

PHMSA Releases Long-Awaited Final Rule for Onshore Gas Gathering Lines

On November 2, 2021, the Pipeline and Hazardous Materials Safety Administration (PHMSA) released a [pre-publication version of its final rule](#) for onshore gas gathering lines. The final rule, which represents the culmination of a decade-long rulemaking process, amends 49 C.F.R. Parts 191 and 192 by establishing new safety standards and reporting requirements for previously unregulated onshore gas gathering lines. Building on PHMSA's existing two-tiered, risk-based regime for regulated onshore gas gathering lines (Type A and Type B), the final rule creates:

- A new category of onshore gas gathering lines that are only subject to incident and annual reporting requirements (Type R); and
- Another new category of regulated onshore gas gathering lines in rural, Class 1 locations that are subject to certain Part 191 reporting and registration requirements and Part 192 safety standards (Type C).

The final rule largely retains PHMSA's existing definitions for onshore gas gathering lines but imposes a 10-mile limitation on the use of the incidental gathering provision. The final rule also creates a process for authorizing the use of composite materials in Type C lines and prescribes compliance deadlines for Type R and Type C lines. Additional information about these requirements is provided below.

Type R Lines

The final rule creates a new category of reporting-only regulated gathering lines. These gathering lines, known as Type R lines, include any onshore gas gathering lines in Class 1 or Class 2 locations that do not meet the definition of a Type A, Type B, or Type C line. Operators of Type R lines must comply with the certain incident and annual reporting requirements in Part 191. No other requirements in Part 191 apply to Type R lines.

Type C Lines

The final rule creates a new category of regulated onshore gas gathering lines. These gathering lines, known as Type C lines, include onshore gas gathering lines in rural, Class 1 locations with an outside diameter greater than or equal to 8.625 inches and 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 more than 125 psig for non-metallic lines or metallic lines if the stress level is unknown.

Operators of Type C lines are subject to the same Part 191 requirements as Type A and Type B lines and must comply with certain Part 192 requirements for gas transmission lines, subject to the non-retroactivity provision for design, construction, initial inspection, and testing, as well as other exceptions and limitations that vary based on the outside diameter of the pipeline and whether there are any buildings intended for human occupancy or other impacted sites within the potential impact circle or class location unit for a segment. The final rule also provides additional exceptions from certain requirements, including for grandfathered pipelines if a segment 40 feet or shorter in length is replaced, relocated, or otherwise changed. A chart illustrating the applicable requirements is provided below.



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| Type | Area | MAOP | Outside Diameter | Requirements (No Building Intended for Human Occupancy or Other Impacted Site)* | Additional Requirements (Building Intended for Human Occupancy or Other Impacted Site)* |
|--------|---------|--|-------------------|--|--|
| Type C | Class 1 | ≥20% SMYS metallic >125 psig non-metallic or metallic if SMYS unknown | ≥8.625" to 12.75" | Reporting and OPID Design, Construction, Initial Inspection and Testing (New)** | Corrosion Control Line Markers Public Awareness Leakage Survey and Repair |
| | | | >12.75" to 16" | Damage Prevention Emergency Plans | Corrosion Control Line Markers Public Awareness Leakage Survey and Repair Plastic Pipe and Components MAOP*** |
| | | | >16" | Reporting and OPID Design, Construction, Initial Inspection and Testing (New)** Corrosion Control Damage Prevention Emergency Plans Line Markers Public Awareness Leakage Survey and Repair Plastic Pipe and Components MAOP*** | |

* Determined using Method 1 (Potential Impact Circle) or Method 2 (Class Location Unit)

** Subject to certain exceptions, including for grandfathered pipelines in existence on the effective date of the final rule if a segment shorter than 40 feet in length is replaced, re-located, or otherwise changed

*** Alternative MAOP method for grandfathered pipelines in existence on the effective date of final rule if operator cannot determine the highest actual operating pressure experienced during 5-year window using notification and no-objection process

In addition to prescribing these new requirements, the final rule authorizes the use of composite materials in Type C lines if the operator provides PHMSA with a notification containing certain information at least 90 days prior to installation or replacement and receives a no-objection letter or no response from PHMSA within 90 days.

Deadlines

The effective date of the final rule is 6 months after the date of publication in the Federal Register. Operators of Type R and Type C lines must comply with the applicable requirements in Part 191 starting as of the effective date, although the first annual report is not due until March 15, 2023.

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Operators must also comply with the requirement to document the methodology used in determining the beginning and endpoints of onshore gas gathering within 6 months of the effective date, and operators of Type C lines must comply with the applicable requirements in Part 192 within 12 months of the effective date. Operators may request an alternative to these 6- and 12-month compliance deadlines by providing PHMSA with a notification containing certain information at least 90 days in advance and receiving a no-objection letter or no response from PHMSA within 90 days.

Other Considerations

In accordance with 49 C.F.R. § 190.335, administrative petitions for reconsideration must be filed with PHMSA within 30 days of the final rule's publication in the Federal Register. Petitions for judicial review must be filed within 89 days of the final rule's publication in the Federal Register or, if an administrative petition for reconsideration is filed, within 89 days of PHMSA's decision on the petition.

For a more detailed assessment or to discuss the implications of the Final Rule, please contact Keith Coyle at 202.853.3460 or KCoyle@babstcalland.com, Jim Curry at 202.853.3461 or JCurry@babstcalland.com, or Brianne Kurdock at 202.853.3462 or BKurdock@babstcalland.com.



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Led by three former Pipeline and Hazardous Materials Safety Administration (PHMSA) attorneys, our Pipeline and Hazardous Materials Safety practice group counsels pipeline and midstream companies, gas utilities, terminal operators, investors, trade associations, and other stakeholders, throughout the United States. James Curry, Keith Coyle and Brianne Kurdock together have nearly 40 years of combined experience with a multitude of pipeline safety issues. They partner with client engineering and legal personnel to address day-to-day compliance questions and develop business and regulatory strategies.