



VIA ELECTRONIC FILING

December 4, 2018

U.S. DOT Docket Management System
West Building
Ground Floor
Room W12-140
1200 New Jersey Avenue SE
Washington, DC 20590-0001

RE: GPA Midstream Association Supplemental Position Paper on “Pipeline Safety: Safety of Gas Gathering Pipelines,” RIN 2137-AF38

I. Introduction

On December 4, 2018, the GPA Midstream Association (GPA Midstream)¹ and the American Petroleum Institute (API) submitted a joint position paper to the Pipeline and Hazardous Materials Safety Administration (PHMSA) on the changes to the safety standards and reporting requirements for onshore gas gathering lines that PHMSA proposed in an April 8, 2016 notice of proposed rulemaking (NPRM).² The Gas Pipeline Advisory Committee (GPAC) will be considering those proposed changes at a public meeting on January 8 to 9, 2019, at the U.S. Department of Transportation’s headquarters in Washington, D.C., and GPA Midstream and API provided the joint position paper to PHMSA for consideration in preparing the materials that will be presented at the GPAC meeting.³

¹ GPA Midstream Association has served the U.S. energy industry since 1921. GPA Midstream is composed of nearly 100 corporate members that are engaged in the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as “midstream activities.” Such processing includes the removal of impurities from the raw gas stream produced at the wellhead as well as the extraction for sale of natural gas liquid products (NGLs) such as ethane, propane, butane, and natural gasoline or in the manufacture, transportation, or further processing of liquid products from natural gas. GPA Midstream membership accounts for more than 90% of the NGLs produced in the United States from natural gas processing. Additional information about GPA Midstream is available at <https://gpaglobal.org/>. Prior to April 2016, GPA Midstream was known as the Gas Processors Association.

² Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines, 81 Fed. Reg. 20,722 (Apr. 8, 2016) (NPRM).

³ 49 U.S.C. § 60115(c) (2017). The GPAC is a 15-member peer review committee responsible for advising PHMSA “on the technical feasibility, reasonableness, cost-effectiveness, and practicability” of any proposed gas pipeline

In the joint position paper, GPA Midstream and API addressed the three primary aspects of the NPRM: (1) PHMSA's proposed changes to the definition of an onshore gas gathering line; (2) PHMSA's proposed regulations for gas gathering lines in Class 1 locations; and (3) PHMSA's proposed extension of the federal reporting requirements to all gas gathering lines, whether regulated or not.⁴ On the first topic, GPA Midstream and API opposed PHMSA's proposal and urged PHMSA to retain the current definitions without modification. On the second topic, GPA Midstream and API generally supported PHMSA's proposal, provided the regulations only applied to Class 1 gas gathering lines that are greater than 16 inches in nominal outside diameter and which have a maximum allowable operating pressure (MAOP) that produces a hoop stress of 20 percent or more of specified minimum yield strength (SMYS) for metallic lines or is more than 125 PSIG for non-metallic lines. On the third topic, GPA Midstream and API supported PHMSA's proposal to apply the federal reporting requirements to Class 1 gas gathering lines, but only to a limited extent.

GPA Midstream is submitting this supplemental position paper to provide PHMSA with more detailed information on the criteria that should be used to determine if a pipeline is a regulated Class 1 gas gathering line. Specifically, GPA Midstream is urging PHMSA to allow operators to exclude pipeline segments that do not contain any buildings intended for human occupancy or identified sites within the potential impact radius (PIR). The addition of a PIR exception is supported by PHMSA's integrity management (IM) regulations for gas transmission lines,⁵ PHMSA's hazardous liquid pipeline safety regulations for rural gathering lines⁶ and low-stress lines,⁷ and the overarching risk-based philosophy of the pipeline safety regulations. A PIR exception will also ensure that PHMSA's new regulations for Class 1 gas gathering lines satisfy the cost-benefit provision in the Pipeline Safety Act⁸ and are consistent with DOT policies, practices, and procedures and the President's recent Executive Orders on regulatory reform, domestic energy independence, and economic growth.⁹

safety standard. *Id.* at § 60115(c)(2). PHMSA is required to provide the GPAC with a risk assessment and other supporting information as part of the rulemaking process. *Id.*

⁴ NPRM at 20,801-20,808, 20,827-20,828.

⁵ 49 C.F.R. Part 192, Subpart O.

⁶ *Id.* § 195.11.

⁷ *Id.* § 195.12.

⁸ 49 U.S.C. § 60102(b)(5) (stating that “[e]xcept where otherwise required by statute, the Secretary shall propose or issue a [pipeline safety] standard . . . only upon a reasoned determination that the benefits of the intended standard justify its costs”).

⁹ See e.g., Notification of Regulatory Review, 82 Fed. Reg. 45,750, 45,751 (Oct. 2, 2017) (discussing DOT's obligation to minimize burdens imposed in regulations); Executive Order 13771 on Reducing Regulation and Controlling Regulatory Costs, which generally requires that federal agencies identify two existing regulations that will be repealed for every new regulation proposed or otherwise promulgated, 82 Fed. Reg. 9,339 (Feb. 3, 2017); (2) Executive Order 13777 on Enforcing the Regulatory Reform Agenda, which directs the head of all agencies to designate a Regulatory Reform Officer and create a Regulatory Reform Task Force to oversee the implementation of President Trump's regulatory reform initiatives and policies, 82 Fed. Reg. 12,285 (Mar. 1, 2017); and (3) Executive Order 13783 on Promoting Energy Independence and Economic Growth, which requires federal agencies to review and make recommendations for addressing existing regulations and other actions that potentially burden the development or use of domestically-produced energy resources, 82 Fed. Reg. 16,093 (Mar. 31, 2017).

II. Analysis

In the joint position paper, GPA Midstream and API urged PHMSA to limit the regulations for Class 1 gas gathering lines to pipelines (1) that are greater than 16 inches in nominal outside diameter and (2) which have an MAOP that produces a hoop stress of 20 percent or more of SMYS for metallic lines or is more than 125 PSIG for non-metallic lines. With regard to the first criterion, GPA Midstream and API explained that pipelines greater than 16 inches in nominal outside diameter represent the new generation of large diameter gas gathering lines that PHMSA targeted in the NPRM. As to the second criteria, GPA Midstream and API agreed that the MAOP thresholds for metallic and non-metallic lines provided an acceptable, risk-based approach for distinguishing between higher pressure and lower pressure pipelines, so long as operators could use the non-metallic MAOP threshold if information about the stress level of steel pipe is unknown. GPA Midstream and API urged PHMSA to consider other risk-based concepts in reducing or minimizing the burden imposed by any new regulations, but did not offer any specific recommendations in that regard in the joint position paper.

GPA Midstream wishes to supplement the joint position paper by urging PHMSA to add an exception in the Class 1 gas gathering line regulations for pipeline segments that do not contain any buildings intended for human occupancy or identified sites within the potential impact circle. PHMSA's IM regulations use a pipeline's PIR, and the presence of identified sites¹⁰ or a certain number of buildings intended for human occupancy within the potential impact circle, in determining if a transmission line segment is in an HCA. The IM regulations define PIR as:

[T]he radius of a circle within which the potential failure of a pipeline could have significant impact on people or property. PIR is determined by the formula $r = 0.69 * (\text{square root of } (p * d^2))$, where 'r' is the radius of a circular area in feet surrounding the point of failure, 'p' is the maximum allowable operating pressure (MAOP) in the pipeline segment in pounds per square inch and 'd' is the nominal diameter of the pipeline in inches.¹¹

The IM regulations further note that in the PIR calculation "0.69 is the factor for natural gas", that "[t]his number will vary for other gases depending upon their heat of combustion", and that "[a]n operator transporting gas other than natural gas must use section 3.2 of ASME/ANSI B31.8S (incorporated by reference, see §192.7) to calculate

¹⁰ An identified site is defined in the IM regulations as "(a) An outside area or open structure that is occupied by twenty (20) or more persons on at least 50 days in any twelve (12)-month period. (The days need not be consecutive.) Examples include but are not limited to, beaches, playgrounds, recreational facilities, camping grounds, outdoor theaters, stadiums, recreational areas near a body of water, or areas outside a rural building such as a religious facility; or (b) A building that is occupied by twenty (20) or more persons on at least five (5) days a week for ten (10) weeks in any twelve (12)-month period. (The days and weeks need not be consecutive.) Examples include, but are not limited to, religious facilities, office buildings, community centers, general stores, 4-H facilities, or roller skating rinks; or (c) A facility occupied by persons who are confined, are of impaired mobility, or would be difficult to evacuate. Examples include but are not limited to hospitals, prisons, schools, day-care facilities, retirement facilities or assisted-living facilities." 49 C.F.R. § 192.903.

¹¹ 49 C.F.R. § 192.903.

the impact radius formula.”¹² The factor used in the PIR calculation for rich natural gas pipelines containing ethane, propane, or other heavier hydrocarbons is 0.73. PHMSA provides additional guidance for using PIR to determine if a gas transmission line segment is in an HCA in the IM regulations and Appendix E.I to Part 192.

As with the IM regulations, the PIR concept can be used to focus PHMSA’s new regulations for Class 1 gas gathering lines to areas that present an actual risk to people or property. Operators of large-diameter, high-pressure gas gathering lines should have all of the information necessary to perform a PIR calculation for a pipeline segment. GPA Midstream supports using a nominal outside diameter criteria (greater than 16 inches) and MAOP threshold (20 percent or more of SMYS for metallic lines or is more than 125 PSIG for non-metallic lines) to determine the regulatory status of Class 1 gas gathering lines, and operators can use that same information in performing the PIR calculation. The third element in the formula, the gas factor, is provided directly in the regulations, *i.e.*, 0.69 for lean gas systems and 0.73 for rich gas systems. Once the PIR calculation is performed, operators can follow the approach outlined in the IM regulations and Appendix E.I to determine if there are any buildings intended for human occupancy or identified sites within the potential impact circle for a pipeline segment.

The concepts that PHMSA uses to determine the regulatory status of rural gathering lines and low-stress lines in the hazardous liquid pipeline safety regulations support the addition of a PIR exception for Class 1 gas gathering lines.¹³ PHMSA uses three criteria to determine if a rural gathering line transporting petroleum is regulated: (1) nominal outside diameter, (2) maximum operating pressure (greater than 20 percent of SMYS or, if the stress level is unknown, more than 125 psi), and (3) potential environmental impact (located in or within ¼ mile of an unusually sensitive area).¹⁴ PHMSA uses the same three criteria in categorizing the regulatory status of low-stress hazardous liquid lines in rural areas.¹⁵ Adding a PIR exception, which is analogous to the potential environmental impact criteria that PHMSA uses for petroleum gathering lines and hazardous liquid low-stress lines in rural areas, to the nominal outside diameter criteria and MAOP threshold for Class 1 gas gathering lines creates a risk-based regime for rural gas gathering lines that is consistent with the hazardous liquid pipeline safety regulations.

A PIR exception will ensure that PHMSA’s new regulations for Class 1 gas gathering lines satisfy the cost-benefit provision in the Pipeline Safety Act¹⁶ and are consistent with DOT policies, practices, and procedures and the President’s recent Executive Orders on regulatory reform, domestic energy independence, and economic growth.¹⁷ As GPA Midstream and API discussed in the joint position paper, the costs of the changes proposed in the NPRM would exceed the benefits by more than \$28 billion during the initial 15-year compliance period. That cost-benefit analysis will be significantly improved if PHMSA retains the existing definitions for

¹² *Id.*

¹³ *Id.* §§ 195.11, 195.12.

¹⁴ *Id.* 195.11(a).

¹⁵ *Id.* 195.12(b).

¹⁶ 49 U.S.C. § 60102(b)(5) (stating that “[e]xcept where otherwise required by statute, the Secretary shall propose or issue a [pipeline safety] standard . . . only upon a reasoned determination that the benefits of the intended standard justify its costs”).

¹⁷ See *e.g.*, *supra* note 9.

onshore gas gathering, restricts the new regulations to Class 1 gas gathering lines that are greater than 16 inches in nominal outside diameter, and limits the new reporting requirements for gathering line operators. However, PHMSA does not have comprehensive safety data on Class 1 gas gathering lines, and the new regulations will still apply to many pipeline segments that do not present a risk to people or property if a PIR exception is not added to the final rule. Treating Class 1 pipeline segments that have buildings intended for human occupancy or identified sites within the potential impact circle the same as those that do not undermines the risk-based philosophy of PHMSA's regulations and imposes an undue regulatory burden on operators.

The cost of allowing Class 1 gathering line operators to use a PIR exception will be more than offset by the benefits of limiting the new regulations to areas that present an actual risk to public safety. Operators are already required to complete class location studies to determine the regulatory status of onshore gas gathering lines, and those studies produce information on the presence or absence of buildings intended for human occupancy and identified sites that can also be used in evaluating the potential impact circle for a pipeline segment. Making that exception discretionary, rather than mandatory, will further minimize the burden as operators can simply choose not to perform the PIR calculation or supplemental analysis if the costs of doing so exceed the benefits.

For these reasons, GPA Midstream suggests that PHMSA adopt the following regulatory language in the final rule. Note that the language is the same as what GPA Midstream and API offered in the joint position paper, with the addition of the PIR exception for Type C lines in italics:

§ 192.8(c) How are gathering lines and regulated onshore gathering lines determined?

Type	Feature	Area	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 (<i>see</i> §192.5)	None.
B	—Metallic and the MAOP produces a hoop stress of less than 20 percent of SMYS. If	<i>Area 1.</i> Class 3 or 4 location <i>Area 2.</i> An area within a Class 2 location the operator	If the gathering line is in <i>Area 2(b)</i> or <i>2(c)</i> , the additional

	<p>the stress level is unknown, an operator must determine the stress level according to the applicable provisions in subpart C of this part.</p> <p>—Non-metallic and the MAOP is 125 PSIG (862 kPa) or less.</p>	<p>determines by using any of the following three methods:</p> <p>(a) A Class 2 location.</p> <p>(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</p> <p>(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</p>	<p>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 line as Type B, the Type B classification ends 150 feet (45.7 m) from the nearest dwelling in the cluster.</p>
<u>C</u>	<p><u>—Metallic pipe greater than 16 inches in nominal outside diameter and the MAOP produces a hoop stress of 20 percent or more of SMYS. If the stress level is unknown, an operator must either determine the stress level according to the applicable provisions in subpart C of this part, or use the MAOP limitation for non-metallic pipe</u></p> <p><u>—Non-metallic pipe greater than 16 inches in nominal outside diameter and the MAOP is more than 125 PSIG (862 kPa)</u></p>	<p><u>Class 1 location. An operator may exclude a pipeline segment that does not have any buildings intended for human occupancy or identified sites within the potential impact radius as determined in accordance with § 192.903 and figure E.I.A. in appendix E</u></p>	<p><u>None</u></p>

III. Conclusion

GPA Midstream shares PHMSA's commitment to pipeline safety and appreciates the opportunity to submit this supplemental position paper on the proposed changes to the safety standards and reporting requirements for onshore gas gathering lines. If you have questions or concerns, please do not hesitate to contact me directly at (202) 279-1664 or by email at mhite@gpamidstream.org.

Sincerely,

A handwritten signature in black ink that reads "Matthew Hite". The signature is written in a cursive style with a large, stylized "M" and "H".

Matthew Hite
Vice President of Government Affairs
GPA Midstream Association