



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

March 20, 2023

Mr. Kevin Fahrenkrog
Sr. General Manager
Anheuser-Busch, LLC
100 Busch Drive
Cartersville, GA 30121

Dear Mr. Fahrenkrog:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), dated February 19, 2021, you requested an interpretation of the Federal pipeline safety regulations in 49 Code of Federal Regulations (CFR) Part 192 with respect to where the Federal pipeline safety regulations become applicable to the Anheuser-Busch, LLC (Anheuser-Busch) biogas pipeline within the Anheuser-Busch beer production facility (Brewery) in Cartersville, Georgia.

You stated that both the Brewery and adjacent biogas production facility are owned by Anheuser-Busch and are divided by Interstate Highway 75 (I-75). You stated that the biogas production facility is on the west side of I-75 and the Brewery is on the east side of I-75. Your letter explained that wastewater from brewery processes flows via gravity through a tunnel under I-75 to the biogas production facility. After compression, cooling, and filtering the produced biogas (which you indicate is composed primarily of methane and carbon dioxide) is transported back to the Brewery by pipeline and used to fuel boilers.

Your letter explains the Georgia Public Service Commission (GPSC) has stated the compressors at the biogas production facility and the downstream pipeline to the beer production facility are regulated under 49 CFR Part 192. You stated you agree with GPSC that the pipeline that transports the biogas under I-75 to the Brewery is a regulated “transmission line” under 49 CFR Part 192, because the pipeline transports gas to a large volume customer. However, you disagree with GPSC’s position that the compressors and related equipment upstream from the transmission line are also regulated. Therefore, you have requested PHMSA’s interpretation as to where the Federal pipeline safety regulations start.

The Federal pipeline safety laws at 49 U.S.C. § 60101 et seq. and applicable regulation under that law at 49 CFR Part 192, generally apply to the gathering, transmission, and distribution of natural and other gas by pipeline. The definition of a “pipeline” at § 192.3 includes its related equipment, to include compressors and other appurtenances.

However, as established in § 192.1, 49 CFR Part 192 does not apply to the onshore gathering of gas through a pipeline that is not a “regulated onshore gathering line” as determined in § 192.8.¹ For the reasons you explained in your letter (a biogas production facility in a Class 1 location is not described as “regulated onshore gathering lines” in § 192.8(b) and its accompanying table, nor under the relevant API RP 80 provisions incorporated by reference into 49 CFR Part 192), PHMSA agrees that the compressors and related equipment at your biogas production facility are not “regulated onshore gathering lines” as described by § 192.8. Therefore, the compressors and upstream equipment in the biogas production facility are not subject to the 49 CFR Part 192 pipeline safety regulations.

PHMSA received a flow diagram of the biogas compressors from GPSC and agrees with you that the compressors are not regulated because the pipeline pressure downstream of the compressor is controlled from overpressure. The downstream pipeline and overpressure protection are regulated pipeline facilities, *see* § 192.195 for requirements on protection against accidental overpressuring. The Anheuser-Busch list of “Fault/Flare conditions for pretreatment” states, “if the closed-circuit cooler cuts off, then the biogas compressor shuts off, and flow is then diverted through the biogas flare valves”). PHMSA also agrees with your letter that per the definition of “transmission line” at § 192.3, that the pipeline downstream of the compressor that transports gas back to the Brewery is a regulated pipeline because it serves a large volume customer. As you described in your letter, one definition of a transmission line includes pipelines transporting gas from a gathering line to a large volume customer that is not downstream from a distribution center. A large volume customer includes factories and other analogous facilities to your Brewery.² Gas can be in transportation and subject to the Federal pipeline safety regulations even if it is produced, transported, and consumed by the same entity.³

¹ *See* 49 C.F.R. § 192.1(b)(4).

² 61 Fed. Reg. 28,770-72 (June 6, 1996).

³ *See, e.g., Marathon Pipeline L.L.C.*, PHMSA Interp. # PI-09-0009 (June. 24, 2009). *See also, Illinois Commerce Commission*, PHMSA Interp. # PI-09-0020 (Aug. 11, 2010) (“Because the coke oven gas is produced in one GCW facility and is transported to another GCW facility under public right-of-way and public sidewalk, this pipeline is subject to the pipeline safety regulations.”)

While PHMSA agrees with the assertion in your letter that the pipeline downstream of the compressor is regulated by Part 192, you should be aware that the Federal pipeline safety regulations are minimum pipeline safety standards. Further, a State, such as GPSC in this case, may have more stringent pipeline safety regulations and/or other authority to regulate the safety of facilities including gas compression facilities such as Anheuser-Busch's Cartersville plant.

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

Attachments



Certified Mail: 7015 0640 0002 0378 0306

February 19, 2021

Anheuser-Busch LLC.
100 Busch Dr.
Cartersville, GA 30121

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

RE: Request for Interpretation
Biogas Facilities
Operator ID: 39773

Dear Sir/Madam:

Anheuser-Busch, LLC (“AB”) owns and operates a beer production facility in Cartersville, Georgia, that includes infrastructure for collecting and treating production wastewater, and for collecting and reusing the gases produced in the wastewater treatment process (the “biogas”) as boiler fuel. In general terms, wastewater treatment produces biogas that is compressed and transported through a pipeline to boilers.

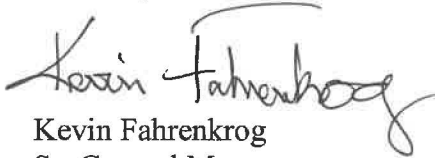
AB acknowledges that it is an Operator, as defined by PHMSA, based on the nature and configuration of the pipeline transporting biogas to the boilers and is therefore subject to enforcement of PHMSA regulations by the Georgia Public Service Commission (“GPSC”). AB also acknowledges that its biogas pipeline meets the PHMSA definition of a Transmission Line.

During a recent pipeline safety inspection and in the subsequent report, GPSC stated that the compressors upstream of the Transmission Line are also subject to PHMSA/GPSC jurisdiction. AB has researched the regulations along with associated documents and publications and has come to a different conclusion. AB believes its wastewater treatment facility that is the source of the biogas should be classified as onshore Production, which is not subject to PHMSA jurisdiction, and that the equipment that collects and compresses the biogas is non-jurisdictional Gathering due to its Class Location. AB has discussed its research and resulting opinion with GPSC Staff and the two parties agree that there is enough uncertainty to warrant a request for clarification or Interpretation from PHMSA. Therefore, AB submits this request in accordance with 49 CFR Part 190.11. AB appreciates the cooperation provided by GPSC Staff in addressing this matter.

The attached documents provide a detailed description of AB's biogas facilities along with an explanation and references supporting AB's position on the categorization of its facilities.

AB personnel and consultants are available to discuss this matter and to provide additional information. Contact can be made at the address above or by calling Chris Ryan at (678) 266-8077.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kevin Fahrenkrog". The signature is fluid and cursive, with a large, sweeping "K" and a long, trailing "g".

Kevin Fahrenkrog
Sr. General Manager
ANHEUSER-BUSCH, LLC

Attachments

cc: Greg Wilson
Michelle Kelly
Jay Eversman
Michelle Thebert, Georgia Public Service Commission
Bill DeFoor, Municipal Gas Authority of Georgia
Maurice Chaney, Municipal Gas Authority of Georgia

AB Request for Interpretation Position Statement

Facility Description

Anheuser-Busch, LLC (“AB”) owns and operates a beer production facility in Cartersville, Georgia, that includes infrastructure for collecting and treating production wastewater, and for collecting and reusing the gases produced in the wastewater treatment process as boiler fuel. The brewery is located on AB property on the east side of Interstate Highway 75. The wastewater treatment facility (“BTS” which stands for Biological Treatment System) is located on AB property on the west side of I-75. There is a tunnel for utility facilities under I-75 between the two AB property parcels.

Liquid waste from the brewing process flows by gravity through the utilities tunnel to a set of tanks called digesters where a biological process (anaerobic digestion) is used to pretreat the wastewater for discharge into the local municipal sanitary sewer collection system. Anaerobic digestion of the wastewater produces gases (“biogas”) consisting primarily of methane and carbon dioxide. Covers on the digester tanks capture the biogas to begin the reuse process.

Pressure from the digestion process moves the biogas from the covered digesters through a condensate de-foamer tank to a holding tank from which the biogas can be pulled into one of two compressors. (When production of biogas exceeds the amount of boiler fuel needed, when equipment or pipeline facilities are not in-service, or in other non-standard situations, some or all of the biogas is routed to a set of flares for disposal.) After compression, the biogas is cooled to remove liquids and then filtered before entering a pipeline running through the tunnel under I-75 to the boiler building (“Powerhouse”) located at the brewery.

Categorization and Regulation Considerations

The Georgia Public Service Commission (“GPSC”) has determined that the biogas pipeline transporting biogas from BTS to the Powerhouse is subject to pipeline safety regulations promulgated by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) as 49 CFR Parts 191 and 192 and enforced by GPSC. GPSC also determined that the compressors at BTS are subject to GPSC enforcement of PHMSA regulations. GPSC has not stated its position on pipeline safety jurisdictional authority over other equipment or facilities upstream of the biogas pipeline, e.g., the digesters in which the biogas is produced.

AB has researched relevant PHMSA Regulations in 49 CFR Part 192, American Petroleum Institute Recommended Practice 80 (“RP80”) that is incorporated by reference in full as a requirement under Part 192, and PHMSA Interpretations of the provisions of Part 192 in search of clearly stated findings or examples that would be applicable to the various components of the AB facilities. As a result, AB believes its facilities should be classified as follows:

- Digesters and De-foaming Tank – Onshore Production, which is not subject to PHMSA/GPSC jurisdiction
- Holding Tank, Compressors, and Dehydration Equipment –Gathering Line facilities that are not regulated (not subject to PHMSA/GPSC jurisdiction) due to being in a Class 1 Location
- Pipeline from BTS to Powerhouse – Transmission Line based on Transportation of Gas to a Large Volume Customer that is not down-stream from a gas distribution center and subject to PHMSA/GPSC jurisdiction

Each of these components is discussed further below.

Digesters and Related Equipment

Categorization

Since flammable gas is created (produced) in the digesters, AB has explored whether these digesters and associated equipment should be classified as Production. Part 192 does not define “Production;” however, RP80, which is incorporated by reference (see 192.7), provides definitions and “definitional concepts” that are applicable to the AB facilities as shown on Attachment A and excerpted below:

2.3 Definition of Production Operation

'Production Operation' means piping and equipment used for production and preparation for transportation or delivery of hydrocarbon gas ... and includes the following processes:

- (a) extraction and recovery, ... treatment, separation ... of hydrocarbon gas

2.3.1 Basic ‘Production Operations’ Definitional Concepts

Production operations generally take place upstream of any gathering or other pipeline facilities that could be regulated as transportation under Title 49 U.S. Code Chapter 601 (Pipeline Safety Act). The production function ... may include several processes required to prepare the gas for transportation. Such processes may include separation, dehydration,... processing ...

2.4 Supplemental Definitions, also includes the following production-related term:

2.4.4 Production: A blanket term referring to all of the operations enumerated in the following definitions.

- f. treatment:** The physical and/or chemical technique used to enhance separation of produced well fluids and removal of impurities (e.g., water, solids, basic sediment and water, sulfur compounds, carbon dioxide, etc.). Examples include iron sponge units, field amine units, and dehydrators. In some cases, treatment can be a function or integral part of separation, and vice versa.

AB believes the De-foaming Tank immediately downstream from the Digesters meets the definition of “production treatment” because it enhances separation of fluids produced in the Digesters.

AB notes that, while these definitions and RP80 as a whole are most commonly applied to Production associated with traditional underground gas reserves, the same concepts have been applied to Production within landfill gas systems (see Interpretations PI-92-010 and PI-10-0014) and are seemingly appropriate for anaerobic digesters that produce biogas.

Regulation

Since Production is not included in the §192.3 definition of “Transportation of gas,” it is AB’s understanding that Production facilities are not subject to PHMSA jurisdiction.

Compressors and Related Equipment

Categorization

The definitions of Gathering Line found in 192.3 and RP80 shown on Attachment B and excerpted below are applicable to the AB facilities:

§192.3 - Gathering Line means a pipeline that transports gas from a current production facility to a transmission line or main.

RP80 - "Gathering Line"

(a) means any pipeline ... used to

(1) transport gas from the furthestmost downstream point in a production operation to the furthestmost downstream of the following endpoints,

(D) the outlet of the furthestmost downstream compressor station used to ... increase gathering line pressure for delivery to another pipeline,

Assuming the digesters and adjacent de-foaming tank discussed previously are determined to be Production facilities, AB believe it follows that the holding tank, compressors, and dehydrating equipment immediately downstream meet the regulatory definitions of Gathering Line.

RP80, Section 2.4 Supplemental Definitions, also includes the following gathering-related term:

2.4.2 gathering line gas treatment facility: One or a series of gas treatment operations, other than production treatment, operated for the purpose of removing impurities (e.g., water, solids, basic sediment and water, sulfur compounds, carbon dioxide, etc.).

AB believes that dehydrating equipment associated with its compressors meets the definition of “gathering line gas treatment facility.”

In addition to defining Gathering Lines, RP80 also provides written and graphic means for determining whether specific facilities should be classified as Gathering and, if so, to what extent. Application of either of the Onshore Gas Gathering Decision Trees found in Appendix A

of RP80 show that outlet of the gas compressor station is the end of AB gathering facilities. The route taken through these Decision Trees is shown in Attachment C.

Regulation

49 CFR Part 192.8(b) provides for the identification of “regulated onshore gathering line” based primarily on Class Location. §192.5(a)(1) defines a “class location unit” as an onshore area that extends 220 yards on either side of the centerline of any continuous 1-mile of pipeline.

As shown on the attached map, titled Attachment D, other than BTS that houses the Gathering Line facilities, there are no other buildings intended for human occupancy within the Class Location Unit area as applied in all directions from the portion of the building housing the Gathering Line facilities. Therefore, based on the provisions of 192.5(b)(1)(ii), these Gathering Line facilities are in a Class 1 Location due to there being 10 or fewer buildings intended for human occupancy in the AB Class Location Unit.

The table in §192.8(b)(2), which defines “regulated onshore gathering lines,” makes no reference to Gathering Lines in Class 1 Locations. Therefore, it is AB’s understanding that its Gathering Line facilities are not regulated by PHMSA.

Pipeline to Boiler Plant

AB acknowledges that it is an Operator as defined in §192.3 because it engages in the transportation of gas. AB also accepts the GPSC position that the biogas pipeline is a Transmission Line as defined in §192.3 because it (1) Transports gas from a gathering line ... to a ... large volume customer that is not down-stream from a gas distribution center. AB believes PHMSA/GPSC jurisdiction is limited to the Transmission Line.

Conclusion

AB believes the information provided above supports its position that its biogas facilities should be categorized and regulated as follows:

- Digesters and De-foaming Tank – Onshore Production, which is not subject to PHMSA/GPSC jurisdiction
- Holding Tank, Compressors, and Dehydration Equipment – Gathering Line facilities that are not regulated (not subject to PHMSA/GPSC jurisdiction) due to being in a Class 1 Location
- Pipeline from BTS to Powerhouse – Transmission Line based on Transportation of Gas to a Large Volume Customer that is not down-stream from a gas distribution center and subject to PHMSA/GPSC jurisdiction

Attachments

A –RP80 Definition of Production

B – Part 192 and RP80 Definitions of Gathering

C – RP80 Appendix A Decision Trees

D – Gathering Line Class Location Map

E – Interpretations PI-92-010 and PI-10-0014

