3.70 Rule Changes & Pipeline Mapping Updates

Bruce Waterman, Karley Bisbano, Ryan Hejl, and Chris Vincent

August 2020

Chapter 3.70 rule changes

- Natural Gas pipeline systems
  - All onshore pipeline, gathering and production facilities, beginning after the first point of measurement.
  - All pipelines facilities originating in Texas waters.
  - All pipelines in a Class 2, 3, or 4 location.

- Liquid Pipeline systems
  - All liquid pipelines are required to be permitted, except for those lines defined as production by CFR 195.2

- Mileage fees are calculated by the mileage of each permit on December 31st of the prior year.

- The permit operator is responsible to pay the fees by April 1$^{st.}$

- Mileage fees are paid at the P-5 operator level with one payment

- Permit miles are added together and rounded up to nearest whole number to calculate mileage fee

- Fees are broken into two groups
  - Group A
    - Includes federally regulated and inspected pipelines
    - $20 per mile
  - Group B
    - Includes pipelines that are not federally regulated but require a permit
    - $10 per mile

Mileage Late Fees

Mileage Late Fees for 50 Miles or Less		
1-30 Days Late	31-60 Days Late	Greater than 60 Days Late
$125	$250	$350

Mileage Late Fees for More Than 50 Miles		
1-30 Days Late	31-60 Days Late	Greater than 60 Days Late
$250	$500	$700

Renewals (3.70 Rule Change) (1 of 4)

- Effective September 1, 2020
- All permits under one operator name will have the same expiration date for future renewals
- All renewals will fall into the same Calendar and Fiscal Year

Beginning September 1, 2020

Annual Renewals for Pipeline Operators

Are due for companies beginning with
A-C
must file in
February

Are due for companies beginning with
D-E
must file in
March

Are due for companies beginning with
F-L
must file in
April

Are due for companies beginning with
M-P
must file in
May

Are due for companies beginning with
Q-T
must file in
June

Are due for companies beginning with
U-Z & 0-9
must file in
July

RRC
LEADING TEXAS ENERGY
OIL & GAS ★ COAL ★ PIPELINES

- Any permits that are due for renewal between September 1st and December 31st of 2020 will automatically have the renewal date moved to the new assigned month in 2021.

RULE §3.70 (j)

- "...each pipeline operator shall pay a $500 permit processing fee for each new permit application and permit renewal"

- In the case of a full transfer, the renewal fee is due by the acquiring operator at the time of transfer.

- Amendments DO NOT renew a permit. Renewals are a separate action in POPS.

- There are no RRC renewal fees for interstate permits.

- If a permit is due in less than a month, it is important to prioritize renewing your permit before making an amendment.

- New action added to POPS
  - For full transfers only
  - Action submitted on acquiring operator's side

- When a full permit transfer is submitted
  - The divesting operator submits the Divesting Transfer action, which is approved or rejected by the RRC

- The acquiring operator has two options
  - File an Acquiring Full Transfer on the acquired permit and keep the permit number
  - File a Transfer Merge and merge the transfer permit into an existing permit of the same type.

Keeping the permit number

- If the acquiring operator keeps the transferred permit, the expiration date will be moved to the acquiring operator's designated month
- The renewal for the permit will be paid by the acquiring operator upon transfer of the permit.

Actions

🔍 View

📄 Permit History

▣ Revoke

🔧 Acquiring Full Transfer

- The acquiring operator merges the transferred permit into one of their existing permits.

- The acquiring operator will submit the acquiring Transfer Merge on an existing permit.

Actions

🔧 Amend

⊞ Inactivate

🔍 View

↔ Diverting Transfer

👤 Update Contacts

📋 Permit History

⊞ Revoke

↔ Acquire Transfer Merge

Acquired Pipeline Transfer - Full Transfer Only

To select divesting permit numbers (from Form T-4B) to be merged with your existing permit, select the Effective Date of Transfer by Purchase Party, and then click on the permit.

Divesting Permit Nbr	Divesting Operator P5	Divesting Permit OperatorName	Divesting Operator Effective Date of Transfer	Effective Date of Transfer by Purchase Party	Pipeline Classification
9945	463316	KINDER MORGAN PRODUCTION CO LLC	07/20/2020	07/20/2020	Private

These permits will be merged with your existing permit.

Divesting Permit Nbr	Divesting Operator P5	Divesting Permit OperatorName	Divesting Operator Effective Date of Transfer	Effective Date of Transfer by Purchase Party	Pipeline Classification	
9945	463316	KINDER MORGAN PRODUCTION CO LLC	07/20/2020	07/20/2020	Private	🗑 Delete

Questions so far?

Pipeline Mapping Updates

Mapping Presentation Overview

- New Transfer Merge function in POPS
- New document: A Guide to Shapefile Submissions
- Most common shapefile submission errors
- A quick mapping demo
- Wrap-up

- ## What is a Transfer Merge (TM)?
  - A new way to do a full transfer for the acquiring operator
  - Full Transfer vs. Transfer Merge

Code	Code Meaning	Code Description
NC	No Change	Existing segments that are not being modified
NP	New Permit	Only for new permits; do not use if a T-4 Permit Number has already been assigned
PA	Pipeline Addition	New pipeline added to an existing permit
BP	Abandon in Place	Pipeline abandoned in place, according to our rules
MP	Merge Permit	Merge entire permit into an existing permit, same operator
PM	Partial Merge	Merge a portion of a permit into an existing permit, same operator
PT	Partial Transfer	Transfer part of a permit into an existing permit, different operator
TM*	Transfer Merge	Full permit transfer + merge permit. Acquire full permit(s) from different operator, then merge that permit(s) into an existing permit, same operator
FC	Fluid Change	Product change (i.e. crude oil to carbon dioxide)
DP	Delete Pipeline	Pipeline removed from permit for one of the following reasons: removed from ground, never built, exempted from 49 CFR Part 191 – 195 and therefore should not be permitted with the RRC (e.g. in-plant piping, Coast Guard jurisdiction). If deleting pipeline, provide the reasoning in the cover letter.
OM	Other Modification	Use if none of the above codes are suitable (i.e. change to diameter, system name, or pipeline location)

*Due to rule change, new code will go into effect on September 1, 2020.

Full Transfer

- Divesting side files first
- Pay renewal fee upon acquisition
- Can only acquire one permit at a time
- No mapping required for either side
- Divesting permit number transferred to acquiring operator

Transfer-Merge

- Divesting side files first
- No renewal fee upon acquisition
- Can acquire multiple permits at once
- Mapping required for acquiring side
- Divesting permit number becomes inactive and acquiring operator chooses keeper permit

Divesting permit:
01111

Eagle Operators
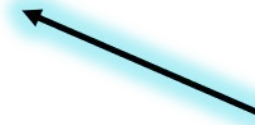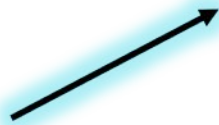
Acquiring permit:
01111

Rattlesnake Operators

Why use Transfer Merge?

- Why use TM?
  - Turn a two-step POPS process into a one-step process
  - Avoid paying renewal fee upon acquisition

A Guide to Shapefile Submissions
RRC Pipeline Permitting

- Main differences
  - New code (TM)
  - More pertinent information at front
  - Reformatting tables and rewording field descriptions to be more easily understandable

1. Shapefile doesn't contain all required fields
2. Invalid entries in attribute table
   - Data type
   - Character limit
   - Capitalization
   - Accuracy
3. Wrong projection
4. Incomplete cover letter and overview map
5. Shapefile must include all the lines in permit, new and existing
   - Always include abandoned lines on every shapefile submission
6. Not preparing shapefiles after receiving them from the RRC

A quick mapping demo

- How to prepare a shapefile after receiving it from the RRC
  - Re-projecting
  - Adding / deleting fields
    - LOC_DES and T4_AMD
    - Two additional fields required (SMYS and USA) if gathering lines meet additional criteria:
      - COMMODITY1 = CRL or CFL
      - DIAMETER between 6.63-8.83"
- Assigning the T4_AMD field and going over TM

- **RRC Homepage**
  - https://rrc.texas.gov/

- **Public GIS Viewer**
  - https://gis.rrc.texas.gov/GISViewer/

- **The new "A Guide to Shapefile Submissions"**
  - https://rrc.texas.gov/media/40880/tpmsattributedefinitionsandvalidcodes.pdf

- **Sample cover letters overview maps**
  - https://rrc.texas.gov/pipeline-safety/forms/

- **Sample shapefile**
  - https://rrc.texas.gov/pipeline-safety/mapping/digital-submissions/

- **TAC Rule §3.70**
  - https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&rl=70

Today's Speakers

- **Ryan Hejl**
  - Ryan.Hejl@rrc.texas.gov
  - 512-463-3863

- **Karley Bisbano**
  - Karley.Bisbano@rrc.texas.gov
  - 512-463-6828

- **Bruce Waterman**
  - Bruce.Waterman@rrc.texas.gov
  - 512-463-3046

- **Chris Vincent**
  - Chris.Vincent@rrc.texas.gov
  - 512-463-6519

For permitting questions:

pops@rrc.texas.gov

For mapping questions:

tpms@rrc.texas.gov

Pipeline Permitting general number:

512-463-6802