

Friday, September 29, 2017 7:49 AM ET Exclusive

State pipeline safety regulators see need for federal gathering line rules

By Sarah Smith

State pipeline safety regulators are concerned about the lack of federal standards for natural gas gathering lines.

"The environment has changed in the country. There are new pipelines being built that are transmission lines in all but name — large diameter lines, operating at hundreds, even a thousand pounds of pressure [per square inch]," Peter Chace, chair of the National Association of Pipeline Safety Representatives, said in a Sept. 26 interview on the sidelines of the group's annual meeting in Columbus, Ohio.

"We feel that it's important that these lines are built right from the start so that they don't fail down the road," Chace said.

Gas gathering lines, which move the gas from the wellhead to the next stage of processing or transportation, were not traditionally regulated, since the pipes were typically lower pressure and in rural areas. With shale production booming over the past decade, parts of the country have seen a proliferation of large-diameter, high-pressure gas gathering lines, often in areas untouched by gas infrastructure.

The limited information available about gathering systems has stymied the regulatory push for gathering lines, said Chace, who also serves as the Public Utilities Commission of Ohio's pipeline safety program manager. Gathering lines are not included in some of the main federal rules that require operators to share information about incidents, mileage, leaks and excavation damage, he noted.

Jason Montoya, the New Mexico Public Regulation Commission's pipeline safety bureau chief, seconded the frustration with the lack of information

"I know the industry has been somewhat more data driven the last three to five years, for the most part, but we still don't have that data to make firm recommendations or decisions," Montoya said in an interview. "I think NAPSR generally agrees: There has to be some regulation on high-stress gathering lines, [but] there still needs to be discussion [about] what regulations and how far we extend it.

The U.S. Pipeline and Hazardous Materials Safety Administration in 2016 proposed regulations for gas gathering line as part of a sweeping gas transmission and gathering systems safety rule, but that regulation is still being refined. A number of industry representatives have suggested removing the gathering portion of the regulation to allow for more discussion about the requirements and to decrease the complexity of the rule proposal.

For some states, taking on regulation of gathering lines would be a big burden. In Wyoming, for instance, the state pipeline safety program oversaw 7,105 miles of intrastate distribution and transmission pipelines as of 2016. The state estimated that there were about 5,000 miles of non-jurisdictional gathering lines in the ground.

"We have to tie everything back to funding and resources. States are going to have to boost up qualified inspectors, have to send them to training, and federal funding needs to be there to offset those costs," Montoya said. "That's a huge discussion item on the table."

Despite the obstacles, some states, including Ohio, have already put in place gathering line rules. While Ohio gathering line operators are not required to do some of the same in-line inspections that transmission line operators are, Ohio does require the gathering pipes to be built to transmission standards and operators have to patrol their lines regularly, Chace noted.

"It's good to study things, [but] there's a time when studying is over and you need to make a decision," Chace said. "We think there are some minimum requirements that you can go forward with."

Copyright © 2017, S&P Global Market Intelligence Usage of this product is governed by the License Agreement.

S&P Global Market Intelligence, 55 Water Street, New York, NY 10041