

Midstream Processing Facilities: Pipeline and Hazardous Materials Safety Administration Guidance Addresses Agency Jurisdictional Issues



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11/13/2020

The Pipeline and Hazardous Materials Safety Administration (“PHMSA”) published in the November 4th Federal Register a set of draft Frequently Asked Questions (“FAQs”) addressing federal oversight of midstream processing facilities. See 85 Fed. Reg. 70124.

The FAQs delineate PHMSA and Occupational Safety and Health Administration (“OSHA”) jurisdiction as to performance of inspection and enforcement activities for midstream processing facilities where there is overlapping federal agency authority.

The seven FAQs were stated to have been developed by the Midstream Processing Working Group (“Working Group”). The Working Group was established by the Technical Pipeline Safety Standards Committee and the Technical Hazardous Liquid Pipeline Safety Standards Committee.

Midstream processing facilities are one of the three steps involved in natural gas and crude oil processing. Such processing steps must be undertaken before the natural gas and crude oil can be delivered to end users as refined petroleum products, natural gas liquids, natural gas and other products. The midstream processing facilities are downstream of initial production.

The term “midstream processing facility” is defined for purposes of the FAQs as:

... a processing facility that receives products being transported by PHMSA-jurisdictional pipelines and reinjects those products for continued transportation by pipeline.

Stated another way, PHMSA indicates a midstream processing facility is a processing facility with piping or storage that is engaged in the transportation of gas or hazardous liquids by pipeline. As a result, it is deemed a pipeline facility subject to PHMSA jurisdiction.

The FAQs are intended to clarify when each of PHMSA or OSHA intends to exercise its respective regulatory inspection and enforcement authority over midstream processing facilities involved in pipeline transportation of energy products.

The overall objective is stated to be to ensure that there is:

... no confusion or unnecessary gaps or overlaps in Federal oversight of midstream processing facilities.

The seven FAQs address:

[Q 1: Definition](#)

Q1-A: What is Processing?

Q1-B: What is a Processing Facility?

Q 2: How does one delineate the boundary between pipeline transportation and a processing facility?

Q 3: How does PHMSA's policy apply to regulatory oversight of a pipeline entering a processing facility that bypasses a pressure control device?

Q 4: How does PHMSA's policy apply to regulatory oversight of piping that bypasses processing downstream of the first pressure control device?

Q 5: What if a given section of piping located on the grounds of a processing facility served by PHMSA-regulated pipelines connects two processing units or is otherwise used for a processing function?

Q 6. How is underground storage and associated piping located on the grounds of a processing facility regulated?

Q 7. How are pipelines connecting storage or processing facilities regulated when traversing public or private lands (outside the grounds of storage or processing facilities)?

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