



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

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

MAY - 6 2014

Mr. Jared Ellsworth, P.E.
Manager, Pipeline Safety
Williams West, Gas and Liquids
295 Chipeta Way
Salt Lake City, UT 84108

Dear Mr. Ellsworth:

Following a July 15, 2013, preliminary determination of the Director, Western Region, Pipeline and Hazardous Materials Safety Administration (PHMSA), by letter dated August 27, 2013, Williams Field Services Company (Williams) requested an interpretation of the applicability of the Federal hazardous liquid pipeline safety regulations at 49 CFR Part 195 to certain facilities it operates. Specifically, you asked whether the exemption for “in-plant piping systems” in 49 CFR 195.1(b)(8) applies to a pipeline operated by Williams that transports highly volatile liquid (HVL) from a fenced product storage facility across river and private road crossings to another fenced location where HVL processing equipment is located. In addition, you asked whether the tanks that receive product from the incoming pipeline meet the breakout tank definition in § 195.2.

First, it should be noted that § 195.1(a)(1) states, in general, that “any pipeline that transports a highly volatile liquid is regulated.” The list of exemptions in paragraph (b) are narrowly defined. In its entirety, the exemption for in-plant piping systems in § 195.1(b)(8) cited by Williams reads as follows:

§195.1 Which pipelines are covered by this Part?

(a) Covered. Except for the pipelines listed in paragraph (b) of this Section, this Part applies to pipeline facilities and the transportation of hazardous liquids or carbon dioxide associated with those facilities in or affecting interstate or foreign commerce, including pipeline facilities on the Outer Continental Shelf (OCS). Covered pipelines include, but are not limited to:

- (1) Any pipeline that transports a highly volatile liquid;
- (2)...

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.

- (b) Excepted. This Part does not apply to any of the following:
- (1)...
- (8) Transportation of hazardous liquid or carbon dioxide through onshore production (including flow lines), refining, or manufacturing facilities or storage or in-plant piping systems associated with such facilities;

Based on the information provided in your request, it appears that the facilities involved are storage and processing facilities, not production, manufacturing, or refining facilities. Therefore, the exemption for “in-plant piping systems associated with such facilities” would not apply. In addition, you stated that the HVL pipeline running between the two fenced locations crosses a stream. A failure of the pipeline could potentially impact the water in the stream which in turn, could impact the safety of other properties beyond Williams’ property. In some circumstances, a pipeline transporting hazardous liquids across rivers or streams can be subject to the regulations even if the same entity owns the land on either side of the river or stream.¹

With regard to your second question, under § 195.2 a breakout tank is defined as:

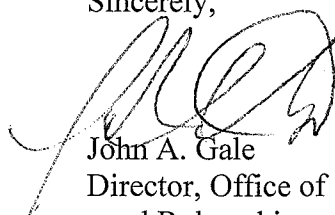
Breakout tank means a tank used to (a) relieve surges in a hazardous liquid pipeline system or (b) receive and store hazardous liquid transported by a pipeline for reinjection and continued transportation by pipeline.

In this case, the HVL is received from the incoming pipeline, stored in the tanks and/or transported to and from the HVL processing area, and ultimately reinjected into a pipeline for continued transportation. Therefore, these tanks appear to meet the definition of breakout tanks.

Please note that this response to your August 27, 2013, request reflects PHMSA’s preliminary views of the applicability of Part 195 regulations based on the limited information of the description of the facilities in your letter. PHMSA may need to collect additional information and possibly conduct a site visit to make a final determination.

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

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking

¹ In some states, the land underneath the river or stream bed is deeded to the property owner.

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.



August 27, 2013

Mr. Jeffrey D. Wiese
Associate Administrator for Pipeline Safety
Office of Pipeline Safety (PHP-30)
PHMSA, U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590-0001

RE: Request for Written Regulatory Interpretation
Williams Field Services Company – OPID #30826

Dear Mr. Wiese:

Williams Field Services Company, in response to a July 15, 2013 letter received from the DOT/PHMSA, Western Region, respectfully seeks, pursuant to CFR 49, Part 190.11(b)(1), official interpretation answering the two questions detailed below regarding CFR 49, Parts 195.1(b)(8) and 195.2. Williams believes current operation of the subject pipeline is fully compliant with applicable regulatory requirements.

1. Is a plant pipeline used to transfer HVL product to a fenced storage tank facility located on plant property but outside the plant fence and upstream of a pressure influencing device, subject to 49 CFR Part 195 pipeline safety regulations?
 - CFR 49, Part 195.1(b)(8) exempts in-plant piping systems and associated facilities, such as storage.

2. Are storage tanks used only to receive and store product transferred from a plant and not intended to relieve surges or to receive and store hazardous liquids transported by a pipeline for reinjection and continued transportation by pipeline considered breakout tanks?
 - CFR, 49, Part 195.2 Definitions. *Breakout tank means a tank used to (a) relieve surges in a hazardous liquid pipeline system or (b) receive and store hazardous liquid transported by a pipeline for reinjection and continued transportation by pipeline.*

SEP 03 2013

Please see the attached schematic depicting the transfer pipeline and plant storage tank facility (Attachment 1).

Sincerely,

Jared Ellsworth, P.E.
Williams West - Gas and Liquids
Manager - Pipeline Safety
295 Chipeta Way
Salt Lake City, UT 84108
Office: 801.584.6539
Mobile: 801.243.5365

Attachment (1)

cc: Chris Hoidal

