# Understanding pipeline, pipeline zones, and pipeline location

Pipelines, pipeline zones, and pipeline location are essential components for managing the transportation and distribution of gas. Below is an explanation of each term, why they are required, and how they differ from one another.

## Understanding pipeline

A **pipeline** is a physical infrastructure used to transport natural gas from one location to another. It is the backbone of the natural gas supply chain, connecting production fields, storage facilities, and end-users.

### Why it is required

* Facilitates the efficient transportation of natural gas over long distances.
* Ensures the delivery of gas to markets, storage facilities, and distribution systems.
* Reduces transportation costs compared to alternatives like trucking.
* Supports regional and cross-border supply needs.

!!!example “Example” A pipeline such as **“Mainline 101”** transports gas from **State A** field to **State B** hubs.

## Understanding pipeline zone

A **pipeline zone** is a segment or region of a pipeline defined for operational or commercial purposes. Pipelines are divided into zones to manage transportation contracts, pricing, and capacity allocation.

### Why it is required

* Helps in determining transportation rates and tariffs for specific pipeline segments.
* Facilitates capacity management and ensures efficient use of the pipeline infrastructure.
* Supports regulatory compliance and reporting based on geographic or operational boundaries.

!!!example “Example” A pipeline is divided into three zones: 1. **Zone 1:** Production field to the first compressor station.  
2. **Zone 2:** Compressor station to the storage facility.  
3. **Zone 3:** Storage facility to the end-user distribution hub.

## Understanding pipeline location

A **pipeline location** refers to a specific physical or operational point along a pipeline where gas is measured, transferred, or allocated. It could represent a receipt point (where gas enters the pipeline) or a delivery point (where gas exits the pipeline).

### Why it is required

* Identifies key points for gas transactions such as input (receipt) and output (delivery).
* Tracks gas volumes for billing, reporting, and balancing purposes.
* Ensures accurate measurement and allocation of transported gas.

!!!example “Example” \* **Receipt location:** A production field where gas is introduced into the pipeline. \* **Delivery location:** A citygate where gas is delivered to a local distribution company (LDC).

## **Differences between pipeline, pipeline zone, and pipeline location**

| **Aspect** | **Pipeline** | **Pipeline zone** | **Pipeline location** |
| --- | --- | --- | --- |
| **Definition** | Physical infrastructure for gas transport. | Segmented regions of the pipeline for operational or commercial purposes. | Specific points along the pipeline for receipt or delivery. |
| **Purpose** | Transport gas from one location to another. | Manage transportation rates, capacity, and contracts. | Measure, transfer, or allocate gas. |
| **Scope** | Entire pipeline network. | Sections or regions within the pipeline. | Individual points on the pipeline. |

## Summary

* **Pipeline**: Represents the entire physical system for transporting natural gas.
* **Pipeline zone**: Represents segments or regions within the pipeline for operational or commercial management.
* **Pipeline location**: Represents specific points where gas enters or exits the pipeline.

Each of these elements plays a critical role in ensuring the efficient, accurate, and cost-effective transportation of natural gas.