

PI-72-0111

08-17-72

Mr. Henry F. Galka
Corrosion Engineering
Cornell, Howland, Hayes & Merryfield
777 - 106th Avenue N.E.
Bellevue, Washington 98004

Dear Mr. Galka:

This is in reply to your letter dated June 26, 1972, regarding the extent of safety authority of the Department of Transportation's safety regulations.

The safety regulations promulgated by the Natural Gas Pipeline Safety Act covers the distribution of gas through mains and service lines. The term "main" is defined in the safety standards as "a distribution line that serves as a common source of supply for more than one service line," and "service line" is defined as a distribution line that transports gas to a customer meter set assembly from a common source of supply." In the absence of a customer meter set assembly, the definition of "service line" would include a line up to a point where the customer meter set assembly normally would be installed, i.e., the inner wall of the customer's building.

Thus, the question of how far downstream the Federal safety standards apply depends in large degree upon who is the customer. The Department considers the word "customer" to mean the last person who purchases the gas before its consumption. Who is the last customer depends on the legal and economic relationships of the various persons involved in the transfer of the gas.

One guideline which is useful in making such a determination is to determine whether or not a person is selling gas to other persons or whether he is providing some other service, such as heat or air conditioning. If he is selling gas, he is, of course, engaged in the distribution of gas, and the persons to whom he is selling the gas would be considered the customer. In this situation, the pipelines used to distribute the gas to this ultimate customer would be considered mains and service lines subject to the Federal safety standards.

If, on the other hand, the property owner is consuming the gas himself and providing another type of service, such as heat or air conditioning, then he is not engaged in the distribution of gas. In this case, he would be the ultimate customer and the Federal safety standards would apply only to mains and service lines upstream of his meter set assembly or the point where his meter set assembly would normally be located.

The determination of whether the specific operations you mentioned are subject to the Federal safety standards can best be made on the individual basis, based on the discussions above.

We trust that this has answered your specific question.

We will add your name and the name of your manger of corrosion engineering to the mailing list to receive the Advisory Bulletin.

If we can be of further service, please let us know.

Sincerely,

/signed/

Joseph C. Caldwell
Director
Office of Pipeline Safety