Then the gas is delivered to three large volume customers
4. The large volume customers are not downstream from a distribution center

Based on the above understanding, the piping upstream of the compressor station are considered gathering lines and the pipeline downstream from the compressor station is an intrastate transmission line under § 192.3. That is:

Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center;

Thank you.

- d) In recent years, PHMSA has attempted to clarify issues related to onshore gathering, most recently through Amendment 192-102, which was published as a Final Rule on March 10, 2006, with an effective date of April 14, 2006. In the final rule, (Sec 1(f)), the Office of Pipeline Safety noted that:

"...Regulation of an onshore gathering line should not depend on subdivision or local government boundaries as it does now, but on the risk the line poses to the public based on its pressure and proximity to people. For example, the proximity of a line to dwellings is a much more precise measure of risk than the rural-nonrural approach currently in use. For nonrural lines, this change to a risk-based approach would maintain the current level of regulation where justified by risk."

- e) I, and my Staff, remain concerned with the issue of hydrogen sulfide in this system, because it is in fact different from the pipeline quality gas that you are distributing through your other gas lines.

- 1) It is our position that hydrogen sulfide can be a severe acute hazard. It is an extremely toxic and irritating gas and one of the effects of the gas is to temporarily paralyze the olfactory nerves. Because of this, high concentrations of hydrogen sulfide can result in severe consequences before the odor is detected.

2. My Staff has reviewed the requirements of 49CFR Part 192, and contacted representatives from PHMSA for guidance. **Based on this research, I have reached the following conclusions:**

- a) Amendment 192.102 to Part 192 created 49CFR 192.8, "*How are onshore gathering lines and regulated onshore gathering lines determined?*" This subpart requires Operators to use API RP 80 to determine if an onshore pipeline is an onshore gathering line. A search of our records indicates that we have no documentation of any RP-80 surveys dealing with this landfill system.

- 1) Did the City of LaGrange conduct an RP-80 survey under 192.8? If an RP-80 survey was completed, please forward a copy for our review.
- 2) If an RP-80 survey was not completed, please explain why not.

- b) I am disturbed by the tone of your response that you are "*...not aware of any regulations that require the City of LaGrange to produce "records establishing any exposure limits or procedures for dealing with the presence of H₂S."*

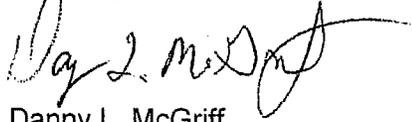
- 1) Your implication is that OSHA regulates the exposure limits of hydrogen sulfide and that the Commission is not allowed to ask questions dealing with the chemical composition of your gas. OSHA has stated in past decisions that section 4(b)(1) of the Occupational Safety and Health Act, 29 U.S.C. § 653(b)(1), precludes OSHA from applying its standards to working conditions that are regulated by other federal agencies.

- 2) My Staff is particularly interested in the issue of hydrogen sulfide because your gas system is jurisdictional to the Commission under 49CFR Part 192, which precludes the OSHA regulations. This does not, however, preclude us from seeking assistance from OSHA should I deem it necessary. 49CFR, 192.615 (b) (9) requires you, as an operator, to take "...adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas,"
- a) Please provide me with the rationale behind your assumption that no additional measures are required for your personnel to work around this landfill quality gas.
 - b) Please explain why you feel that there are no additional measures that need to be taken to ensure the safety of the residents who live around the landfill gas lines.
- 3) I will evaluate this information and have my Staff investigate further with representatives from PHMSA, OSHA, and the EPD to determine what additional actions you may be required to take.
- c) The landfill gas pipeline, being operated by the City of LaGrange, transports gas from an onshore gathering line to a large volume customer. I concur with Staff's position that this pipeline is a "Transmission Line" by definition.
- 1) While this pipeline is not operating at pressure which produces a hoop stress above 20% of SMYS, your assumption that this automatically makes it a distribution line is not correct. As noted in the definitions of 49CFR, Part 192, operating pressure alone does not determine line classification. 192.3 defines a transmission line as follows:
- "Transmission line" means a pipeline, other than a gathering line, that:
- (1) Transports gas from a gathering line or storage facility to a gas distribution center, storage facility, or large volume customer that is not down-stream from a gas distribution center;
 - (2) operates at a hoop stress of 20 percent or more of SMYS; or
 - (3) transports gas within a storage field.
- Note: A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.
- d) Because this line is a transmission facility, it must meet the Integrity Management requirements in 49CFR, Part 192, Subpart O.
- e) I disagree with your position that "...there is no need or requirement to modify our existing O&M Manual, Emergency Plan, or OQ Plan in a way that would treat landfill gas mains any differently than natural gas mains."

- 1) In addition to the issues presented by the hydrogen sulfide in this gas system, this statement conflicts with your response where you state that the Lower Explosive Limit (LEL) of your gas "...should be around 10% in air."
- 2) As I am sure you are aware, the federal and state laws, regulations, rules for the operation and maintenance of natural gas systems, as well as the equipment which is designed for performing maintenance and emergency response functions is predicated on the fact that the explosive range for natural gas is approximately 4% -14% gas-in-air.
- 3) Additionally, the Emergency Manual submitted by the City Of LaGrange with their County Wide Safety Plan states under the section titled "Characteristic and Properties of Natural Gas", that the explosive range of your gas is 4-14% gas-in-air. (City of LaGrange Gas Department Emergency Plan, Pages 14-15, Revised April 20, 2009).
 - a) Please provide me with a detailed description of the methods and procedures employed that demonstrate your ability to effectively substantiate the explosive range, including both the Lower and Upper Explosive Limits, for your landfill gas.
- 4) If you are correct in your assertion that the explosive range for your landfill gas is different than the explosive range of standard pipeline quality gas, this will require changes to not only your O&M, Emergency Plan, and OQ Program, but also to every other program you conduct, such as your liaison program, Public Awareness Program, and County-Wide Safety Plan.
- f) While Part 192 has provisions allowing for naturally odorized gas, based on Staff's conversations with PHMSA, and after reviewing the code, I agree with Staff's position that you are unable to comply with the requirements of 192.625(f).
 - 1) The reference that you cite in your response is not sufficient justification for me to support your position that the naturally occurring odorant in your landfill gas is capable of ensuring detection by the public.
 - 2) Amendment 93 to 49CFR, Part 192, revised the code to read; "*To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.*"
 - 3) Neither I, nor my Staff, is aware of any instrument that meets the criteria for performing the test required by 192.625(f) on landfill gas systems. If you should have any documentation related to a specific machine that will allow you to meet the requirements of 192,625(f) I am willing to revisit this item.
 - a) Please advise what actions you will take to comply with the requirements of 192.625(f).

3. Please respond to the questions underlined in this letter within 10 business days, specifying what actions will be taken, and the timetable for those actions to be completed, to bring this system into compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Danny L. McGriff". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Danny L. McGriff
Director, Facilities Protection Unit