



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 15 2019

Ms. Leanne M. Meyer
VP Environmental, Safety, Pipeline Integrity
and Operations Support Services
MarkWest Javelina Pipeline Company, LLC
1515 Arapahoe Street, Tower 1, Suite 1600
Denver, CO 80202-2137

Dear Ms. Meyer:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), you requested an interpretation of 49 CFR Part 192. You specifically requested an interpretation of §192.3 for a definition of a transmission pipeline. You requested an interpretation for your eight intrastate pipeline systems that transport off-gas (consisting of non-condensable vents from various refinery process units containing light hydrocarbon components) from six refineries to your Javelina facility located in Corpus Christi, Texas. You requested these eight intrastate lines to be reclassified from transmission lines to Type B regulated gathering lines.

You provided the following information about the pipeline systems: the pipelines range from 0.2 to 1.54 miles in length and from 16 to 24 inches in diameter with a maximum allowable operating pressure (MAOP) of 99 psig, and the percentage specified minimum yield strength (SMYS) ranges from 9 to 14 percent. You also provided a summary table of the characteristics of the eight pipelines.

Furthermore, in an email you provided maps and additional information. You stated that the Javelina facility receives the off-gas from 6 refineries, separates the products into valuable components, and sends the residue gas back to the refineries to be used as fuel.

Gas gathering pipelines in §192.3 are defined as pipelines that transport gas from a production facility to a transmission line or main. Generally, gathering pipelines collect gas from natural gas wells and transport them to a processing facility, refinery or a transmission pipeline. 49 C.F.R. §§ 192.3 and 192.8. Transporting off-gas from refineries does not qualify the pipelines in question as gathering pipelines.

Section 192.3 defines a transmission line as:

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

The Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety provides written clarifications of the Regulations (49 CFR Parts 190-199) in the form of interpretation letters. These letters reflect the agency's current application of the regulations to the specific facts presented by the person requesting the clarification. Interpretations do not create legally-enforceable rights or obligations and are provided to help the public understand how to comply with the regulations.

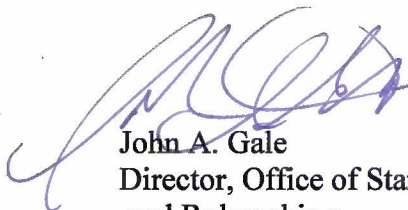
from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

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.

The Javelina facility is a large volume customer because it is a manufacturing facility that processes refinery off-gas, and with all six refineries on line, the Javelina facility can process up to 142 mmscfd of off-gas. The Javelina facility uses this off-gas as chemical and plastic feedstocks and sends residue gas back to the refineries. Under the Federal pipeline safety regulations, these pipelines are considered transmission lines because they are downstream of gathering systems and transport gas from refineries to a large volume customer that is not downstream from a distribution center. Therefore, per the first definition of a transmission line in §192.3, the eight pipelines transport off-gas to the Javelina facility as transmission pipelines and must remain regulated as transmission lines. In addition, you stated by follow up email that the residue gas is transported by pipelines back to the refineries to be used as fuel. Under the Federal pipeline safety regulations, the pipelines that transport the residue gas from the Javelina facility back to the refineries are also regulated under Part 192 as transmission lines.

If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking

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MARKWEST

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October 10, 2016

Office of Pipeline Safety (PHP-30)
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue SE.
Washington, DC 20590-0001

Re: MarkWest RG Pipeline System Regulatory Interpretation Request

Dear Sir or Madame:

Currently, the Texas Railroad Commission's records indicate that the MarkWest RG pipelines, located in Corpus Christi, Texas, were registered as transmission pipelines. MarkWest would like to correct this error and correctly identify the pipelines as regulated gathering lines. MarkWest is requesting your interpretation in order to complete this process.

The MarkWest Javelina RG pipeline system consists of 8 pipelines; RG-210, RG-220, RG-400, RG-600, RG-700, RG-800, RG-810 and RG-820 which transport off-gas from 6 refineries to the Javelina facility located in Corpus Christi, TX. The RG Pipelines range from 0.2 to 1.54 miles and from 16 to 24 inches in diameter with a Maximum Allowable Operating Pressure (MAOP) of 99 psig.

History of Javelina Processing Plant:

Historically, off-gas (consisting of non-condensable vents from various refinery process units) was utilized by the refineries internally as fuel for heaters and boilers. Off-gas contains light hydrocarbon components which were determined to be more valuable as chemical and plastic feedstocks than as fuel by several local refineries. In 1989, the Javelina processing facility partnership was formed between Kerr McGee, Valero, and Coastal to process refinery off-gas. After completion in 1990, the facility began processing off-gas from five refineries. In 1996, a sixth off-gas provider was added when the Flint Hills Resources West refinery was tied-in.

Pipeline System:

The subject pipelines are summarized in the following table:

Pipeline Name:	RG-210	RG-220	RG-400	RG-600	RG-700	RG-800	RG-810	RG-820
State(s):	Texas	Texas	Texas	Texas	Texas	Texas	Texas	Texas
Interstate / Intrastate:	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate
Function:	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering	Low-Stress Gathering
FERC:	No	No	No	No	No	No	No	No
From:	Citgo West	Citgo West	Valero	Coastal	Citgo East	Koch East	RG-800	RG-810
To:	Javelina	Javelina	RG-210/220	RG-820	RG-800	RG-810	RG-820	Javelina
Segment Length (mi):	1.07	1.54	0.85	0.43	0.52	0.20	1.07	1.12
Design Pressure:	438 psig	438 psig	522 psig	522 psig	522 psig	438 psig	438 psig	365 psig
%SMYS:	11%	11%	9%	9%	9%	11%	11%	14%
MAOP / MOP:	99 psig	99 psig	99 psig	99 psig	99 psig	99 psig	99 psig	99 psig
NOP:	75 psig	75 psig	75 psig	75 psig	75 psig	75 psig	75 psig	75 psig
Diameter:	20	20	16.75	16.75	16.75	20	20	24
Design Class / Factor	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Grade:	X-35	X-35	X-35	X-35	X-35	X-35	X-35	X-35
Wall Thickness:	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Product	Natl Gas	Natl Gas	Natl Gas	Natl Gas	Natl Gas	Natl Gas	Natl Gas	Natl Gas

Classification of Pipelines:

Both the definition of a *transmission line* in Title 49 CFR Part 192 and a subsequent 6-part Federal Energy Regulatory Commission (FERC) "primary function test" illustrate the RG pipelines are not transmission. The

appropriate definition of the RG pipelines is low-stress gathering per Title 49 CFR Part 192 and API RP 80. To further define, the pipelines are Type B Regulated Gathering as they are in a Class 3 location.

Title 49 CFR Subpart 192.3 Definitions: *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; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.* The function of the RG pipelines is to transport non-transmission quality refinery off-gas for gas processing with a 99 psig MAOP. The MAOP translates into a range of 9-14% of the Specified Minimum Yield Strength (SMYS). Therefore, the MarkWest RG pipelines do not meet any of the *transmission line* definitions.

The gathering function is also supported under Federal Energy Regulatory Commission (FERC) precedent. FERC has established the "primary function test" for determining whether facilities are gathering facilities, which are non-jurisdictional facilities, as opposed to transmission facilities, over which FERC has jurisdiction. See Northwest Pipeline GP Parachute Pipeline LLC, 127 FERC 61,261 (2009). The "primary function test" considers the physical and geographical attributes of a system through the analysis of six specific factors. In summary, of all the six physical and geographical factors support the conclusion that the RG pipelines serve gathering functions. The RG pipeline lengths range from 0.2 to 1.54 miles and from 16 to 24 inches in diameter (factor one); the RG pipelines are in the same state as the refineries from which they receive gas and the processing plant to which they deliver gas (factor three); the RG pipelines are upstream of the processing plant (factor four); the RG pipelines are in close proximity to, and interconnected with one of the six refineries which supply natural gas to the processing plant (factor five); and the low operating pressure of the RG pipelines (99 psig MAOP which range from 9 to 14 %SMYS) (factor six).

- (1) The length and diameter of pipelines;
The first factor acknowledges that pipelines which are shorter in length and smaller in diameter typically serve gathering purposes. The RG pipelines are from 0.2 to 1.54 miles and from 16 to 24 inches in diameter, and because FERC has found that pipelines 60 miles long and 20 inches in diameter serve a gathering function, the Pipelines' length and diameter weigh in favor of a gathering designation. See Straight Creek Gathering, LP, 117 FERC 61,005 (2006).
- (2) The extension of the facilities beyond the central point in the field;
The second factor examines the extension of the pipelines beyond the central point in the field and typically is used in the absence of a processing plant. See Eagle Rock DeSoto Pipeline L.P., 126 FERC 61,092 (2009). This factor does not apply in this instance because the RG pipelines transport gas to a processing plant. The location and implications of the processing plant are addressed in the fourth factor below.
- (3) The facilities' geographical configuration;
With regard to the third factor, FERC views the existence of an entire system within one state as being consistent with categorization as a gathering system. Thus, the fact that the RG pipelines lie in the same state as the refineries and processing plant provides further support of a gathering designation.
- (4) The location of compressors and processing plants;
The fourth factor views pipelines as gathering when they are located upstream of a processing plant. Further, little or no compression on the pipeline is also indicative of gathering. The RG pipelines are located upstream of MarkWest's processing plant with no compression, which provides further support of a gathering designation.
- (5) The location of the wells along all or part of a system; and
Factor five views the existence of a pipeline close to the production field as being consistent with a gathering system. While the RG pipelines are not close to natural gas production fields, but rather receive gas produced by the refining of globally-sourced feedstock's, this factor still supports the conclusion that the RG pipelines function as gathering lines. The RG pipelines are in close proximity to, and interconnected with the six refineries that supplies natural gas to the processing plant. Under these circumstances, the refineries are analogous to a natural gas production well, insofar as the refinery produces natural gas that is gathered by the Pipelines for transport to the plant for further processing into interstate pipeline quality natural gas.
- (6) The operating pressures of the pipelines.
Factor six notes that generally lower operating pressures are consistent with gathering functions. MarkWest operates the RG pipelines at 75 psig with a 99 psig Maximum Allowable Operating Pressure (MAOP). The MAOP translates into a range of 9-14% of the Specified Minimum Yield Strength (SMYS).

In addition to the six factors, FERC also considers the purpose, location, and operation of the facilities, the

general business activities of the owner of the facilities, and whether the jurisdictional determination is consistent with the Natural Gas Act (NGA) and the Natural Gas Policy Act (NGPA). In this regard, while MarkWest is a midstream company that primarily engages in the gathering and processing of natural gas and natural gas liquids, a small portion of MarkWest's operations also involves the transportation of natural gas and liquid hydrocarbons and thus engages in non-gathering transmission activities governed by FERC. The overall purpose of the RG pipelines is not to transport natural gas in interstate commerce, but rather to transport refinery off-gas for further processing, which is a gathering purpose.

MarkWest looks forward to your response. If you would like to discuss this further, please contact me at 303-925-9299 or via email, Leanne.Meyer@markwest.com.

Best regards,

A handwritten signature in blue ink, appearing to read "Leanne Meyer", is positioned above the typed name and contact information.

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