Jurisdictional Determination of Natural Gas Pipeline Systems

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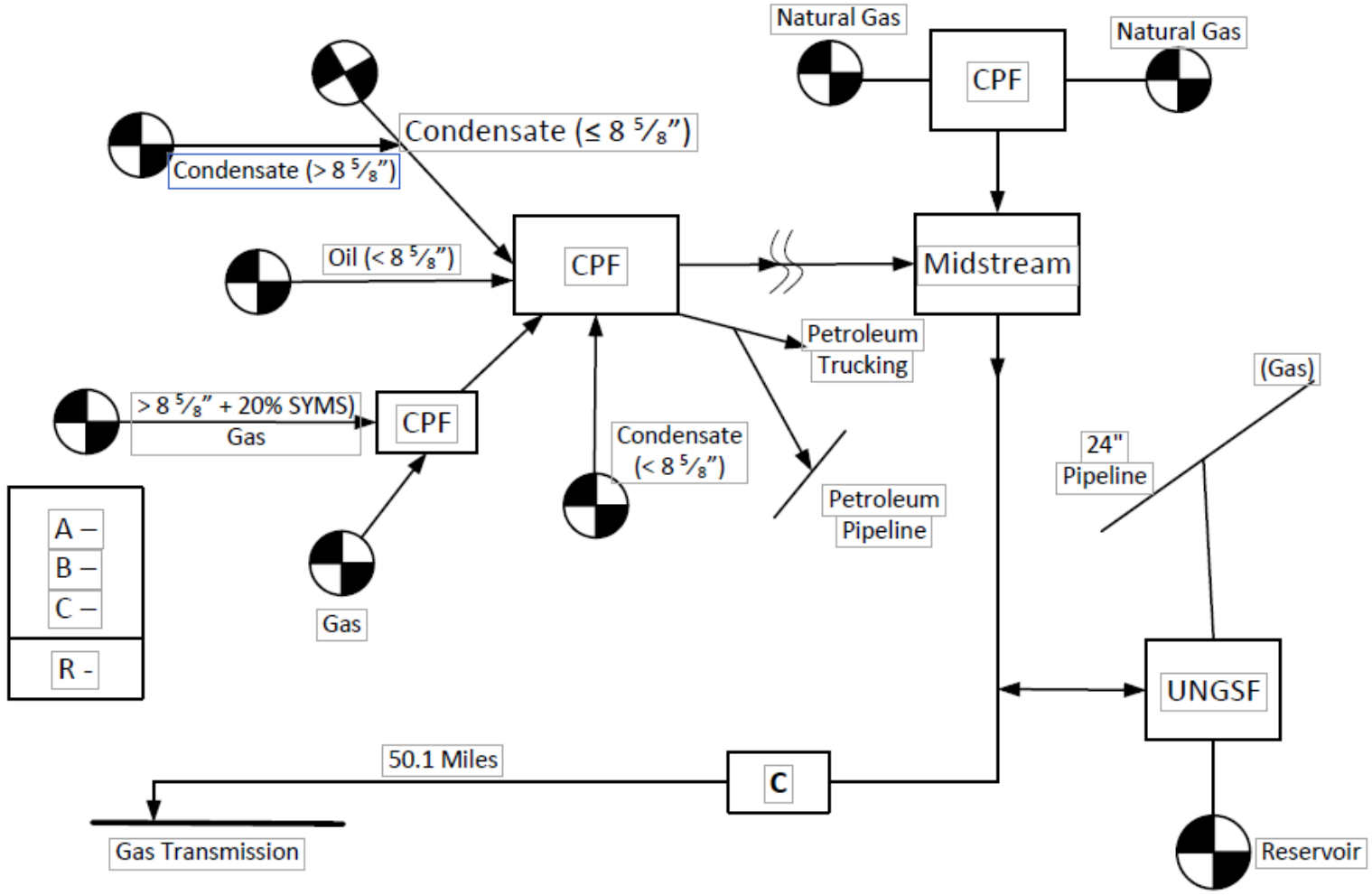
What is Regulated?



Gas Pipelines - Three Major Categories

- Gathering Lines
- Transmission Lines
- Distribution Lines (Includes):
  - High- & Low-pressure distribution systems
  - Service Lines
  - Main
  - Farm Tap

Due to time constraints, we will not cover Distribution Lines and Offshore/OCS Lines in detail.

Gas Pipelines - Three Major Categories

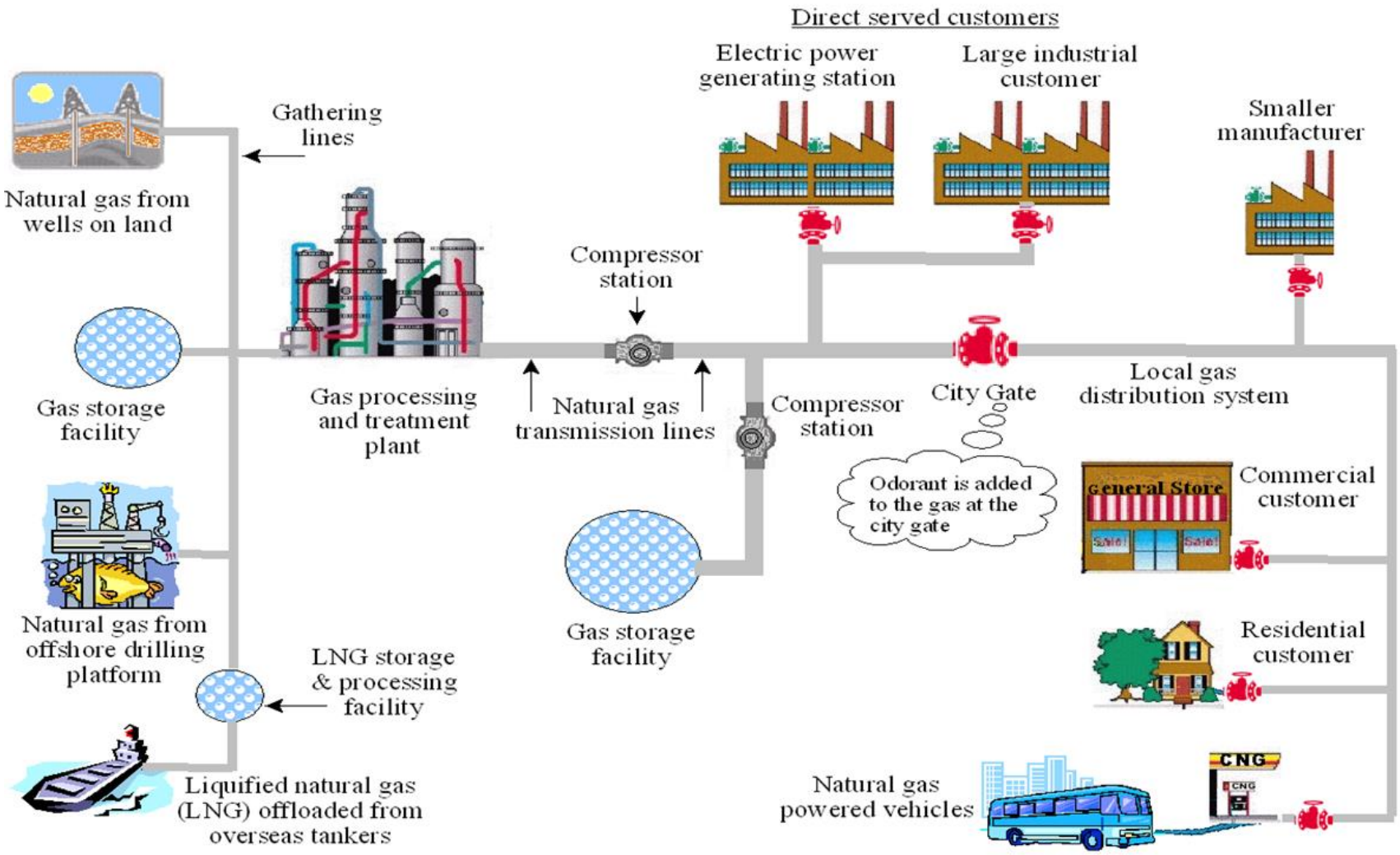
- Gathering Lines – A PL that transports gas from a current production facility to a transmission line or main.
- Transmission Lines - Means a pipeline or connected series of pipelines, other than a gathering line, that:
  - (1) Transports gas from a gathering pipeline or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center;
  - (2) Has an MAOP (Maximum allowable pressure) of 20 percent or more of SMYS (Specified Minimum Yield Strength);
  - (3) Transports gas within a storage field; or
  - (4) Is voluntarily designated by the operator as a transmission pipeline.
  - (5) Note 1 to transmission line. A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

Gas Pipelines - Three Major Categories

- Distribution Lines - Means a pipeline other than a gathering or transmission line.
  - Service Lines - A distribution line that transports gas from a common source of supply to an individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small commercial customers served through a meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream, or at the connection to customer piping if there is no meter.
  - Main - Means a distribution line that serves as a common source of supply for more than one service line.

Due to time constraints, we will not cover Distribution Lines and Offshore/OCS Lines in detail.

Types of Natural Gas Pipelines



Agency Deference

- Chevron doctrine of Administrative Law overruled (June 28, 2024).
  - *Federal agencies must have statutory authority to promulgate and enforce regulations (e.g., Pipeline Safety Regulations, 49 CFR parts 190 – 199)*
  - *SCOTUS (1984): Federal agencies had the authority to interpret ambiguous or unclear statutory provisions so long as such interpretations were not unreasonable. (Chevron, U.S.A. v. Nat. Res. Def. Council, Inc., AKA "Chevron")*
  - *Theory - Agencies have subject-matter expertise & are responsible for enforcement of regulations within their jurisdiction.*
- June 2024 – SCOTUS overruled Chevron and held *"Courts must exercise their independent judgment in deciding whether an agency has acted within its statutory authority."* (Loper Bright Enterprises. v. Raimondo, *AKA "Loper Bright"*)
  - *Ends 4-Decades of court deference to agency interpretations of ambiguities agency statutes.*
  - *Courts not Agencies have the power of interpretation.*

Agency Deference – Bottom Line

- Applies to Statutes, Not Regulations.
- Courts not Federal Regulatory agencies may have to decide when “Congressional Legislation” and/or Federal Agency Interpretations are questioned.
  - Federal rulemakings often underestimate new regulation costs & overestimate benefits.
  - Recent ruling too recent to predict impact to regulatory landscape.
  - Only addresses federal agency & statues interpretation when promulgating/implementing regulations.
  - Next step should be to allow state and local courts to hold their agencies responsible for similarly defending proposed changes in state and local regulations.
  - Rulemaking/Decisions may take longer.
  - Not sure of Political Impact (e.g., environment & economic issues).
  - Not sure of potential for shift in authority from federal to state.

Scope of Part 192

- **The 1st step in a Jurisdictional Determination** – Determine if the pipeline is regulated. [See Part §192.1 What is the scope of this part?] Properly abandoned gas pipelines permanently removed from service (§192.727) are no longer regulated.

  "Idled PL's" & PL's that may be used in the future are considered "Active" and regulated. [54512, FR/Vol. 81, No. 158]

- **Transportation** of gas [the gathering, transmission, or distribution of gas by pipeline or the storage of gas, in or affecting interstate or foreign commerce].
- **Pipeline** - all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.

  Note, this also includes "Protection against accidental overpressuring" (§192.195) & "Control of the pressure of gas delivered from high-pressure distribution systems" (§192.197).

- **While production lines are not regulated,** 49 CFR Parts 191 and 192 apply to distribution lines regardless of whether the "common source of supply" is a regulated line. Operators engaged in the transportation of natural gas via a regulated service pipeline under 49 CFR Parts 191 and 192 must comply with all applicable requirements contained therein on the "service line".

Part 192 Exemptions

Part §192 does not apply to:

- Offshore gathering of gas in State waters upstream from the outlet flange of each facility where hydrocarbons are produced or where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream.
- Pipelines on the Outer Continental Shelf (OCS) that are producer-operated and cross into State waters without first connecting to a transporting operator's facility on the OCS, upstream (generally seaward) of the last valve on the last production facility on the OCS.

  Safety equipment protecting PHMSA-regulated pipeline segments is not excluded. Producing operators for those pipeline segments upstream of the last valve of the last production facility on the OCS may petition the Administrator, or designee, for approval to operate under PHMSA regulations governing pipeline design, construction, operation, and maintenance under 49 CFR 190.9;

Part 192 Exemptions

Part §192 does not apply to:

- Pipelines on the Outer Continental Shelf upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator.
- Onshore **gathering** of gas - Through a pipeline that operates at less than 0 psig; through a pipeline that is not a regulated onshore gathering line (as determined in §192.8); and within inlets of the Gulf of Mexico, except for the requirements in § 192.612; or

Part 192 Exemptions

Part §192 does not apply to:

- Any pipeline system that transports only petroleum gas or petroleum gas/air mixtures to-

  (i) Fewer than 10 customers, if no portion of the system is located in a public place; or

  (ii) A single customer, if the system is located entirely on the customer's premises (no matter if a portion of the system is located in a public place).

In-plant piping

- Part 192 does not contain a definition of "*In-plant piping system".*
- Part 195 contains the following language: "*In-plant piping system* means piping that is located on the grounds of a plant and used to transfer hazardous liquid or carbon dioxide between plant facilities or between plant facilities and a pipeline or other mode of transportation, not including any device and associated piping that are necessary to control pressure in the pipeline under §195.406(b)."

In-plant piping

While Part 192 does not define *"In-plant piping system" ;* there is ample evidence that PHMSA applies the same criteria to gas pipeline systems.

The basic philosophy is that in-plant piping is not used to transport gas or hazardous liquid.

What does “building intended for human occupancy or other impacted site” mean?

- Any building that may be occupied by humans, including homes, office buildings factories, outside recreation areas, plant facilities, etc.;
- A small, well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period (the days and weeks need not be consecutive); or
- Any portion of the paved surface, including shoulders, of a designated interstate, other freeway, or expressway, as well as any other principal arterial roadway with 4 or more lanes.

It is not the same as an “identified site” under IM in 192.903

Jurisdictional Determination Process for Gas Pipelines

Essential steps to conducting a Gas Jurisdictional Determination:

1. Determine if the pipeline is regulated or exempted [192.1]. Do not forget overpressure protection. If a gas pipeline is unregulated Part §192/191 does not apply; the Jurisdictional Determination Process ends.
2. Using 49 CFR 192 and API RP 80 (as applicable) - Establish the pipeline type (e.g., Gathering, Transmission, Distribution). Where is the Overpressure Protection?
3. Use API RP 80 (Appendix A and Appendix B) to further evaluate Jurisdiction of Gas Gathering Pipelines. Update Accordingly.
4. Use PHMSA Gas Gathering FAQ's to further evaluate Jurisdiction of Gas Gathering Pipelines. Update Accordingly.

   [FAQs are not substantive rules, are not meant to bind the public in any way, and do not assign duties, create legally enforceable rights, or impose new obligations not otherwise contained in the existing regulations. However, an operator who can demonstrate compliance with the FAQs is likely to be able to demonstrate compliance with the relevant regulations.]
5. Check for applicable letters of interpretation and enforcement history and update Jurisdictional Determination as needed.

Why does Jurisdictional Determination Matter?

Different rules apply depending on the category (designation, e.g., transmission, distribution, or gathering) of the pipeline, the age of the pipeline, the materials used in the construction of the pipeline, the MAOP of the pipeline, the diameter of the pipeline, the capacity & location of overpressure protection, the class location of the pipeline (proximity to buildings intended for human occupancy), whether the pipeline is located in a moderate consequence area, the nature of the gas being transported, whether the pipeline is located in a high consequence area, and whether the pipeline is onshore or offshore.

Absolutely Essential Information

- Where each segment starts and where each segment ends.
- MAOP for each segment.
- Location and capacity of overpressure protection for each segment.

and

- All information should be traceable, verifiable, and complete.

Why is Jurisdictional Determination Important?

- At least in theory, the regulations are designed to focus resources in areas that are the riskiest.
- Risk is defined as “Probability” X “Consequences”.
- Natural gas pipelines are generally very reliable, so probability is generally very low.
- Applying the regulatory rules (e.g., code) requires the clear delineation of what is regulated, and which regulations apply (e.g., Transmission PL, Gas Gathering, Distribution).

Bottom Line

- Once a gas molecule is regulated, it remains regulated until transportation ceases.
- Everything associated with a jurisdictional pipeline system should be documented.
- If an activity required by regulation cannot be documented , it did not happen.
- Operators that exceed the minimum Federal pipeline safety regulations in their O&M may be exposing themselves to civil penalties if they meet all regulatory requirements but fail to meet their own O&M requirements.
- Differentiate between meeting minimum federal regulatory requirements and established “Operator Goals” (e.g., Operations Excellence).

PHMSA Interpretations

WHAT IS A PHMSA INTERPRETATION?

- “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 are not generally applicable, do not create legally-enforceable rights or obligations, and are provided to help the specific requestor understand how to comply with the regulations.”

WHO CAN REQUEST AN INTERPRETATION?

- OWNER/OPERATORS
- STATE REGULATORS
- ANYONE!
- MISCELLANOUS INTEREST GROUPS
- TRADE ORGANIZATIONS

Note: ANY INTERPRETATION OF A REGULATION ADOPTED BY A STATE AGENCY MUST NOT CONFLICT WITH ANY OPINION/INTERPRETATION ISSUED BY PHMSA.

Gathering Lines & Distribution Lines

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

Wait for it!!

- Distribution line means a pipeline other than a gathering or transmission line.

Gathering Line "Evolution"

- Originally, conventional wells used when regulations issued; used smaller diameter piping and lower pressures

- Never anticipated:
  - Growth of new technology for horizontal wells
  - Shale plays such as Utica and Marcellus

Lower Risk
Smaller, Lower Pressure
Gathering Lines

Higher Risk
Larger, Higher Pressure
Gathering Lines

Gas Gathering Pipelines

- Must use API RP 80 (IBR §192.7) to determine if an onshore pipeline (or part of a connected series of pl's) 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 (§192.8).
- Operators must determine and maintain for the life of the pipeline documentation of the methodology by which it calculated the beginning and end points of each onshore gathering pipeline it operates, as described in the second column of table 1 to paragraph (c)(2) of this section, by:

  (1) November 16, 2022, or before the pipeline is placed into operation, whichever is later; or

  (2) An alternative deadline approved by the Pipeline and Hazardous Materials Safety Administration (PHMSA).

  The operator must notify PHMSA and State or local pipeline safety authorities, as applicable, no later than 90 days in advance of the deadline in paragraph (b)(1) of this section. The notification must be made in accordance with § 192.18 and must include the following information:

  (i) Description of the affected facilities and operating environment;

  (ii) Justification for an alternative compliance deadline; and

  (iii) Proposed alternative deadline.

Gas Gathering Jurisdiction

Must use API RP 80 (IBR §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 §192.8(b).

Begins (API RP 80, S2.2(a)(1)	End Point 1
May not extend beyond the furthermost downstream point in a production operation (RP 80, S 2.3). This furthermost 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.”	• 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. [192.8(a)(2)] • Note, may have intermediate deliveries (to other production operations, pipeline facilities, farm taps, or residential/commercial/industrial end users) that are not necessarily part of the gathering line [RP 80]:

Gas Gathering Jurisdiction

Must use API RP 80 (IBR §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 §192.8(b).

Begins (API RP 80, S2.2(a)(1)	End Point 2
May not extend beyond the furthermost downstream point in a production operation (RP 80, S 2.3). This furthermost 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."	• 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). [192.8(a)(3)].

Gas Gathering Jurisdiction

Begins (API RP 80, S2.2(a)(1)	End Point 3
May not extend beyond the furthermost downstream point in a production operation (RP 80, S 2.3). This furthermost 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."	• The endpoint of gathering, under section 2.2(a)(1)(D) of API RP 80, may not extend beyond the furthermost downstream compressor used to increase gathering line pressure for delivery to another pipeline. [192.8(a)(4)].

Gas Gathering Jurisdiction

Begins (API RP 80, S2.2(a)(1)	End Point 4
May not extend beyond the furthermost downstream point in a production operation (RP 80, S 2.3). This furthermost 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."	• For new, replaced, relocated, or otherwise changed gas gathering pipelines installed after May 16, 2022, the endpoint of gathering under sections 2.2(a)(1)(E) and 2.2.1.2.6 of API RP 80 (incorporated by reference, see § 192.7)—also known as "incidental gathering"—may not be used if the pipeline terminates 10 or more miles downstream from the furthermost downstream endpoint as defined in paragraphs 2.2(a)(1)(A) through (a)(1)(D) of API RP 80 (incorporated by reference, see § 192.7) and this section. If an "incidental gathering" pipeline is 10 miles or more in length, the entire portion of the pipeline that is designated as an incidental gathering line under 2.2(a)(1)(E) and 2.2.1.2.6 of API RP 80 shall be classified as a transmission pipeline subject to all applicable regulations in this chapter for transmission pipelines. [192.8(a)(5)].

Gas Gathering Pipelines

- For purposes of part 191 of this chapter and § 192.9, the term “regulated onshore gathering pipeline” means:

  (1) Each Type A, Type B, or Type C onshore gathering pipeline (or segment of onshore gathering pipeline) with a feature described in the second column of table 1 to paragraph (c)(2) of this section that lies in an area described in the third column; and

  (2) As applicable, additional lengths of pipeline described in the fourth column to provide a safety buffer:

Table 1 to Paragraph (c)(2)

Gas Gathering Pipelines

Table 1 to Paragraph (c)(2)

Type	Feature	Area	Additional safety buffer
A	—Metallic and the MAOP produces a hoop stress of 20 percent or more of SMYS —If the stress level is unknown, an operator must determine the stress level according to the applicable provisions in subpart C of this part —Non-metallic and the MAOP is more than 125 psig (862 kPa)	Class 2, 3, or 4 location (*see* § 192.5)	None.

Gas Gathering Pipelines

Table 1 to Paragraph (c)(2)

Type	Feature	Area	Additional safety buffer
B	—Metallic and the MAOP produces a hoop stress of less than 20 percent of SMYS. If the stress level is unknown, an operator must determine the stress level according to the applicable provisions in subpart C of this part —Non-metallic and the MAOP is 125 psig (862 kPa) or less	*Area 1.* Class 3, or 4 location *Area 2.* An area within a Class 2 location the operator determines by using any of the following three methods: (a) A Class 2 location; (b) An area extending 150 feet (45.7 m) on each side of the centerline of any continuous 1 mile (1.6 km) of pipeline and including more than 10 but fewer than 46 dwellings; or (c) An area extending 150 feet (45.7 m) on each side of the centerline of any continuous 1000 feet (305 m) of pipeline and including 5 or more dwellings	If the gathering pipeline is in Area 2(b) or 2(c), the additional lengths of line extend upstream and downstream from the area to a point where the line is at least 150 feet (45.7 m) from the nearest dwelling in the area. However, if a cluster of dwellings in Area 2(b) or 2(c) qualifies a pipeline as Type B, the Type B classification ends 150 feet (45.7 m) from the nearest dwelling in the cluster.

Gas Gathering Pipelines

Table 1 to Paragraph (c)(2)

Type	Feature	Area	Additional safety buffer
C	Outside diameter greater than or equal to 8.625 inches and any of the following: —Metallic and the MAOP produces a hoop stress of 20 percent or more of SMYS; —If the stress level is unknown, segment is metallic and the MAOP is more than 125 psig (862 kPa); or —Non-metallic and the MAOP is more than 125 psig (862 kPa)	Class 1 location	None.
R	—All other onshore gathering lines	Class 1 and Class 2 locations	None.

Summary of Type C Requirements

Criteria	Type C requirements (cumulative)
Diameter equal to greater than 8.625 inches	Damage prevention §192.614 Emergency Plans §192.615 New/replaced – Design, installation, construction, inspection, and testing requirements *
Diameter 8.625 inches through 12.75 inches with a building within the potential impact circles (PIC):	The above and: The Public Awareness §192.616 Line Markers §192.707 Corrosion control (subpart I) Leakage surveys (192.706)
Diameter > 12.75 inches through 16 inches with a building within the PIC, or Diameter > 16 inches	The above and: Plastic pipe requirements Establish maximum allowable operating pressure (MAOP, §192.619)

**Exceptions created for short replacement sections and composite pipe*

Type C Gathering

Type C gathering ≥ 8.625” must:

- Follow “all” reporting requirements of Part 191
- A new, replaced, relocated, or otherwise changed … be designed, installed, constructed, initial inspection, and tested in accordance with the requirements in subparts B though G and J of this part applicable to transmission lines;
- Carry out a Damage Prevention program under §192.614;
- Develop and implement procedures for emergency plans in accordance with §192.615.

If you are 8" or greater AND meet "Criteria", you must also:

- If the pipeline is metallic, control corrosion according to requirements of subpart I of this part applicable to transmission lines except for §192.493;
- Develop and implement a written public awareness program in accordance with §192.616; API RP 1162 (1st edition, Dec. 2003)
- Install and maintain line markers according to the requirements for transmission lines in §192.707; and
- Conduct leakage surveys in accordance with the requirements for transmission lines in §192.706 using leak-detection equipment, and promptly repair hazardous leaks in accordance with §192.703(c).

If you are > 12" AND meet "Criteria", you must also:

- If the pipeline contains plastic pipe, comply with all applicable requirements of this part for plastic pipe or components. This does not include pipe and components made of composite materials that incorporate plastic in the design; and
- Establish the MAOP of the pipeline under §192.619(a) or (c) and maintain records used to establish the MAOP for the life of the pipeline.

Type R Requirements

Type R gathering must:

§191.22 National Registry of Operators.

Yes, you must get an OPID

– *All use Form DOT F 1000.1 (see website)*

§191.23 Reporting safety-related conditions?

No for Type R

§191.29 National Pipeline Mapping System?

No

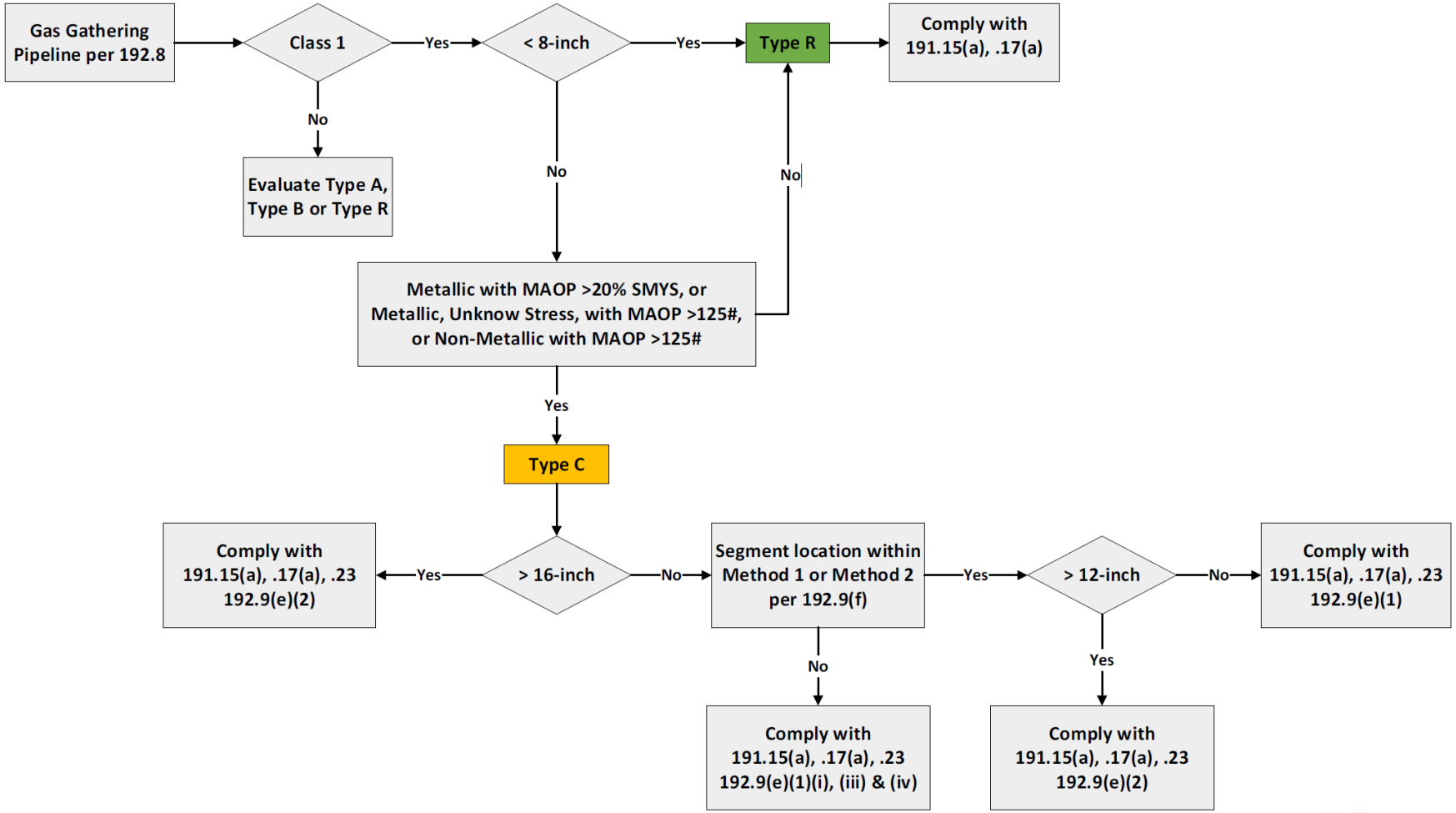
Gas Gathering Lines

Interpretation Response #PI-23-0011 (Publish Date: 04/26/2024)

- Owners and operators of regulated gathering lines are subject to the requirements in 49 U.S.C. 60108.1 PHMSA defines Types A, B and C gathering lines as regulated onshore gathering lines in 49 CFR § 192.8(c). Section 192.8(c)(3) specifies that Type R gathering lines are not considered regulated onshore gathering lines under Part 192.
- The self-implementing requirements in Section 114 of the PIPES Act of 2020, therefore, apply to operators of Types A, B and C gas gathering lines. Such operators are required to have inspection and maintenance plans in accordance with 49 U.S.C. 60108 and update those plans in accordance with the requirements in Section 114 of the PIPES Act of 2020. Type R gas gathering lines are not considered regulated onshore gathering lines and, therefore, are not subject to the requirements in Section 114 of the PIPES Act of 2020.

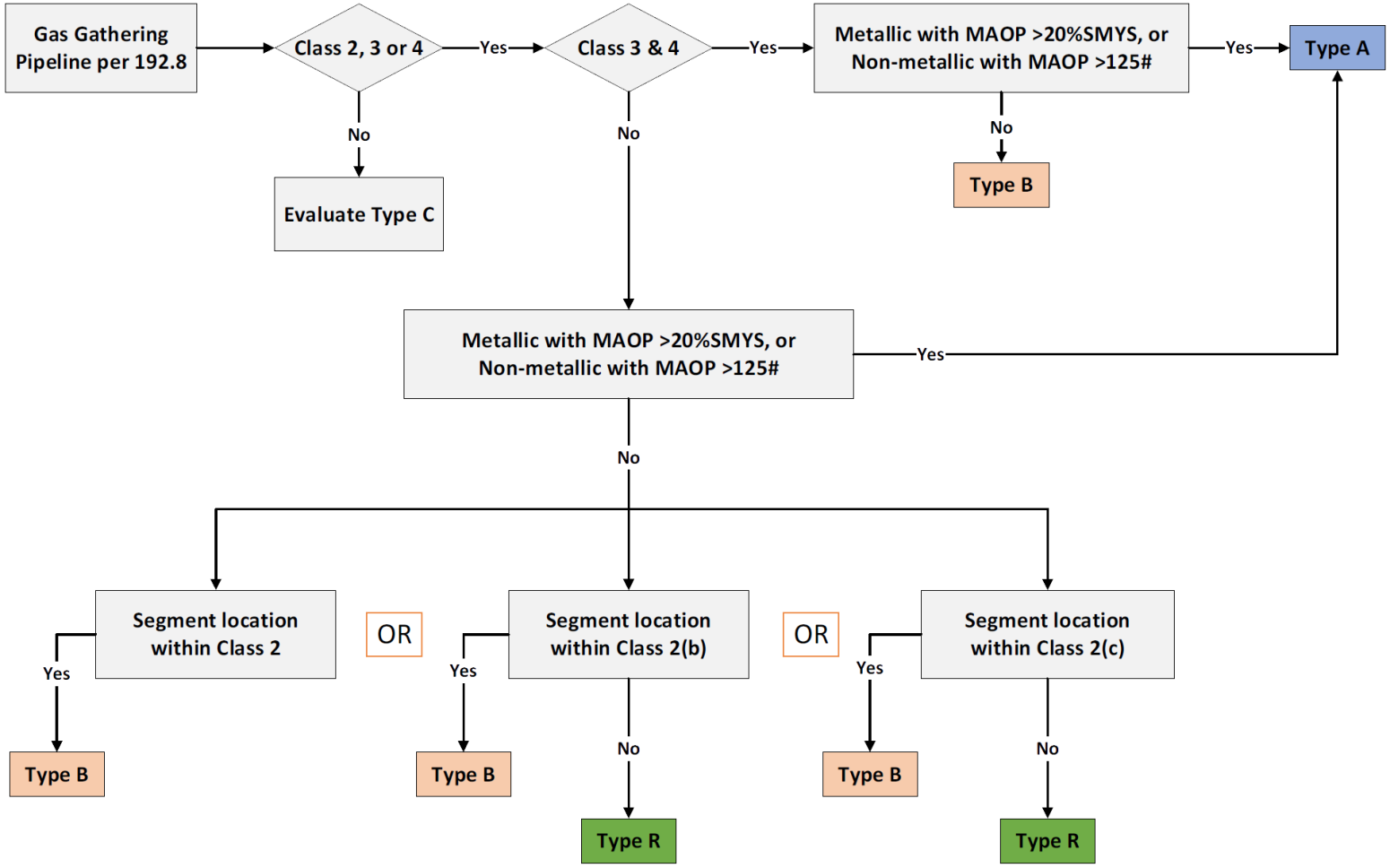
Safety of Gas Gathering Lines

Regulatory Flow Chart for Class 1 Locations



Safety of Gas Gathering Lines

Regulatory Flow Chart for Class 2, 3, & 4 Locations



Gas Processing is Not a Pipeline Function

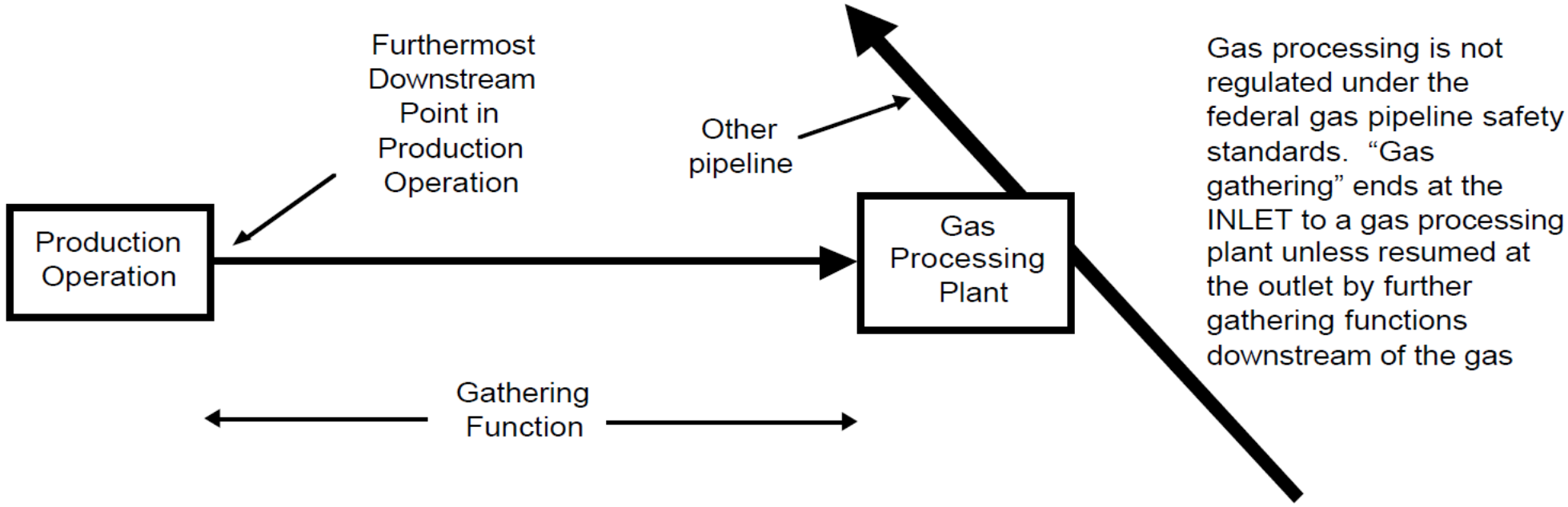


Figure 2-1—Gas Processing is Not a Pipeline Function

Gas Treatment is a Distinct Function on Many Gathering Systems

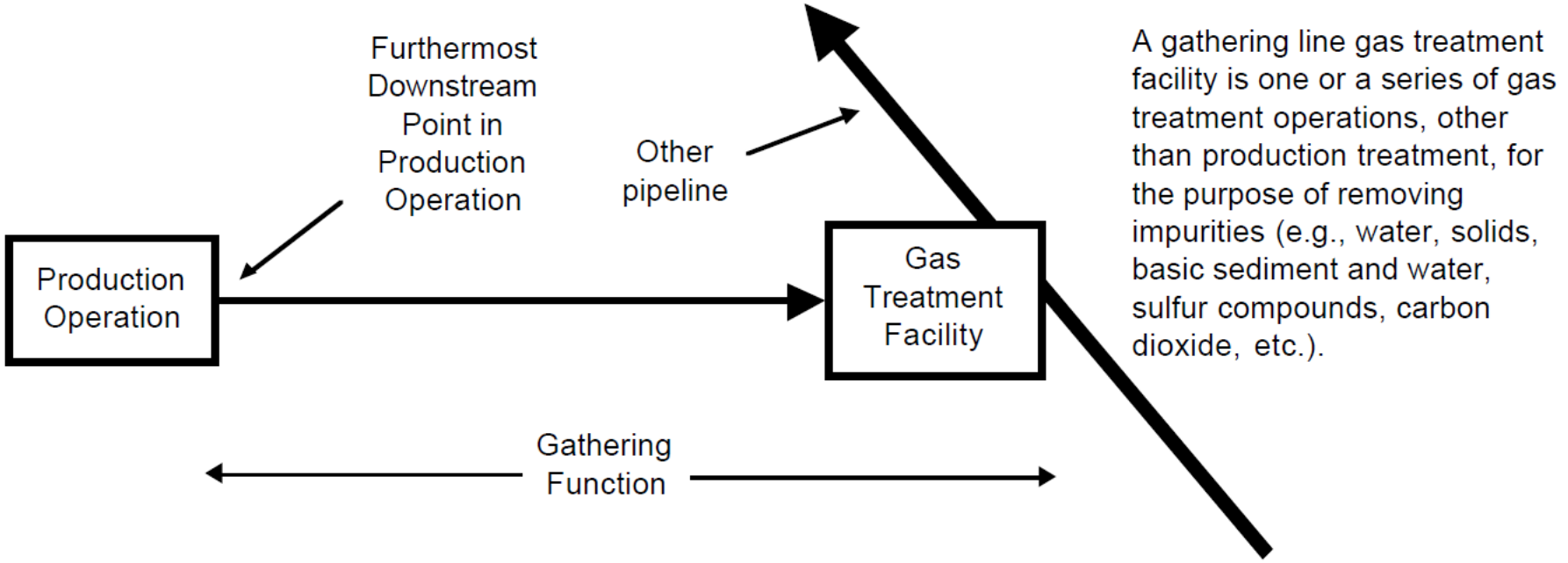


Figure 2-2—Gas Treatment is a Distinct Function on Many Gathering Systems

The Gathering Function Commingles Gas from Different Sources

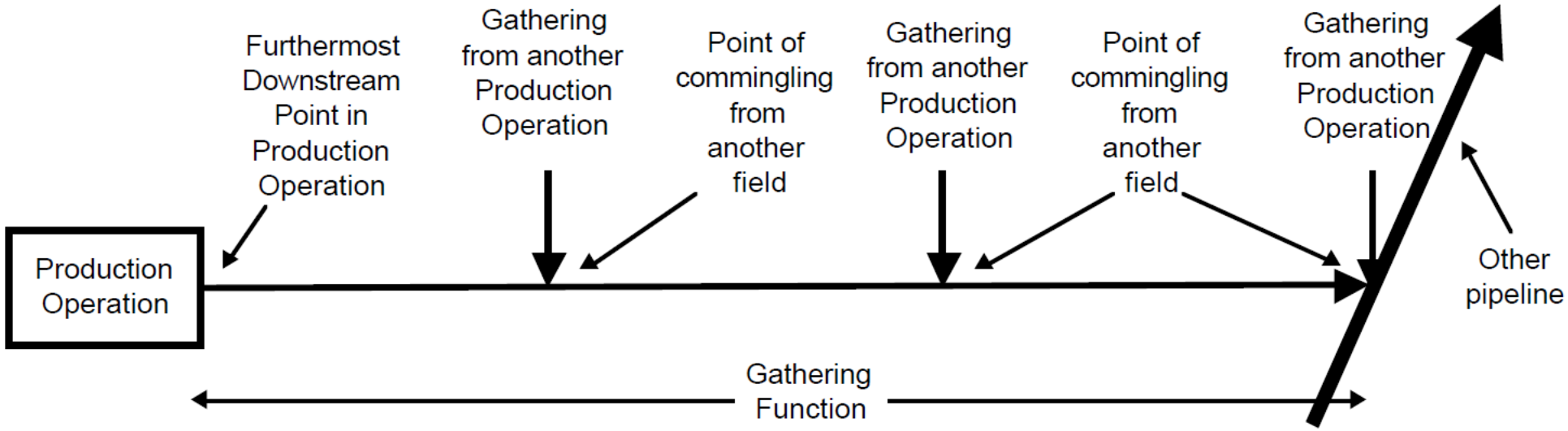
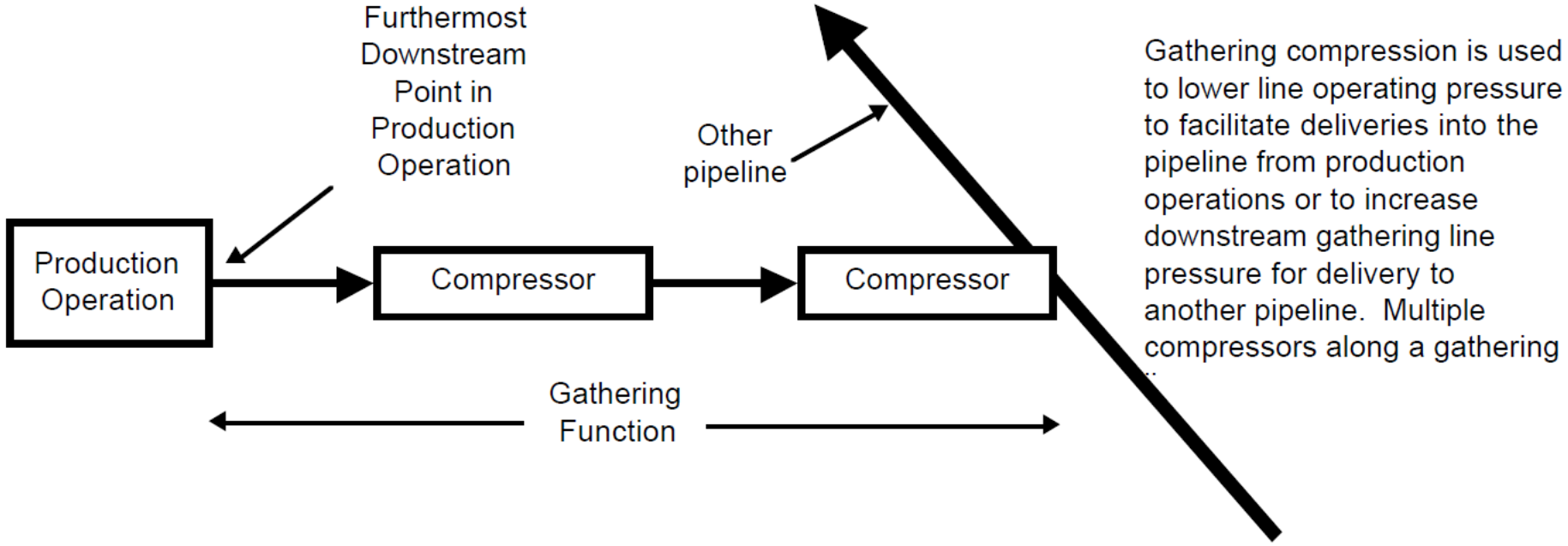


Figure 2-3—The Gathering Function Commingles Gas from Different Sources

Compression



Gathering compression is used to lower line operating pressure to facilitate deliveries into the pipeline from production operations or to increase downstream gathering line pressure for delivery to another pipeline. Multiple compressors along a gathering ...

Figure 2-4—Gathering Lines Often Have Multiple Compressors in Series

Multiple Potential Endpoints

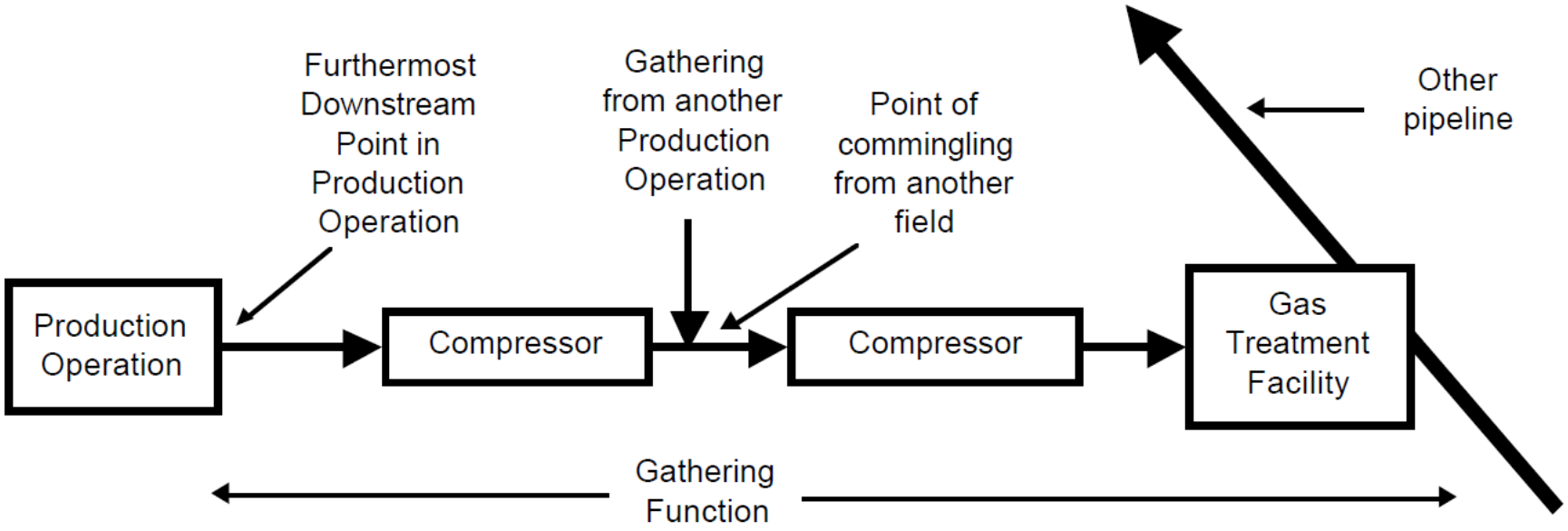
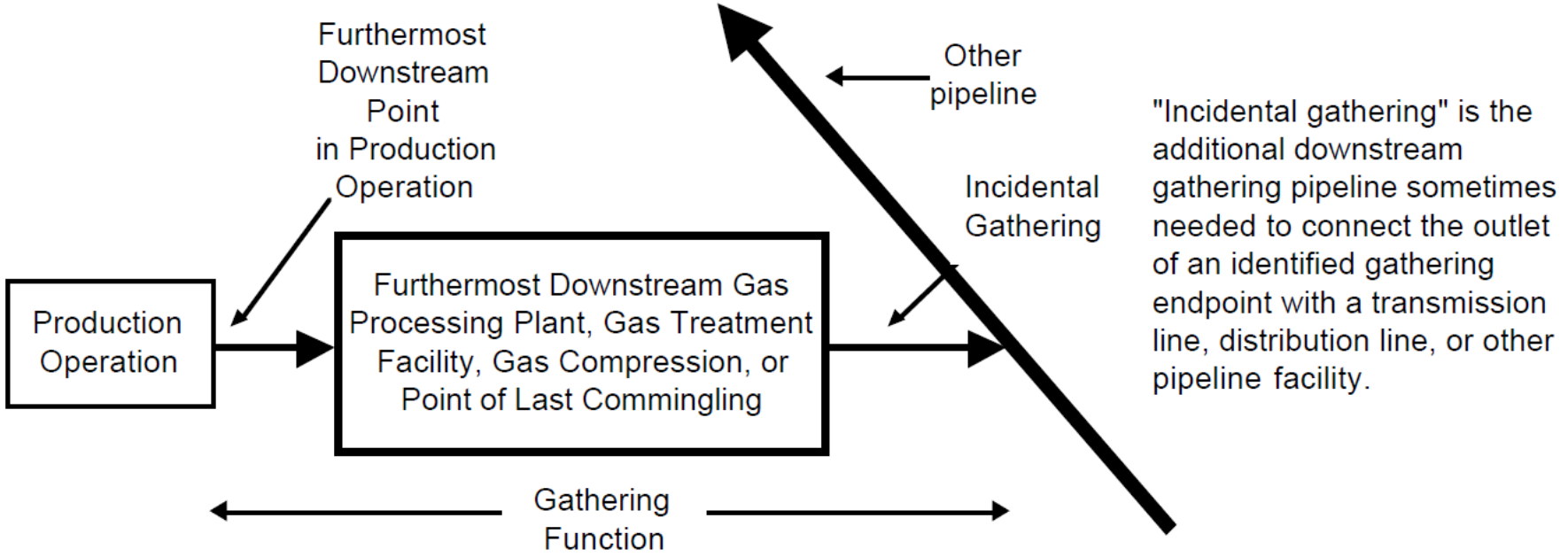


Figure 2-5—Gathering Extends to the Futhermost Downstream Endpoint

Incidental Gathering



"Incidental gathering" is the additional downstream gathering pipeline sometimes needed to connect the outlet of an identified gathering endpoint with a transmission line, distribution line, or other pipeline facility.

Figure 2-6—Incidental Gathering Downstream of an Identified Endpoint

Gas Return Lines

The definition of “gathering line” includes an additional function that is a logical extension of the gas gathering concept.

Processed and/or treated gas is often returned to the gathering system compressors, gathering treatment facilities, and/or production operations for fuel gas, gas lift, or gas injection.

Typically (although not in every instance), the gas return lines are in the same right-of-way or easement as the gathering line delivering gas for treatment, processing, etc.

A gas return line may also originate from a tap on a transmission or distribution line.

In either situation, the gas return lines are normally operated by the operator of the gathering system or production operation.

For pipeline safety purposes, these lines should be treated as gathering lines. The definition therefore addresses these gas return lines, when used solely by gathering or production facilities for fuel, gas lift, or gas injection, in the definition of “gathering line.”

Transmission Lines

Transmission line means a pipeline or connected series of pipelines, other than a gathering line, that:

(1) Transports gas from a gathering pipeline or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center;

(2) Has an MAOP of 20 percent or more of SMYS;

(3) Transports gas within a storage field; or

(4) Is voluntarily designated by the operator as a transmission pipeline.

Large Volume Customer

Interpretation Response #PI-78-0110 (Publish Date: 11/30/1978)

> “…Since in the B31.8 Code, the terms "distribution center" and "large volume customer" were both used to define the end of a "transmission line," it is logical to conclude that except for the factor of resale, a "large volume customer" meant a customer with attributes similar to those of a distribution company. Foremost among these attributes are the receipt of similar volumes of gas and the operation of piping facilities common to a distribution company. Thus, a customer fitting this description would also represent a "distribution center“ under Part 192…”

Large Volume Customer

Interpretation Response #PI-16-0015 (Publish Date: 07/12/2018)

> "…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…"

Storage Facility/UNGSF

Underground natural gas storage facility (*UNGSF)* means a gas pipeline facility that stores natural gas underground incidental to the transportation of natural gas, including:

(1)

(i) A depleted hydrocarbon reservoir;

(ii) An aquifer reservoir; or

(iii) A solution-mined salt cavern.

(2) In addition to the reservoir or cavern, a UNGSF includes injection, withdrawal, monitoring, and observation wells; wellbores and downhole components; wellheads and associated wellhead piping; wing-valve assemblies that isolate the wellhead from connected piping beyond the wing-valve assemblies; and any other equipment, facility, right-of-way, or building used in the underground storage of natural gas.

Gas Transmission Lines

Interpretation Response #PI-16-0015 (Publish Date: 07/12/2018)

- A pipeline that meets any of the three conditions listed under the definition in § 192.3 is a transmission line in accordance with 49 CFR Part 192. Therefore, a pipeline that operates at a hoop stress of less than 20 percent of its specified minimum yield strength, but meets either condition one or three, meets the definition of a transmission line.
- PHMSA agrees, per § 192.3, with RRC's interpretation that any pipeline system other than a gathering line that transports gas from a gathering line or storage facility to a distribution center meets the definition of a transmission pipeline regardless of whether it operates at a hoop stress below 20 percent of SMYS.

Gas Transmission Lines

Interpretation Response #PI-12-0005 (Publish Date: 10/07/2024)

A pipeline that transports gas from an interstate natural gas transmission line to two large volume customers is subject to §192.3:

- The fact that the gas is consumed by the operator of the pipeline does not mean that transportation did not occur. Many energy companies own pipelines that serve their gas turbine power plants or other facilities. No sale of gas from a transporter to a consumer is required for purposes of DOT jurisdiction over pipeline transportation.
- Jurisdictional piping is not limited to those sections of piping that are not located on property owned or controlled by the customer.
- A Transmission pipeline servicing a customer premises is regulated from the tap at the transmission line to the point the gas enters the deduct meters or at a pressure control device or block valve within the customer's premises, whichever is furthest downstream.
- A pipelines length (footage) not located on a customer's property is not a limiting factor in determining jurisdiction.

Transportation of Gas Blends

Interpretation Response #PI-24-0001 (Publish Date: 5/13/2024)

- PHMSA notes that while underground storage of gases other than natural gas is not presently regulated by § 192.12, the transportation by a pipeline of those gases, including hydrogen, which are flammable, toxic, or corrosive is regulated as set forth in Part 192. In addition, PHMSA has broad authority under the Pipeline Safety Act to address the safe transportation of gas (including blends of hydrogen gas and natural gas).
- PHMSA has authority under the Pipeline Safety Act to address the safe transportation by pipeline of any gas (or mixture of gases in any ratio) that meets the definition of “gas” at § 192.3.
- PHMSA’s Research and Development program where work is underway related to hydrogen and many other areas that will inform near term improvements in safety practices and future rulemaking. Further information along with a searchable project database may be found at Research & Development Program: Research & Development | Home (dot.gov).

Distribution Lines

Distribution Line - means a pipeline other than a gathering or transmission line.

- *High-pressure distribution system means a distribution system in which the gas pressure in the main is higher than the pressure provided to the customer.*
- *Low-pressure distribution system* means a distribution system in which the gas pressure in the main is substantially the same as the pressure provided to the customer.
- *Service Lines - a distribution line that transports gas from a common source of supply to an individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small commercial customers served through a meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream, or at the connection to customer piping if there is no meter.*

Distribution Lines

Distribution Line - means a pipeline other than a gathering or transmission line.

- *Main means a distribution line that serves as a common source of supply for more than one service line.*
- *Farm Tap - …"* PHMSA has defined a 'farm tap' as "industry jargon for a pipeline that branches from a transmission or gathering line to deliver gas to a farmer or other landowner." PHMSA has recognized most farm taps as distribution lines for several years. Historically, PHMSA and its predecessor agencies have held that farm taps are service lines, a subset of distribution pipelines because the gas was consumed by the farm residence in similar volumes to other types of residential customers." … [PI-12-0005 (10/7/2024)]

Distribution Lines

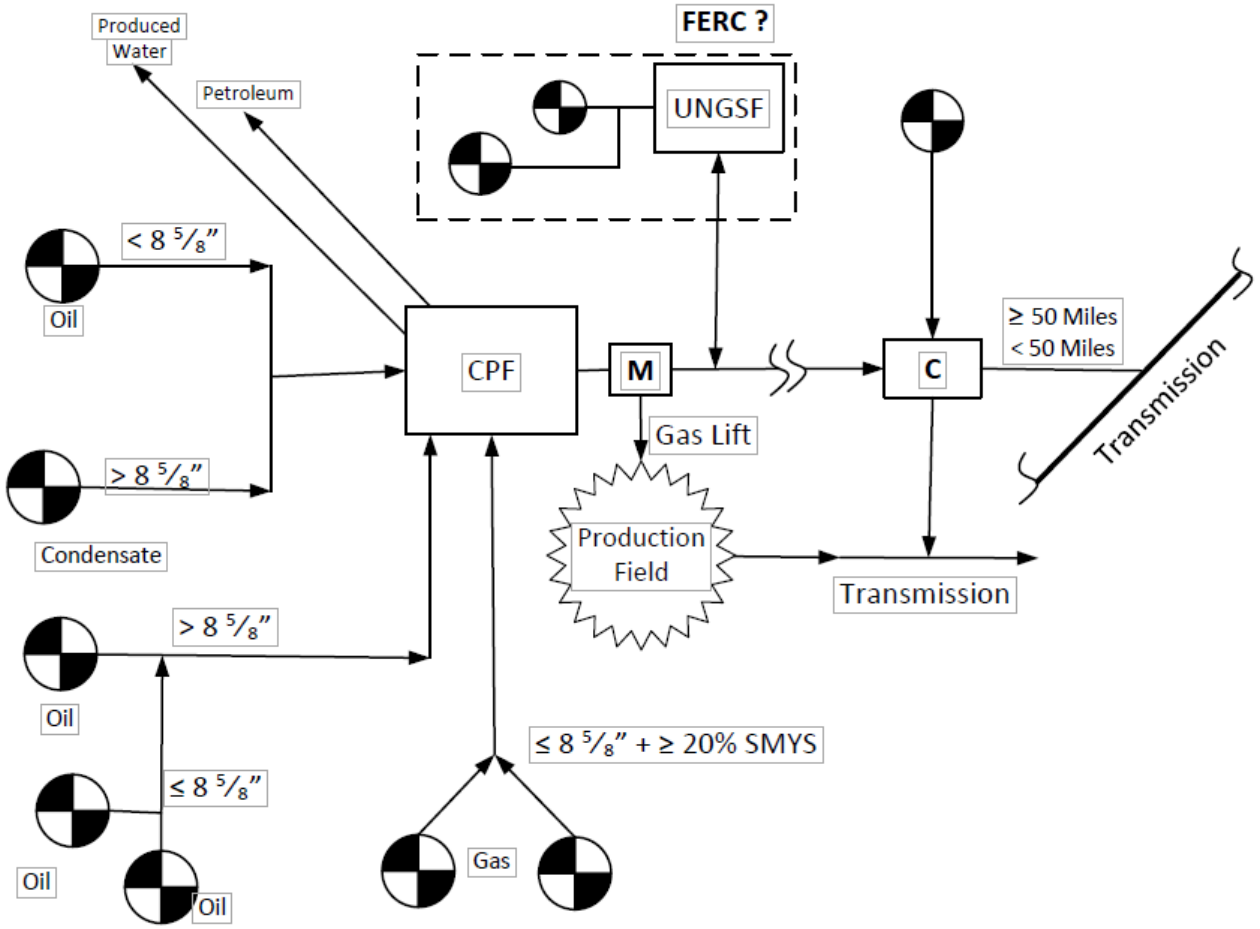
- *Distribution center* means the initial point where gas enters piping used primarily to deliver gas to customers who purchase it for consumption, as opposed to customers who purchase it for resale, for example:
  - *(1) At a metering location;*
  - *(2) A pressure reduction location; or*
  - *(3) Where there is a reduction in the volume of gas, such as a lateral off a transmission line.*
- Master Meter System *means a pipeline system for distributing gas within, but not limited to, a definable area (such as a mobile home park, housing project, or apartment complex) where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as by rents.*

Jurisdictional Determination Process for Gas Pipelines

Essential steps to conducting a Gas Jurisdictional Determination:

1. Determine if the pipeline is regulated or exempted [192.1].
2. Using 49 CFR 192 and API RP 80 (as applicable) - Establish the pipeline type (e.g., Gathering, Transmission, Distribution).
3. Where is the Overpressure Protection?
4. Use API RP 80 (Appendix A and Appendix B) to further evaluate Jurisdiction of Gas Gathering Pipelines. Update Accordingly.
5. Use PHMSA Gas Gathering FAQ's to further evaluate Jurisdiction of Gas Gathering Pipelines. Update Accordingly.
6. Check for applicable letters of interpretation and enforcement history and update Jurisdictional Determination as needed.

What is Regulated?



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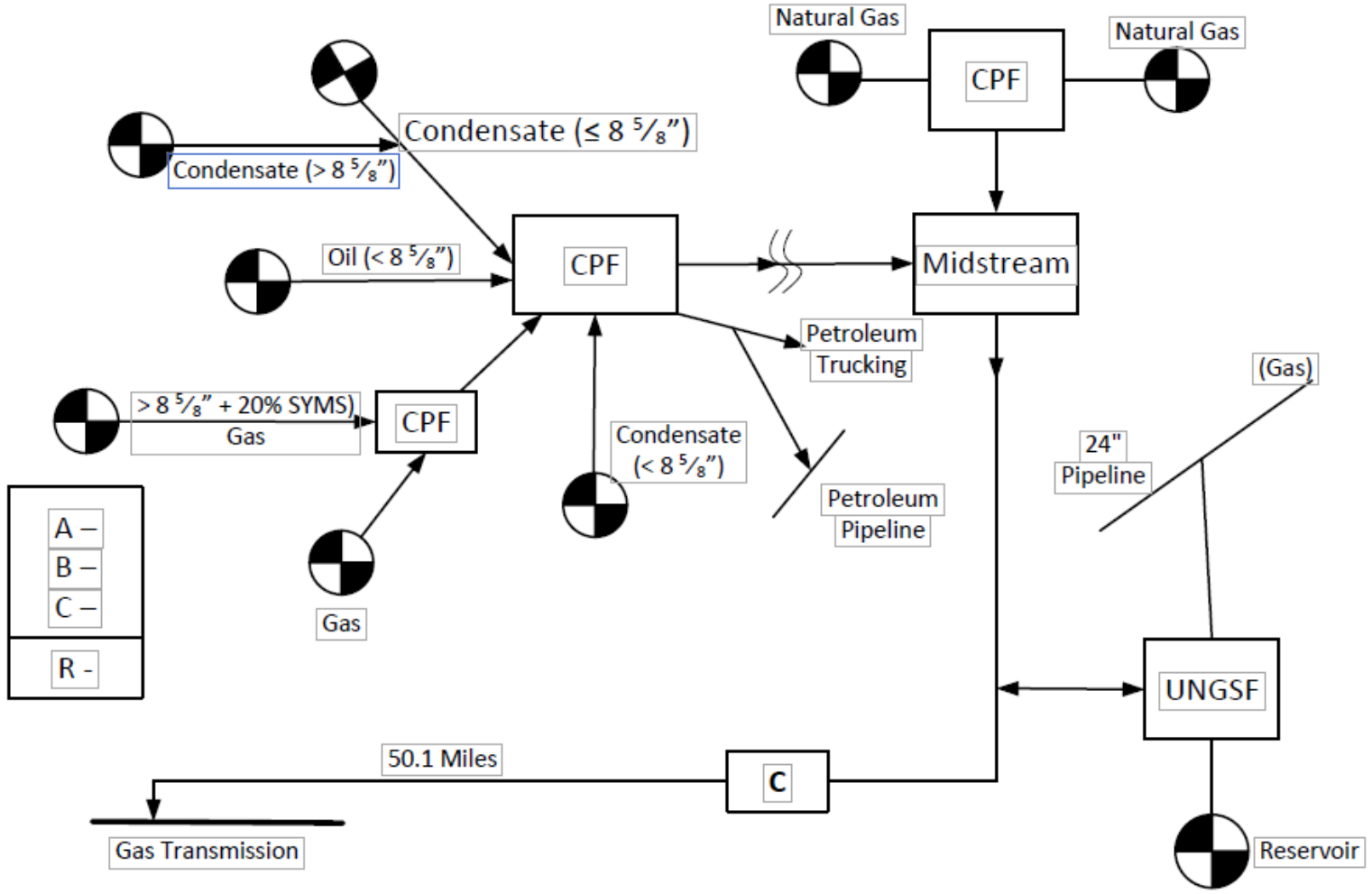
What is Regulated?



Additional Resources and Tools

- **PHMSA Homepage, Office of Pipeline Safety -** www.phmsa.dot.gov
- **Standards & Rulemaking -** http://www.phmsa.dot.gov/pipeline/regs
- **PHMSA Technical Resources -** https://www.phmsa.dot.gov/technical-resources/pipeline/pipeline-technical-resources-overview
  - **GPAC Meeting slides for reference at "Public Meetings" tab -** https://primis.phmsa.dot.gov/meetings/
- **PHMSA's Stakeholder Communications Site -** PHMSA: Stakeholder Communications | Home
- **For Federal Regulations (Official Version) -** www.ecfr.gov
- **PHMSA Letters of Interpretation –** https://www.phmsa.dot.gov/regulations/title49/b/2/1
- **PHMSA Gas Gathering FAQ's -** https://www.phmsa.dot.gov/faqs/gathering-pipelines-faqs
- **PHMSA Notices and Advisory Bulletins -** https://www.phmsa.dot.gov/regulations/federal-register-documents
- **PHMSA Enforcement -** https://primis.phmsa.dot.gov/enforcement-data/
- **PHMSA Pipeline Enforcement Guidance -** https://www.phmsa.dot.gov/pipeline/enforcement/enforcement-program-0

Jurisdictional Determination of Natural Gas Pipeline Systems

Questions ?

Thank You

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Thank You

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