



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

1200 New Jersey Ave, S.E.  
Washington, D.C. 20590

**AUG 11 2011**

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

Dear Mr. Bowie:

On August 10, 2010, the Pipeline and Hazardous Materials Safety Administration's Office of Pipeline Safety (OPS) issued a letter of interpretation on the regulatory status of your landfill gas system. OPS concluded that the pipeline that originates at the outlet of your compressor station and delivers gas downstream to a large volume customer is a transmission line. (49 CFR 192.3.) OPS also stated, in responding to your request to affirm, clarify, or rescind a March 12, 1992, letter of interpretation,<sup>1</sup> that the agency had established new requirements for "onshore gas gathering lines" in a March 2006 final rule (71 FR 13302), and that those requirements "chang[ed] the agency's approach from that which was employed in the early 1990s."

By letter dated August 13, 2010, you asked OPS to provide further clarification on the regulatory status of your landfill gas system. Specifically, you asked whether the facilities located upstream of the outlet for the compressor station and on the landfill grounds are part of a gathering line or production facility.<sup>2</sup> You stated that OPS and the Georgia Public Service Commission (GPSC) have indicated that those facilities are used for the onshore gathering of gas, but that you believe they should be classified as production facilities.

The gas pipeline safety requirements at 49 CFR Part 192 are generally applicable to "pipeline facilities and the transportation of gas, including pipeline facilities and the transportation of gas within the limits of the outer continental shelf as that term is defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331)." (49 CFR 192.1(a).) The requirements do not, however, apply to the "[o]nshore gathering of gas . . . [t]hrough a pipeline that operates at less than 0 psig (0 kPa)," or "[t]hrough a pipeline that is not a regulated onshore gathering line (as determined at § 192.8)." (49 CFR 192.1(b)(4)(i)-(ii).)

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<sup>1</sup> *In the Matter of Mr. Edward M. Steele*, PHMSA Interp. # PI-92-010 (Mar. 12, 1992).

<sup>2</sup> According to the information submitted with your letter, the following facilities are located on the grounds of the LaGrange landfill: (1) a series of perforated vertical and horizontal pipes, which are installed in the landfill cells for gas collection, (2) a dual blower system, which creates a vacuum to pull the gas through the collection system, (3) a mixer tank and valve, which is used to direct the gas either to a flare or to a set of dual compressors, (4) the dual compressors, which are used to increase the pressure of the gas to 35 to 45 psi, and (5) an air cooler and chiller system, which reduces the gas temperature to remove excess moisture and contaminants prior to delivery.

A gathering line is generally defined at 49 CFR 192.3 as “a pipeline that transports gas from a current production facility to a transmission line or main.” The definition of an onshore gas gathering line is further refined by the provisions in the American Petroleum Institute Recommended Practice 80, “Guidelines for the Definition of Onshore Gas Gathering Lines,” (1<sup>st</sup> Edition, April 2000) (API RP 80), a consensus industry standard incorporated into 49 CFR Part 192 by reference, with certain limitations. (49 CFR 192.7-192.8.)

Specifically, 49 CFR 192.8(a) states that “[a]n operator must use API RP 80 . . . to determine if an onshore pipeline (or part of a connected series of pipelines) is an onshore gathering line.” 49 CFR 192.8(a)(1) further states that “[t]he 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.”

With regard to the two referenced provisions, section 2.2(a)(1) of API RP 80 states, in relevant part, that a gathering line is “any pipeline or part of a connected series of pipelines used to . . . transport gas from the furthestmost downstream point in a production operation to the furthestmost downstream of [certain specified] endpoints.” Section 2.3 of API RP 80 states that a production operation is “piping and equipment used for production and preparation for transportation or delivery of hydrocarbon gas and/or liquids and includes the following processes: (a) extraction and recovery, lifting, stabilization, treatment, separation, production processing, storage, and measurement of hydrocarbon gas and/or liquids; and (b) associated production compression, gas lift, gas injection, or fuel gas supply.”<sup>3</sup>

You stated that all of the facilities located upstream from the outlet to the compressor station are used for the extraction of gas and that these production facilities are not subject to the pipeline safety requirements at 49 CFR Part 192. You rely on a March 12, 1992, letter of interpretation, and the absence of any contrary provision in the current regulations, to support that conclusion.

In the former interpretation, OPS considered the applicability of 49 CFR Part 192 to a landfill gas system in Gahanna, Ohio. As in this case, that system “consist[ed] 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.” Citing the definitions in effect at that time for gas transmission and gathering lines, OPS stated in that letter that “Part 192 does not apply to production facilities.” OPS then concluded that:

In the [Gahanna, Ohio] 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 49 CFR Part 192.

As noted in the response to your original request, PHMSA has issued regulations that are no longer consistent with the above approach. Vacuum lines and other onshore gas gathering lines

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<sup>3</sup> See also API RP 80, 2.3.1 (guidance on basic production operations), 2.4 (providing supplementary definitions for use in applying definition for production operation).

that operate at less than 0 psig are covered by a specific exemption at 49 CFR 192.1(b)(4)(i),<sup>4</sup> a new method for defining onshore gas gathering lines is codified at 49 CFR 192.7-192.8, and that method is based, in large part, on API RP 80, a consensus industry standard issued several years after the March 12, 1992, letter of interpretation. OPS also recently concluded, in a March 8, 2011, letter of interpretation, that the facilities located on the grounds of another landfill gas system were used for the onshore gathering of gas under the current regulations.<sup>5</sup>

Accordingly, OPS concludes that the facilities located on the grounds of the LaGrange landfill between the outlet for the extraction wells and the outlet for the compressor station are used for the onshore gathering of gas. Any vacuum lines and other facilities that operate at less than atmospheric pressure are exempt from the gas pipeline safety requirements. (49 CFR 192.1(b)(4)(i).) However, any facilities that operate at or above atmospheric pressure are part of an onshore gas gathering line. (49 CFR 192.7-192.8.)<sup>6</sup>

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

Sincerely,



John A. Gale  
Director, Division of  
Standards and Rulemaking

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

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<sup>4</sup> As part of the rulemaking that led to the issuance of 49 CFR 192.1(b)(4)(i), PHMSA specifically referenced “vacuum lines” in discussing the gas pipeline facilities that would be covered by that exception. *See* 70 Fed. Reg. 57536, 57543 (Oct. 3, 2005) (“The proposal would exclude onshore gathering lines that operate under vacuum, or at less than atmospheric pressure. Any failure of a vacuum line would tend to draw air into the pipeline rather than release natural gas to the atmosphere. PHMSA believes this factor sufficiently reduces the level of risk so regulation is unnecessary. 49 CFR 192.1(b)(4) would be amended to exclude these vacuum lines from 49 CFR Part 192.”).

<sup>5</sup> *See City of Glendale Water & Power*, PHMSA Interp. # PI-10-0016 (Mar. 8, 2011) (concluding that part of a pipeline in a landfill gas system was a gathering line under 49 CFR Part 192).

<sup>6</sup> It is worth noting that the pipeline in the LaGrange system which delivers gas downstream to a large volume customer could still be regulated as a transmission line even if all of the facilities located on the landfill grounds were used solely for the production of gas. *See also* API RP 80, 2.3.1.2 (stating “that all or part of the gas from a production operation may go directly to a distribution facility, a transmission facility or a large volume end user without entering a gathering line.”).

August 13, 2010

Mr. John A. Gale  
Director, Office of Regulations  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Mr. Gale:

I have received your letter of interpretation dated August 10, 2010 regarding the City of LaGrange's landfill gas operation. I tried to reach you by phone last week but was unsuccessful, so hopefully this letter will adequately convey my continuing concerns. The question that was asked does not appear to have been answered ("whether or not the piping in a landfill gas *collection* system meets the definition of '*gathering line*' under 49 CFR Part 192.3"). We are for the moment focused solely on the equipment located within the landfill boundaries and not on the pipeline that delivers gas from the landfill to consumers.

PHMSA's interpretation letter #PI-92-010 clearly 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*..." On the other hand, we provided you with a recent email from PHMSA and a letter from the Georgia Public Service Commission stating that this same equipment is considered *gathering lines*. We tend to agree with the original letter of interpretation because the landfill gas system does not appear to satisfy the definitions in API RP-80 "Guidelines for the Definition of Onshore Gas Gathering Lines", and we cannot identify any policy changes or rulemaking activities that would have affected this conclusion. The "Final Rule for Gas Gathering Line Definition; Alternative Definition for Onshore Lines and New Safety" referenced in your letter made certain on-shore, rural gathering lines jurisdictional and did not address landfill gas collection systems.

It would be greatly appreciated if you could take another look at my request for interpretation and provide some assistance in resolving this continuing contradiction.

Sincerely,



Patrick Bowie  
Director of Utilities

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