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From: Jeff Applekamp <[REDACTED]>
Sent: Monday, August 25, 2014 11:59 AM
To: rulescoordinator
Subject: Gas Processor Association Rule 70 Comments
Attachments: GPA Rule 70 Comments (4).pdf

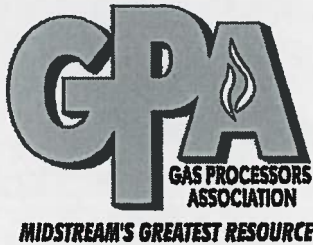
Attached are GPA Comments.

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**RAILROAD COMMISSION OF TEXAS
PIPELINE SAFETY DIVISION**

**PROPOSED AMENDMENTS TO 16 §
TEX. ADMIN. CODE, SECTION 3.70, §
RELATING TO PIPELINE PERMITS § GUD DOCKET NO. 10366
REQUIRED §**

**COMMENTS OF THE GAS PROCESSORS ASSOCIATION ON PROPOSED
AMENDMENTS TO 16 TEX. ADMIN. CODE, SECTION 3.70, RELATING TO
PIPELINE PERMITS REQUIRED**

The Gas Processors Association (“GPA”) appreciates the opportunity to submit comments to the Railroad Commission of Texas (“Commission”) on the proposed amendments to 16 TEX. ADMIN. CODE, Section 3.70, relating to pipeline permits required.

GPA has served the U.S. energy industry since 1921 as an incorporated non-profit trade association. GPA is composed of 130 corporate members, with 70 member companies operating within Texas. Our member companies are engaged in the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as “midstream activities”. Such processing includes the removal of impurities from the raw gas stream produced at the wellhead, as well as the extraction for sale of natural gas liquid products (NGLs) such as ethane, propane, butane and natural gasoline. GPA members account for more than 90 percent of the NGLs produced in the United States from natural gas processing.

GPA members in Texas operate in 75 counties with more than 20,000 employees. The product that we deliver is consumed by residences, schools, hospitals, manufacturing facilities, power plants, U.S. Government and its military, and almost every other type of institution that relies on natural gas or natural gas liquids.

GPA supports efforts by the Commission to ensure that pipelines permitted in Texas are properly classified. It is clearly the Commission’s responsibility to classify pipelines under its jurisdiction as private lines, common carrier or gas utilities based on applicable statutory provisions. Proper pipeline classification is necessary because each category of pipeline has different regulatory obligations based on existing statutes and rules.

GPA would respectfully request that the Commission consider the following revisions to the proposed rules in order to ensure that the pipeline classification process is accurate and efficient.

First, GPA requests that the Commission revise 3.70 subsection (a) to clarify that the proposed rule does not intend to expand the coverage of the pipeline permitting rule to include production flow lines or local distribution company lines. The current pipeline permitting rule does not include productive flow lines or local distribution company lines and GPA requests clarification that the proposed rule is not intended to expand the current requirements. GPA recommends that the 3.70(a) be revised to as follows:

3.70(a) Each operator of a pipeline or gathering system, other than a production flow line system or a local distribution company system, subject to the jurisdiction of the Commission, shall obtain a pipeline permit, renewable annually, from the Commission as provided in this rule.

GPA requests that the Commission provide protection of confidential or proprietary documents submitted pursuant to 3.70(b)(4) to provide support for the classification and purpose being sought for the pipeline. Certain documents submitted may be probative of the pipelines requested classification but generally contain proprietary or confidential customer information. The rule should provide for redaction of that proprietary or confidential information as part of the submission of documentation. Pipelines have an obligation to protect this confidential customer information. The rule should accommodate this obligation. GPA recommends that 3.70(b)(4) be revised as follows:

3.70(b)(4) Documentation to provide support for the classification and purpose being sought for the pipeline, if applicable, and any other information requested by the Commission. Documentation may be submitted in redacted form to protect information which the applicant regards as confidential or proprietary.

GPA respectfully requests that the Commission shorten the time frame in 3.70(d) for review of the pipeline permit application for completeness. Timely processing of a pipeline permit application is important. Many oil and gas wells are drilled and completed but experience delays associated with pipeline permitting and construction before the hydrocarbon products are able to be transported to market. GPA suggests that 10 days is a more appropriate time frame for the Commission to conduct this preliminary review to determine completeness. Accordingly, GPA recommends that 3.70(d) be revised as follows:

3.70(d) The Commission shall determine if the application is complete within ten (10) calendar days following the date of filing of an application and shall notify the operator either that the application is complete or that the application is incomplete. The notice of an incomplete application shall specify the additional information needed to complete the application.

Finally, GPA respectfully requests the Commission reduce the time period for review of the permit application in 3.70(e). GPA believes that 30 days would provide sufficient time for the Commission to review the pipeline permit application and supporting documents and properly classify the pipeline as a private pipeline, common carrier or gas utility. GPA recognizes that a thorough review of each application is important for proper pipeline classification. Likewise, timely pipeline permitting and construction of infrastructure necessary for transportation of hydrocarbons to markets is important to the state and our state's energy needs. GPA asks the Commission to consider the balancing of these very important interests and provide a shorter timeframe for final classification. GPA recommends that 3.70(e) be revised as follows:

3.70(e) Once an application is determined to be complete and sufficient, the Commission shall issue, amend, or cancel the pipeline permit or deny the pipeline permit as filed. If the Commission is satisfied from the application and the documentation and information provided in support thereof, and its own review, that the proposed line is, or will be laid, equipped, managed and operated in accordance with the laws of the state and the rules and regulations of the Commission, the permit may be granted. The pipeline permit, if granted, shall classify the pipeline as a common carrier, a gas utility, or a private pipeline based upon the information and documentation submitted by the applicant and the Commission's review of the application. The Commission's decision on issuance of a pipeline permit shall be completed within **thirty (30)** calendar days following the Commission's determination that an application is complete. **Denial of pipeline permit as filed does not prejudice the right of the applicant to re-file an application for the pipeline permit under this section at a later time.**

GPA requests that the Commission clarify that the proposed rule does not alter the pipeline classification of currently permitted pipelines. Unless the current operator seeks a different classification upon renewal, the pipelines current classification will continue. GPA requests that a new sentence be added to the existing paragraph and that 3.70(f) be revised as follows:

3.70(f) This rule applies to applications made for new pipeline permits and to amendments, renewals, and cancellation of existing pipeline permits which are submitted on or after the effective date of this rule. **Renewals of permits for pipelines shall not alter the classification previously accorded to the existing pipeline except upon application of applicant.**

GPA seeks clarification that the proposed rule changes do not subject Gas Utilities to additional classification reviews for any new or amended pipeline permits if the company is already classified as a gas utility and is not seeking a change in its classification.

GPA is grateful to the Commission for the opportunity to provide our comments on the proposed pipeline permit rule. GPA would be happy to answer any questions or provide any additional information requested by the Commission. Thank you for your time and effort on this rulemaking and consideration of these comments.

Respectfully submitted,

Gas Processors Association



By: _____

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