

Onshore Gas Gathering**Advisory Committee Action – Information****Contacts – Keith Coyle (legal) / DeWitt Burdeaux (technical)****Summary:**

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has established minimum federal safety standards for certain gas gathering lines. However, recent developments in the field of gas exploration and production, and PHMSA's experience enforcing those standards, indicate that changes to the current regulatory framework are needed.

Background:

The Natural Gas Pipeline Safety Act of 1968 gave the Department of Transportation (DOT) the authority to regulate pipeline facilities and persons engaged in the transportation of gas, except for the gathering of gas in rural areas.¹ According to the legislative history, Congress determined that federal regulation of gas gathering was not needed based on the information available at that time.²

In 1970, DOT issued the original gas pipeline safety standards. Consistent with the statutory exclusion, those standards did not apply to rural gas gathering and defined the term "gathering line" as "a pipeline that transports gas from a current production facility to a transmission line or main."³ Two subsequent efforts to modify the gathering line definition by rulemaking, initiated in 1974 and 1991, proved unsuccessful.⁴

In the Pipeline Safety Act of 1992, Congress directed DOT to redefine the term "gathering line" based on the functional and operational characteristics of those lines,⁵ and gave DOT the discretion to prescribe safety standards for "regulated gathering lines" in light of certain factors. Four years later, in the Accountable Pipeline Safety and Partnership Act of 1996, Congress made clear that DOT had the authority to obtain information from the owners and operators of gathering lines to determine if further regulation of those lines was needed.⁶

¹ Pub. L. No. 90-481, 82 Stat. 720 (1968) (currently codified with amendments at 49 U.S.C. §§ 60101 et. seq.).

² H.R. REP. NO. 1390 (1968), *reprinted in* 1968 U.S.C.C.A.N. 3223, 3234-35.

³ 35 Fed. Reg. 317, 318, 320 (Jan. 8, 1970); 35 Fed. Reg. 13248, 13258 (Aug. 19, 1970).

⁴ 39 Fed. Reg. 34569 (Sep. 26, 1974); 43 Fed. Reg. 42773 (Sept. 21, 1978); 56 Fed. Reg. 48505 (Sept. 25, 1991)

⁵ Pub. L. No. 102-508, 106 Stat. 3289 (Oct. 24, 1992) (currently codified at 49 U.S.C. § 60101(b)).

⁶ Pub. L. No. 104-304, § 12, 110 Stat. 3793 (Jan. 3, 1996) (currently codified at 49 U.S.C. 60117(b)).

In March 2006, PHMSA issued a final rule defining the terms “onshore gathering line” and “regulated onshore gathering line.”⁷ Those definitions were based, in part, on the American Petroleum Institute Recommended Practice 80 (API RP 80), a consensus industry standard incorporated into 49 CFR Part 192 by reference. That final rule also established a two-tiered, risk-based regime of safety standards for onshore gathering lines based on their location, maximum allowable operating pressure (MAOP), and pipe type.

Analysis:

Recent developments in the field of gas exploration and production indicate that the framework for regulating gas gathering lines may no longer be appropriate. The gathering lines being constructed to transport “shale” gas typically range in diameter from 12” – 36” with an MAOP of 1480 psig, far exceeding the historical operating parameters of such lines. Moreover, data from the 2009 calendar year indicates that there approximately 230,000 miles of gas gathering lines in the U.S., and that PHMSA only regulates about 20,150 miles of those lines. As important, enforcement of the current regulations has been hampered by the uncertainties that exist in applying API RP 80, a complex standard (which includes an appendix with more than 20 explanatory diagrams) that can produce multiple classifications for the same pipeline system.

Recommendations:

- Amend 49 CFR Part 191 to require the submission of annual, incident, and safety-related conditions reports by the operators of all gathering lines.
- Amend 49 CFR Part 192 to include a new definition for the term gathering line.
- Consider establishing a new, risk-based regime of safety requirements for large-diameter, high-pressure gas gathering lines in rural locations.

⁷ 71 Fed. Reg. 13289 (Mar. 15, 2006).