

The P*i*OGA Press

December 2021 • Issue 140

Authors:



Keith Coyle



Ashleigh Krick



Chris Kuhman

PHMSA releases long-awaited final rule for onshore gas gathering lines

On November 15, the Pipeline and Hazardous Materials Safety Administration (PHMSA) released a final rule ([tinyurl.com/phmsa-gathering-rule](https://www.tinyurl.com/phmsa-gathering-rule)) for onshore gas gathering lines. The final rule, which represents the culmination of a decade-long rule-making 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

Type C Class 1 and operate at $\geq 20\%$ SMYS for metallic lines or >125 psig for non-metallic or metallic lines if SMYS unknown			
Add'l Criteria	$\geq 8.625"$ to $12.75"$	$>12.75"$ to $16"$	$>16"$
No Building Intended for Human Occupancy or Other Impacted Site*	Reporting and OPID Design, Construction, Initial Inspection and Testing (New)** Damage Prevention Emergency Plans	Reporting and OPID Design, Construction, Initial Inspection and Testing (New) Damage Prevention Emergency Plans	Reporting and OPID Design, Construction, Initial Inspection and Testing (New)**
Building Intended for Human Occupancy or Other Impacted Site*	Reporting and OPID Design, Construction, Initial Inspection and Testing (New)** Corrosion Control Damage Prevention Emergency Plans Line Markers Public Awareness Leakage Survey and Repair	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	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, relocated, 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

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.

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 May 16, 2022. Operators of Type R and Type C lines must comply with the applicable requirements in Part 191 starting on May 16, 2022, although the first annual report is not due until March 15, 2023. Operators must also comply with the requirement to document the methodology

used in determining the beginning and endpoints of onshore gas gathering by November 6, 2022, and operators of Type C lines must comply with the applicable requirements in Part 192 by May 16, 2023. Operators may request an alternative to these six- 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

Along with the final rule, PHMSA published its final regulatory impact analysis, which estimated that the final rule will regulate approximately 426,000 miles of gas gathering lines, of which 91,000 miles will be subject to new safety requirements. PHMSA also estimated that the annualized cost to implement the final rule is approximately \$13.7 million. PHMSA determined that these costs are outweighed by the benefits of the rule, which include avoided injuries, evacuations, commodity loss, improved reporting processes and a reduction in the number of pipeline incidents. Notably, PHMSA did not address comments submitted by industry raising concerns regarding the costs of complying with the new regulations, but instead reiterated its findings from the preliminary regulatory impact analysis.

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.