





September 2, 2025

#### Submitted via www.regulations.gov

Mr. Sayler Palabrica
Transportation Specialist
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

RE: American Petroleum Institute, GPA Midstream Association, and Interstate Natural Gas Association of America Comments on Pipeline Safety: Exception for In-Plant Piping Systems; Docket No. PHMSA-2025-0112

Dear Mr. Palabrica:

The American Petroleum Institute<sup>1</sup> (API), GPA Midstream Association<sup>2</sup> (GPA), and the Interstate Natural Gas Association of America (INGAA)<sup>3</sup> (collectively, the Associations) submit these comments in response to the Pipeline and Hazardous Materials Safety Administration's (PHMSA) "Exception for In-Plant Piping Systems" Notice of Proposed Rulemaking (NPRM).<sup>4</sup> The Associations appreciate the opportunity to submit these comments and support PHMSA's efforts to codify the in-plant piping exception in Part 192 and align the Part 192 requirements with the existing exception for liquids in-plant piping systems in Part

<sup>1</sup> API represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our approximately 600 members produce, process and distribute the majority of the nation's energy, and participate in <u>API Energy Excellence®</u>, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 800 standards to enhance operational and environmental safety, efficiency and sustainability.

<sup>&</sup>lt;sup>2</sup> GPA has served the U.S. energy industry since 1921. GPA Midstream is composed of approximately 50 corporate members that directly employ over 57,000 employees that are engaged in the gathering, transportation, processing, treating, storage and marketing of natural gas, natural gas liquids (NGLs), crude oil, and refined products, commonly referred to in the industry as "midstream activities." In 2023, GPA Midstream members operated 507,000 miles of pipelines, gathered 91 Bcf/d of natural gas, and operated more than 365 natural gas processing facilities.

<sup>&</sup>lt;sup>3</sup> INGAA is a trade association that advocates regulatory and legislative positions of importance to the interstate natural gas pipeline industry in North America. INGAA is comprised of 29 members, representing the vast majority of the U.S. interstate natural gas transmission pipeline companies. INGAA's members operate nearly 200,000 miles of pipelines.

<sup>&</sup>lt;sup>4</sup> Pipeline Safety: Exception for In-Plant Piping Systems, 90 Fed. Reg. 28,606 (Jul. 1, 2025).







195. The proposal is a commonsense amendment to the pipeline safety regulations that will provide regulatory clarity and reduce unnecessary regulatory burdens without compromising pipeline safety. In addition to these comments, GPA previously submitted comments requesting the codification of an inplant piping exception in Part 192, and those comments provide additional support for the NPRM.<sup>5</sup>

# **Background**

Members of the Associations operate a wide variety of processing, refinery and other types of plant facilities, and have experienced firsthand the difficulties in drawing lines of demarcation between regulated assets and unregulated in-plant gas piping. Regulators and operators have struggled to develop a consistent framework based on PHMSA's in-plant piping interpretations. This has resulted in the inconsistent application of Part 192 at processing, manufacturing, and other industrial facilities, and lead to instances of PHMSA and state agencies claiming that Part 192 applies to piping well within the fence lines of facilities that pose low public safety risks and are often subject to safety requirements of other agencies. For instance, many processing, manufacturing, and industrial facilities are subject to OSHA process safety management (PSM) regulations, which, in part, require operators to develop comprehensive programs to safely manage processes involving highly hazardous chemicals and flammable gas. PHMSA has recognized that PSM and Part 192 provide an equivalent level of safety at these facilities. Providing a clear framework in Part 192 for determining the demarcation between PHMSA-jurisdictional and in-plant piping systems is a straightforward way to reduce regulatory uncertainty, avoid unnecessary overlaps with other regulatory programs, and allow operators to more efficiently focus resources on efforts that can meaningfully improve pipeline safety.

<sup>&</sup>lt;sup>5</sup> Comments of GPA Midstream Association, Docket No. DOT-OST-2025-0026-0830, p. 5-9 (May 5, 2025) https://www.regulations.gov/comment/DOT-OST-2025-0026-0830.

<sup>&</sup>lt;sup>6</sup> PHMSA Letter of Interpretation to Mr. Darin R. Burke, Manager, Ill. Com. Comm'n, PI-09-0020, p. 1 (Aug. 11, 2010); PHMSA Letter of Interpretation to Mr. Michael Strong, Senior Regulatory Affairs Specialist, Wacker Chemical Corporation, PI-15-0002 (April 2, 2015); PHMSA Letter of Interpretation to Ms. Stacie Campbell-Eckhoff, Superintendent, Olin, PI-18-0012 at 1 (April 29, 2019); PHMSA Letter of Interpretation to Mr. Brannen McElmurray, New Fortress Energy, PI-22-0007 at (July 7, 2022).

<sup>&</sup>lt;sup>7</sup> 29 C.F.R. § 1910.119.

<sup>&</sup>lt;sup>8</sup> *Id*.

<sup>&</sup>lt;sup>9</sup> Pipeline Safety: Midstream Facilities Frequently Asked Questions, 85 Fed. Reg. 70,124, 70,125 (Nov. 4, 2020).







# Parity with Part 195

The Associations support PHMSA's proposal to align Part 192 with the in-plant piping exception in Part 195. The Part 195 framework is well-established, and operators have years of experience setting demarcation points between PHMSA-jurisdictional pipe and in-plant piping. This experience can readily be applied to in-plant gas systems. However, there are certain elements of the Part 195 framework that are not explicitly captured in PHMSA's proposed NPRM language for Part 192. The Associations request that PHMSA clarify the following features of gas in-plant piping in the preamble of the final rule:

- The Associations understand that the proposed exception would apply to gas in-plant piping that crosses a public road or railroad between plant facilities. In interpretation letters for both gas and hazardous liquid in-plant piping systems, PHMSA has recognized that an in-plant piping system can cross a public road or railroad without losing its in-plant classification. <sup>10</sup>
- The Associations understand that the Part 192 exception would apply to all gas piping on the grounds of processing, manufacturing, or industrial plants regardless of whether multiple entities own or operate equipment within that plant, just as is the case for hazardous liquids facilities. For example, at refining facilities with hazardous liquids in-plant piping systems, ownership and operation of tanks, piping, and other equipment on plant grounds may be divided among multiple parties. The Part 195 in-plant piping exception applies to all the piping on plant grounds because it is all part of the refining operations. The Part 195 framework is functional, and, appropriately, does not consider whether an operator at the facility is the end user of the hazardous liquids or transfers liquids to another operator within the plant. The Part 192 in-plant piping exception should similarly apply to all piping that serves processing, manufacturing, or other industrial facilities, and should not change based on whether an operator at the facility is the end user of the gas or transfers the gas to another entity within the plant.

### Transfer Lines Less than One-Mile-Long Off Plant Grounds

The NPRM does not address the applicability of Part 192 for short, low-stress transfer lines that leave plant grounds. In a 2010 interpretation on gas in-plant piping, PHMSA determined that transfer lines that leave plant grounds, are less than a mile in length, and are operated by plant personnel are not subject to

<sup>&</sup>lt;sup>10</sup> PHMSA Letter of Interpretation to Ms. Kim Gerold, Flint Hills Resources, p. 2, PI-19-0017 (Jun. 2, 2021); PHMSA Letter of Interpretation to Mr. Darin R. Burke, Manager, Ill. Com. Comm'n, PI-09-0020, p. 1 (Aug. 11, 2010).







Part 192.<sup>11</sup> It is evident that PHMSA based this determination on the longstanding Part 195 exception for low-stress hazardous liquid pipelines that serve refining, manufacturing, or terminal facilities and are less than a mile in length off plant grounds.<sup>12</sup>

Part 192 does not include a similar exception for low-stress pipelines that serve processing, manufacturing, or industrial facilities and are less than a mile in length outside plant grounds. However, adopting the Part 195 concept, PHMSA has acknowledged that "[h]istorically, PHMSA has elected not to apply the Federal gas pipeline safety regulations to such lines if they are associated with the plant, meaning they are operated by plant personnel, run between plant buildings, and are less than one mile in length."<sup>13</sup>

Due to the low risk of these short, low-stress lines and the regulatory burden on facility operators to establish Part 192 programs for these short segments of pipe, the Associations respectfully request that PHMSA amend Part 192 to include language similar to the exception in section 195.1(b)(3) that would codify the exception already provided in PHMSA's 2010 interpretation for short low-stress lines that leave facility grounds.

In addition, codifying this exception is consistent with Executive Order (EO) 14192,<sup>14</sup> as it will alleviate unnecessary regulatory burdens on facilities, which will promote the production and supply of American energy consistent with EO 14154 and 14156.<sup>15</sup> This is another opportunity for PHMSA to formalize an existing practice that has not been consistently applied and align it with a longstanding exception in Part 195. If adopted, the proposed change in the NPRM would reduce regulatory uncertainty and unnecessary regulatory burdens, and free up resources for operators to improve pipeline safety elsewhere.

#### **Conclusion**

The Associations appreciate the opportunity to submit comments on the NPRM, and applaud PHMSA's efforts to reduce unnecessary regulatory burdens, provide clarity to the regulated community, and promote pipeline and facility safety. If you have any questions, please do not hesitate to contact us.

<sup>&</sup>lt;sup>11</sup> PHMSA Letter of Interpretation to Mr. Darin R. Burke, Manager, Ill. Com. Comm'n, PI-09-0020, p. 2 (Aug. 11, 2010).

<sup>&</sup>lt;sup>12</sup> 49 C.F.R. § 195.1(b)(3).

<sup>&</sup>lt;sup>13</sup> PHMSA Letter of Interpretation to Mr. Darin R. Burke, Manager, Ill. Com. Comm'n, PI-09-0020, p. 2 (Aug. 11, 2010).

<sup>&</sup>lt;sup>14</sup> EO 14192, Unleashing Prosperity through Deregulation, 90 Fed. Reg. 9,065 (Feb. 6, 2025).

<sup>&</sup>lt;sup>15</sup> EO No. 14154, *Unleashing American Energy*, 90 Fed. Reg. 9,065 (Feb. 6, 2025); EO No. 14156, *Declaring a National Energy Emergency*, 90 Fed. Reg. 8,433 (Jan. 29, 2025).









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