PROPOSED FARM TAPS FREQUENTLY ASKED QUESTIONS (FAQS)

Exercise of Enforcement Discretion

FAQ #1 – Is PHMSA currently enforcing the federal regulations issued in § 192.740 on January 23, 2017, regarding the operation and maintenance requirements for pressure regulating, limiting, and overpressure protection for individual service lines directly connected to production, gathering, or transmission pipelines?

Answer: The regulation is in effect, but PHMSA has issued an Exercise of Enforcement Discretion Regarding Farm Taps (84 FR 11253; March 26, 2019) stating that PHMSA will not take any enforcement action relating to violations of § 192.740 with respect to operators that choose to include farm taps in their Distribution Integrity Management Program (DIMP) plans, and will instead require that such operators comply with the existing DIMP regulations (49 CFR Part 192, Subpart P).

During the period when this exercise of enforcement discretion is in place, pipeline operators must still comply with all other regulations applicable to service lines, such as the requirement in § 192.16 to notify customers of their responsibility to maintain buried "customer-owned" piping that is not maintained by the operator.

Applicability

FAQ #2 – § 192.740 refers to "individual service lines directly connected to production, gathering, or transmission pipelines." Are these the same as farm taps?

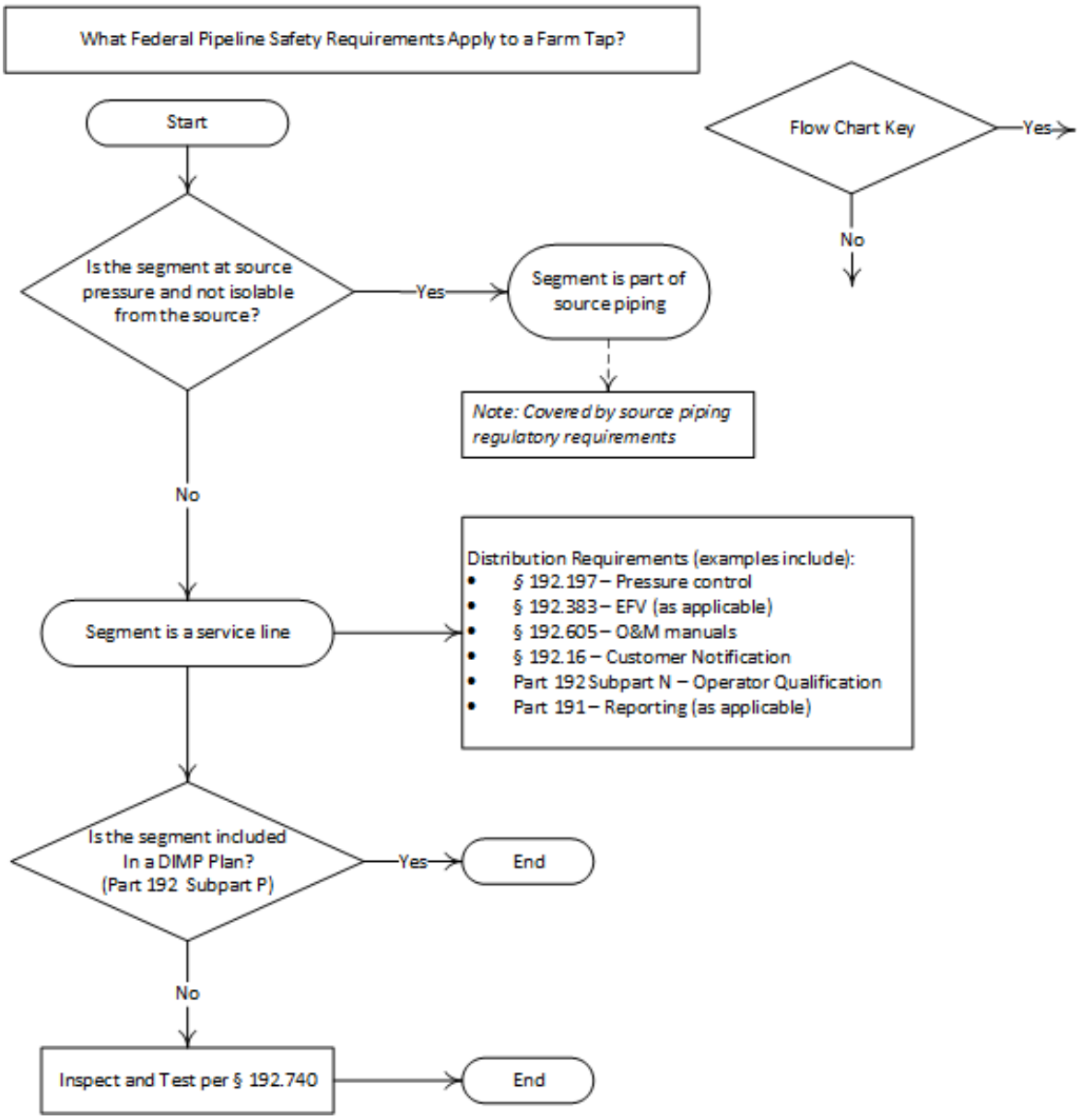
Answer: Although the term "farm tap" is not defined in Part 192, the term is commonly used to describe the "individual service lines" referred to in § 192.740. However, it is important to note that there are many piping applications and scenarios in which the term "farm tap" is applied. Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4, below, to determine if all or part of a particular line is a regulated service line.

FAQ #3 – Where do § 192.740 requirements for individual service lines apply?

Answer: Section 192.740 applies to service lines directly connected to production, gathering, or transmission lines that are not operated as part of a distribution system. On a farm tap, the "source" piping ends and the service line begins at the first point where the downstream service line can be isolated from source piping (e.g. the inlet to a valve or regulator, hereafter referred to as the "first isolation point"). The service line continues downstream until it terminates at the outlet of the customer's meter or the connection to a customer's piping, whichever is further downstream (see the definition of a service line in § 192.3).

Pursuant to the Exercise of Enforcement Discretion noted in FAQ #1, the service line is subject to either § 192.740 or Part 192 Subpart P (DIMP). In addition, any other applicable gas distribution requirements in Part 191 and 192, such as certain operations and maintenance (O&M) requirements, apply to the service line.

If piping is at source pressure and cannot be isolated from the source, then the piping is considered part of the source pipeline and subject to any applicable federal pipeline safety regulations. For example, a stub line coming off a transmission line would be covered by Part 192 transmission line requirements until the first isolation point for the service line. The following flow chart may be a useful reference for determining when service line requirements apply:



FAQ #4 – How does an operator determine if a farm tap is regulated by PHMSA?

Answer: Because there are many individual, varied scenarios, PHMSA cannot define an explicit regulatory treatment of every farm tap installation. Generally, any portion of a farm tap that meets the definition of a service line is a gas distribution service line subject to the applicable requirements of Part 192. A service line is regulated regardless of whether the common source of supply is regulated by PHMSA. A regulated service line may originate from an unregulated production or gathering pipeline. As described in FAQ #3, the service line begins at the first isolation point and ends at the outlet of the meter or the inlet of customer-owned piping, whichever is upstream.

Under certain circumstances, a farm tap may not include a distribution service line. As described in FAQ #3, pipeline facilities from the source pipeline up to the first isolation point retain the classification of the source pipeline. If customer-owned piping connects directly to the first isolation point, it is possible that no portion of the farm tap operated by the source pipeline operator is a service line. Finally, a farm tap that supplies gas to a large-volume customer, as defined in § 192.3, is a transmission pipeline subject to all applicable requirements in Parts 191 and 192.

Previous PHMSA interpretations of specific situations may be relevant in determining the status of all or part of an operator's farm tap. PHMSA-issued interpretations detail the consideration of farm taps as distribution service lines.[1, 2, 3] Interpretations are available at: https://www.phmsa.dot.gov/regulations/title49/b/2/1. It should be noted that states may have regulations that are more stringent than Parts 191 and 192 and are applicable to all or part of a farm tap, including customer piping.

Reporting

FAQ #5 – Are operators of unregulated source pipelines with regulated individual service lines (farm taps) required to submit a gas distribution annual report?

Answer: Yes, if any portion of an operator's farm taps are regulated service lines, the operator must submit an annual report. Operators of distribution pipelines are currently required to

[1] PHMSA. (April 19, 2011). *Response to Northern Natural Gas Company* (Interpretation #PI-11-0008).

[2] PHMSA. (September 12, 2012). *Response to Atmos Energy* (Interpretation #PI-11-0016).

[3] PHMSA. (November 5, 2018). *Response to the Kentucky Public Service Commission* (Interpretation #PI-18-0019). Retrieved from: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/standards-rulemaking/pipeline/interpretations/69976/kentucky-psc-pi-18-0019-11-05-2018-part-192740.pdf.

submit a distribution system annual report per § 191.11 of Department of Transportation Form PHMSA F 7100.1-1, except as provided in § 191.11(b).

Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4 to determine if all or part of a particular line is a regulated service line.

FAQ #6 – Are operators of production lines and unregulated gathering pipelines that also operate farm taps feeding gas to customers required to have an Operator Identification Number (OPID)?

Answer: Yes, if any portion of an operator's farm taps are regulated service lines, then that operator must obtain an OPID in accordance with § 191.22. While the operator's production pipelines and unregulated gathering pipelines are exempt from the Part 191 requirements (see § 191.1(b)(4)), any facility that meets the definition of a service line is a regulated distribution pipeline and therefore does not fall within the exemption for unregulated gathering pipelines. Any operator of such facilities must therefore obtain an OPID pursuant to § 191.22.

Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4 to determine if all or part of a particular line is a regulated service line.

FAQ #7 – If two different operators perform O&M on a farm tap (one operator is responsible for O&M from the source pipeline up to the first isolation point on the service line and the other operator is responsible for O&M downstream from the first isolation point to the outlet of the meter), who is responsible for the annual reporting on the F7100.1-1 Gas Distribution Annual Report?

Answer: Only the operator of the service line downstream from the first isolation point is responsible for reporting the service line information in its F7100.1-1 Distribution Annual Report. The operator of the source pipeline would report the stub up to the first isolation point on its annual report as its source pipeline designation.

For example, the operator of a gas transmission pipeline with a farm tap would report the stub up to the first isolation point as transmission pipeline mileage in its F7100.2-1 Gas Transmission and Gathering Annual Report; if the service line downstream from the first isolation point is operated by a separate entity, then only that entity is responsible for reporting it as a service line on a Distribution Annual Report.

<u>O&M Requirements</u>

FAQ #8 – Does an operator of an unregulated production or gathering pipeline with regulated individual service lines need to be qualified in accordance with Subpart N of Part 192 and have an O&M?

Answer: Yes, the operator qualification regulations in 49 CFR Part 192 Subpart N require that operator personnel—including contractors—who perform covered tasks on regulated service lines must be qualified. Metallic pipe welders (§§ 192.227 and 192.229) and plastic pipe joiners (§ 192.285) working on service lines must also be qualified in accordance with federal regulations. Finally, operators of distribution service lines must prepare and follow an O&M manual (§ 192.605) even if those service lines originate from an unregulated production or gathering source pipeline.

Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4 to determine if all or part of a particular line is a regulated service line. However, if the unregulated production or gathering pipeline operator does not operate the portion of the farm tap that is a service line, then operator qualification and O&M requirements may not apply.

Source of Supply and Local Distribution Company (LDC) Operations

FAQ #9 – What is the "common source of supply" under the § 192.3 definition of a service line?

Answer: The common source of supply may be a production, gathering, transmission, or distribution pipeline. The definition of a service line in § 192.3 is:

> *a distribution line that transports gas from a common source of supply to an individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small commercial customers served through a meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream, or at the connection to customer piping if there is no meter.*

FAQ #10 – Individual service lines ("farm taps") directly connected to interstate pipelines are often operated and maintained by a local distribution company (LDC). Does the individual service line on a farm tap begin at the first isolation point, such as a valve, where operation is taken over by the LDC? At which point does the farm tap become distribution piping subject to DIMP?

Answer: As described in FAQ #3 and #4, the source pipeline ends and the distribution service line begins at the first isolation point connecting the service line to a common source of supply. The service line ends at the outlet of the customer's meter or at the connection to a customer's piping, whichever is further downstream (see the definition of a service line in § 192.3). Any portion of a farm tap that is classified as a service line is a distribution line.

Under the Exercise of Enforcement Discretion noted in FAQ # 1, operators of service lines covered by the requirements of § 192.740 have the option of complying with either § 192.740 or the DIMP requirements in 49 CFR Part 192 Subpart P as detailed in § 192.1003(b). If the operator does not comply with § 192.740, any portion of the farm tap that is classified as a service line must be included in a DIMP plan. In this instance, since the LDC takes over the farm tap beginning at the first isolation point, it is responsible for including the line in a DIMP.

Regulator Testing

FAQ #11 – The language in § 192.740(b)(3) implies that the regulators must be checked for "lockup." Are there alternatives to lockup testing that may be used to meet § 192.740(b)(3)?

Answer: Possibly. Testing for lockup (measuring the maximum outlet pressure at zero flow) is one method to determine if the regulator is functioning properly. However, lockup is not defined in the regulations, and § 192.740(b)(3) does not specify a method for compliance. Therefore, any practicable alternative method that meets the requirements of § 192.740(b)(3) is acceptable. The inspection procedure used must be documented in the operator's O&M manual, as prescribed by § 192.605.

PHMSA's interpretations of § 192.739(a), which mirrors § 192.740(b), may be instructive. Specifically, PHMSA's interpretations to the Arizona Corporation Commission (#PI-92-058, issued October 22, 1992, and #PI-93-019, issued April 28, 1993) clarify specific inspections and tests that the operator of a distribution system is required to conduct for pressure regulating and limiting equipment and equivalent tests to ensure a regulator is leak free and has the correct set point (see https://www.phmsa.dot.gov/regulations/title49/b/2/1 for access to interpretations).

FAQ #12 – How can an operator perform tests pursuant to § 192.740 for farm taps that use a regulator with an internal relief?

Answer: Section 192.740 does not specify a method for compliance; therefore, any practicable method that meets the requirements of § 192.740(b) may be used. The method must be documented in the operator's O&M manual, as prescribed by § 192.605. The equipment manufacturer may be able to provide additional information or recommend test methods.

An example of one method for testing the internal relief on a pressure-regulating device would be to install a test port and then a valve downstream from the regulator with an internal relief. The operator would shut the downstream valve but keep the inlet supply active to the regulator with the internal relief. Next, the operator would open the test port to insert nitrogen or another inert gas and activate the internal relief on the regulator. This would determine the pressure at which the internal relief mechanism would activate.

An internal relief mechanism on a pressure-regulating device would provide overpressure protection in many applications. As outlet pressures build above the set point of the regulator, the diaphragm would move off the relief valve seat, allowing the excess pressure to bleed out through the screened vent. An internal relief on a pressure-regulating device can be checked for leakage by performing a soap test at the vent. This method is not considered a stand-alone test on the internal relief.

PHMSA has issued several interpretations that are applicable to the requirements of § 192.740, such as PHMSA's response to the Arizona Corporation Commission.[4] In this interpretation, PHMSA states:

> *Regulator stations must be inspected and tested to comply with § 192.739 using any practicable method that will demonstrate the presence or absence of the listed qualities. Set-point, lock-up, and full-stroke-operation would be part of the inspection and testing if such tests are practicable at the station concerned. If not, whatever other tests are practicable in meeting the requirements of § 192.739 must be used. Specific procedures should be documented in the utility's operating and maintenance plan prescribed by § 192.605.*

This interpretation was further clarified in follow-up to the Arizona Corporation Commission interpretation.[5] The use of "any practicable method," as noted above, is also applicable to the testing of a single-service regulator station per § 192.740 that is not equipped with necessary valves, manifolds, or bypasses to perform testing for set-point, lock-up, and full-stroke operation (see https://www.phmsa.dot.gov/regulations/title49/b/2/1 for access to interpretations).

Exemptions

FAQ #13 – Are existing farm taps exempted so they do not have to comply with § 192.740?

Answer: No. Section 192.740 does not exempt existing service lines. Subject to the Exercise of Enforcement Discretion noted in FAQ # 1, all farm taps must comply with the applicable

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[4] PHMSA. (October 22, 1992). *Response to the Arizona Corporation Commission* (#PI-92-058). Retrieved from: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/legacy/interpretations/Interpretation%20Files/Pipeline/1992/PI92058.pdf.

[5] PHMSA. (April 28, 1993). *Follow-up to the Arizona Corporation Commission Interpretation* (PI-93-019). Retrieved from: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/legacy/interpretations/Interpretation%20Files/Pipeline/1993/PI93019.pdf.

regulations contained in Part 192. The maintenance requirements in Subpart M apply to all applicable service lines regardless of the date of installation.

FAQ #14 – If § 192.740 applies to a farm tap installed in the 1960s, does the pipeline need to be redesigned to meet § 192.197?

Answer: No. If the farm tap was installed prior to March 12, 1971 (see § 192.13(a)), it would not have to be redesigned to meet the design requirements of § 192.197, but the farm tap would still need to be tested in accordance with the maintenance requirements of § 192.740.

If a farm tap was installed prior to March 12, 1971, and the regulators on that farm tap were modified or replaced after the effective date(s) in § 192.13(b), then the components affected are considered new and must meet the current requirements in the regulations, including §§ 192.197 and 192.740. Similarly, any device installed after March 12, 1971, must meet the requirements contained in §§ 192.197 and 192.740.

Other Part 192 Requirements for Individual Service Lines (Including Farm Taps)

FAQ #15 – What requirements of 49 CFR Part 192 must new service lines from single-service regulator stations meet?

Answer: Any portion of a farm tap that meets the definition of a service line must meet all applicable requirements in 49 CFR Parts 191 and 192, subject to the Exercise of Enforcement Discretion noted in FAQ # 1.

Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4 to determine if all or part of a particular line is a regulated service line. If compliance with certain provisions is not feasible, any operator may apply for a special permit in accordance with the procedure set forth in § 190.341.

FAQ #16 – Who is responsible for notifying farm tap customers of their responsibilities under § 192.16?

Answer: The most-downstream entity operating the service line is responsible for notifying farm tap customers of their responsibility to maintain customer-owned buried piping unless that piping is maintained by the operator in accordance with § 192.16(a). The notification must meet the requirements of § 192.16: Customer Notification.

FAQ #17 – What is the "source of gas supply" under § 192.381(d), which provides that "*An operator shall locate an excess flow valve as near as practical to the fitting connecting the service line to its source of gas supply?"*

Answer: The source of gas supply may be a production, gathering, transmission, or distribution pipeline. For further guidance on EFV requirements, PHMSA posted answers to questions raised during two webinars on this topic. The questions and answers are included in Docket No. PHMSA-2011-0009 and may be viewed at: https://www.regulations.gov/document?D=PHMSA-2011-0009-0053.

FAQ #18 – Do all or just new individual service lines require EFVs? Where should EFVs be located?

Answer: Section 192.383(b) requires operators install EFVs on service lines installed or replaced after April 14, 2017, that serve any of the following: single-family residences, branched services, multi-family residences, or single, small commercial customers. Prior to that date, operators were required to install an EFV on any new or replaced service line serving a single-family residence that was installed or replaced after February 12, 2010. However, there are exceptions to the installation requirement included in § 192.383(c). Customer gas load and other issues may predicate the use of a manual service line shut-off valve in place of an EFV on a service line serving multi-family residences and single, small commercial applications (see § 192.385).

If the installation meets the requirements of §§ 192.381, 192.383, or 192.385, then the operator must meet the requirement of § 192.381(d) and locate the EFV as near as practical to the fitting connecting the service line to its source of gas supply.

For further guidance on EFV requirements, PHMSA posted answers to questions raised during two webinars on this topic. The questions and answers are included in Docket No. PHMSA-2011-0009 and may be viewed at: https://www.regulations.gov/document?D=PHMSA-2011-0009-0053.

Local Agreement Consumers

FAQ #19 – Is a farm tap service line required to meet the requirements of § 192.740 if it runs from a production wellhead or production pipeline to provide gas at no cost to a consumer who retains the mineral rights on the property?

Answer: The cost of gas (free or otherwise) is not pertinent to whether a farm tap is regulated. Similarly, the cost of gas provided as part of any right of way (ROW) agreement is also not relevant to whether the farm tap is regulated.

Refer to the definition of a "service line" in § 192.3 and the guidance in FAQ #3 and FAQ #4 to determine if all or part of a particular line is a regulated service line.

FAQ #20 – If the source of gas to a farm tap is an intrastate line, are there additional requirements that may be in place?

Answer: Possibly. Each state that has a certified pipeline safety program with PHMSA is responsible for adopting and enforcing the federal pipeline safety standards. Additionally, states with a certified program may adopt additional or more stringent safety requirements for intrastate pipelines above the minimum federal safety standards in the 49 CFR regulations. Operators of intrastate regulated individual service lines should contact their state regulatory agency if they have any questions about state requirements.