



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

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

JUL 30 2009

Mr. Leo M. Haynos
Chief of Gas Operations & Pipeline Safety
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604

Dear Mr. Haynos:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated April 7, 2009, you requested an interpretation of the applicability of the Federal pipeline safety regulations at 49 CFR Part 192 to operators of several gas pipeline systems regulated by the Kansas Corporation Commission (KCC). You stated that KCC identified several gas gathering system operators that: (1) operate a section of natural gas piping between the last compressor of the gathering system and the sales point to an interstate transmission pipeline; and (2) operate gas gathering systems with parameters for Class 1 locations, with maximum operating pressure of up to 700 psig, with pipe diameter from 2 inches to 6 inches, and with pipe length from 150 feet to 1,500 feet. Based on inquiries you received from several operators regarding § 192.8, you requested PHMSA's interpretation of the following four questions:

Q1: If the pipe between the outlet of the compressor and the transmission line tap is within an area, (such as a compressor station) where access is controlled by the operator, is this section of pipe considered to be subject to pipeline safety regulations?

Q2: If the pipe between the outlet of the compressor and the transmission line tap is located in a pipeline easement that is exclusively controlled by the operator, (i.e., no other utilities, pipelines or public roads are allowed in the easement), is the pipe in question subject to pipeline safety regulations?

Q3: 49 CFR Part 192.8(a)(4) states, "the endpoint of gathering, under section 2.2(a)(1)(D) of API RP 80, may not extend beyond the furthestmost downstream compressor used to increase gathering line pressure for delivery to another pipeline". Because the limitation only applies to endpoints considered under 2.2(a)(1)(D) and not to all of the endpoints under 2.2(a)(1), this limitation appears only to limit compression facilities on a transmission line from being used as endpoints for a gathering system. Could the above described gas piping between the last compressor on a gathering system and the transmission pipeline be considered to define an endpoint of the gathering system at the transmission line tap as per

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.

2.2(a)(1)(E) which defines the endpoint of gathering as, “the connection to another pipeline downstream of:

(i) the furthestmost downstream endpoint identified in (A), (B), (C) or (D) ...”?

Q4: What is the minimum footage of regulated transmission pipelines that must file a map with the National Mapping System as required by 49 USC Sec. 60132?

Pursuant to 49 U.S.C. 60101 *et seq.*, PHMSA prescribes and enforces standards and regulations that apply to the gathering, transmission, and distribution of gas by pipeline. A gathering line is defined in 49 CFR § 192.3 as “a pipeline that transports gas from a current production facility to a transmission line or main.” That same section defines a transmission line as “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 downstream 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.”

Response to Q1 & Q2 - we refer you to Gas Gathering Endpoint FAQ No. 6 which addresses compressor station demarcation points. Gas Gathering Endpoint FAQ No. 6 is reprinted below:

ONSHORE GAS GATHERING FAQS

GAS GATHERING ENDPOINT

FAQ No. 6: - If a compressor station marks the endpoint of gathering, where does the “compressor station” end?

PHMSA Response: - The compressor station discharge line and any additional piping and equipment for treatment (e.g., dehydration) or measurement of the gas at the compressor station site are part of the “compressor station.” These additional operations are not required to be within any compressor station fencing, but ***must be at the same location*** (emphasis added) to be part of the “compressor station.” The gathering line will typically end at a tie-in to another pipeline which is a valve or flange at the outlet of the station (inside or outside the fence or property line) and is the beginning of the transmission line.

During the rulemaking process, PHMSA requested information from the regulated industry and other stakeholders concerning the short segments in proximity to compressor stations you describe. We did not receive responses in time to include any discussion of whether any further clarification was needed on this topic in the rulemaking. Should PHMSA initiate a rulemaking for clarification of the issues raised in Q3, we may consider revisiting the issues in Q1 & Q2.

Response to Q3 - On March 15, 2006, PHMSA issued a Final Rule that defined a “regulated gathering line” and set forth the requirements that apply to regulated gathering lines (71 FR 13289). The rule adopted API RP 80 with certain limitations. Section 192.8 now provides as follows:

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§ 192.8 How are onshore gathering lines and regulated onshore gathering lines determined?

(a) An operator must use API RP 80 (incorporated by reference, see §192.7), to determine if an onshore pipeline (or part of a connected series of pipelines) is an onshore gathering line. The determination is subject to the limitations listed below. After making this determination, an operator must determine if the onshore gathering line is a regulated onshore gathering line under paragraph (b) of this section.

(1) The beginning of gathering, under section 2.2(a)(1) of API RP 80, may not extend beyond the furthestmost downstream point in a production operation as defined in section 2.3 of API RP 80. This furthestmost downstream point does not include equipment that can be used in either production or transportation, such as separators or dehydrators, unless that equipment is involved in the processes of “production and preparation for transportation or delivery of hydrocarbon gas” within the meaning of “production operation.”

(2) The endpoint of gathering, under section 2.2(a)(1)(A) of API RP 80, may not extend beyond the first downstream natural gas processing plant, unless the operator can demonstrate, using sound engineering principles, that gathering extends to a further downstream plant.

(3) If the endpoint of gathering, under section 2.2(a)(1)(C) of API RP 80, is determined by the commingling of gas from separate production fields, the fields may not be more than 50 miles from each other, unless the Administrator finds a longer separation distance is justified in a particular case (see 49 CFR §190.9).

(4) The endpoint of gathering, under section 2.2(a)(1)(D) of API RP 80, may not extend beyond the furthestmost downstream compressor used to increase gathering line pressure for delivery to another pipeline.

Section 2.2(a)(1)(E) of API RP 80 describes a fifth possible endpoint of gathering—a connecting line running between the last compression or processing facility and another (transmission) pipeline. This is often referred to as an “incidental gathering” line. While the March 15, 2006, rule did not expressly adopt a limitation on the fifth possible endpoint of gathering in section 2.2(a)(1)(E) of API RP 80, PHMSA considers this to be a drafting error that does not reflect PHMSA’s intent. In the Supplemental Notice of Proposed Rulemaking, PHMSA expressed its intent to “assure gathering line determinations do not stray significantly from PHMSA’s historic interpretations of gathering or do not abuse the “furthestmost downstream” concept.” (70 FR 57540).

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Historically, PHMSA has not accepted the incidental gathering designation. Based on the pressures at which these lines typically operate and the fact that they share maintenance and inspection needs with high pressure transmission lines, PHMSA has historically treated these lines as regulated transmission lines and did not intend to make any change in the rule. Indeed, the intent of Congress in mandating the rulemaking was to bring additional pipeline mileage into the regulations, not to deregulate lines.

In our experience, the majority of operators treat these lines as regulated transmission lines and PHMSA believes they will continue to do so. Although incidental gathering designations are currently permissible due to the drafting error and would apply to the system descriptions you provided, PHMSA is currently considering whether a rule amendment should be undertaken to correct the rule and propose adding a fifth limitation on RP 80 or other rule modifications which would mean incidental gathering determinations are no longer permissible. Because PHMSA may undertake such a rule amendment in the near future, operators should strongly consider keeping incidental gathering designations to an absolute minimum and treating these lines as regulated transmission lines.

Response to Q4 - There is no minimum footage for National Pipeline Mapping System (NPMS) filing. Operators with PHMSA-regulated transmission pipelines must file an NPMS submission.

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

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April 7, 2009

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
East Building, 2nd Floor
Mail Stop: E24-455
1200 New Jersey Ave., SE
Washington, DC 20590

Subject: Request for Interpretations of 49 CFR Part 192.8

Dear Sirs:

The Kansas Corporation Commission Staff has identified several operators of gas gathering systems that operate a section of natural gas piping between the last compressor of the gathering system and the sales point to an interstate transmission pipeline. For all of the operators being discussed, the following parameters apply:

Class Location	One
Length of pipeline	Ranging from 150 feet to maximum of 1500 feet
Diameter of pipeline	Ranging from 2" to 6"
Max. operating pressure	Up to 700 psi

In our review of these operations, several questions have been raised by the operator regarding application of 49 CFR Part 192.8. At your earliest convenience, please provide PHMSA's responses to the following four (4) questions:

Q1: If the pipe between the outlet of the compressor and the transmission line tap is within an area, (such as a compressor station) where access is controlled by the operator, is this section of pipe considered to be subject to pipeline safety regulations?

Q2: If the pipe between the outlet of the compressor and the transmission line tap is located in a pipeline easement that is exclusively controlled by the operator, (ie: no other utilities, pipelines, or public roads are allowed in the easement), is the pipe in question subject to pipeline safety regulations?

Q3: 49CFR Part 192.8(a)(4) states, "the endpoint of gathering, under section 2.2(a)(1)(D) of API RP 80, may not extend beyond the furthest downstream compressor used to increase gathering line pressure for delivery to another pipeline". Because the limitation only applies to endpoints considered under 2.2(a)(1)(D) and not to all of the endpoints under 2.2(a)(1), this limitation appears only to limit compression facilities on a transmission line from being used as endpoints for a gathering system. Could the above described gas piping between the last

compressor on a gathering system and the transmission pipeline be considered to define an endpoint of the gathering system at the transmission line tap as per 2.2(a)(1)(E) which defines the endpoint of gathering as, “the connection to another pipeline downstream of: (i) the furthestmost downstream endpoint identified in (A), (B), (C) or (D)...”?

Q4: What is the minimum footage of regulated transmission pipelines that must file a map with the National Pipeline Mapping System as required by 49 USC Sec. 60132?

Sincerely,

Leo M. Haynos
Chief of Gas Operations & Pipeline Safety
Kansas Corporation Commission