

Memorandum

March 2, 1995

INFORMATION: U.S. Oil Interpretation

Cesar De Leon
Deputy Associate Administrator for Pipeline Safety

Ivan Huntoon
Director, Central Region

This responds to your memo of February 9, 1995, regarding our January 30, 1995, letter to Mr. Thomas J. Sullivan, consultant for the U.S. Oil Company. We advised Mr. Sullivan that the Part 195 regulations cover the company's pipelines outside the terminal, except for a pipeline transporting calcium chloride. Your memo asks whether, before the 20% SMYS amendment, Part 195 applied to a low-stress line segment between the West Shore connection and the terminal. You believe Part 195 did apply since the line segment serves as a continuation of West Shore's pipeline, which operates at more than 20% SMYS.

We have interpreted the low-stress exclusion to apply only to pipelines that operate entirely at 20% SMYS or less. So, for Part 195 to have applied to the line segment in question, the segment would have had to have been part of a pipeline that operated above 20% SMYS. Although Part 195 does not define the beginning and end of pipelines, it does place the burden of compliance with the regulations on persons who own or operate pipelines. Therefore, in the absence of any other demarcation of pipelines under Part 195, the only reasonable way to apply the low-stress exclusion is on the basis of pipeline ownership or operation. Using this approach, because the line segment in question was owned and operated separately from the West Shore pipeline, the segment was not under Part 195 before the 20% SMYS amendment.

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