

PI-75-0112

November 3, 1975

Mr. Lance Jay Robbins  
Cox, Castle, Nicholson & Weekes  
1800 Century Park East  
Suite 200  
Los Angeles, California 90067

Dear Mr. Robbins:

This responds to your letter of October 23, 1975, concerning gas distribution systems in mobile home parks.

Enclosed is a copy of the letter dated December 17, 1970, which you requested. Also enclosed is a copy of a more recent interpretation by the Office of Pipeline Safety Operations concerning distribution of gas to mobile home parks.

Thank you for your interest in pipeline safety.

Sincerely,  
SIGNED  
Cesar DeLeon  
Acting Director  
Office of Pipeline  
Safety Operations

December 17, 1970

Mr. Ray M. Kightlinger  
Chief, Gas Department  
The Public Service Commission  
P.O. Drawer 11649  
Columbia, South Carolina 29211

Dear Mr. Kightlinger:

This is in reply to your letter of November 20, 1970, concerning the applicability of 49 CFR, Parts 191 and 192, in two situations:

1. To a housing authority distribution system with a master meter and without individual customer meters.
2. To the pipe on a farm tap from a meter located at a transmission line to a regulator at the customer's building which reduces the pressure to that required for the utilization equipment.

In answer to your first question, this office considers the mains and service lines downstream from the master meter to be a distribution system that is subject to the Natural Gas Pipeline Safety Act. The master meter is analogous to a meter at the city gate, where there are no separate meters for individual users in the distribution system downstream from the meter at the city gate, and a flat rate is charged. The municipality, in the case of the low-cost housing complex, or the landlord, in the case of the mobile home park, is an operator under our regulations. Section 192.3 of the new Federal minimum safety standards defines "Operator" as a person (including a municipality) who engages in the transportation of gas.

In answer to your second question, because the definition of the term "service line", 49 CFR, Part 192 extends only to the customer meter set assembly. Piping downstream of the meter is not covered by the regulation, though we believe the operator has an obligation to supply gas only to safe pipe and components. The service regulator, though not a part of the meter set assembly much meet the requirements for such devices established by 49 CFR, part 192.

A State agency may adopt additional or more stringent standards or cover areas not covered by Part 192, pursuant to Section 3 (b) of the Natural Gas Pipeline Safety Act of 1968.

We hope this answers your question; if you have any further questions, do not hesitate to ask.

Sincerely,

SIGNED

Joseph C. Caldwell  
Director, Acting  
Office of Pipeline Safety

March 19, 1975

Mr. P. H. Reardon, Manager  
Gas Operations and Maintenance  
New Jersey Natural Gas Company  
601 Bangs Avenue  
Asbury Park, New Jersey 07712

Dear Mr. Reardon:

This responds to your letter of February 25, 1975, referring to a statement in this Office's Advisory Bulletin No. 75-1 (January, 1975) which reads:

“Where a public housing authority purchases gas from a public utility and then sells and distributes the gas through its own mains and service lines to customers who may or may not be metered, the housing authority is the operator of a gas distribution system and is subject to the requirements of 49 CFR Part 192.

In this regard, you ask whether a public housing authority that does not charge an identifiable fee for gas delivered to tenants but instead receives payment for the gas as part of the rent money is selling gas to tenants and consequently subject to 49 CFR Part 192.

As to the first part of your question, we believe the housing authority is selling gas to tenants. If, as it appears, the housing authority agrees to furnish gas to tenants and receives compensation for the service by receipt of rent, a sale of gas occurs. An allocation of rent for the service or other identifiable charge is not necessary to show a sale of gas.

As to the second part of your question regarding the consequence of the sale, the jurisdiction of Part 192 over a person is not determined by whether the person is selling gas. Rather, it is determined by whether the person owns or operates gas pipeline facilities used to transport gas in commerce. The sale of gas is relevant, but only to indicate that the transportation involved is subject to Part 192. The transportation of gas subject to Part 192 ends when ownership of the gas is transferred to an ultimate consumer, normally by sale and delivery to the consumer.

In the example quoted from Advisory Bulletin 75-1, the housing authority is transporting gas to others for consumption through its own pipelines. The sale of gas indicates that the transportation is in commerce and subject to Part 192. The fact that the housing authority owns and operates the pipelines involved in the transportation, not its sale of the gas, subjects it to the jurisdiction of Part 192.

We appreciate your interest in pipeline safety.

Sincerely,  
Original signed by:  
Joseph C. Caldwell  
Director  
Office of Pipeline safety

Cox, Castle, Nicholson & Weeks  
1800 Century Park East  
Suite 200  
Los Angeles, California 90067

October 23, 1975

Mr. Joseph C. Caldwell, Director  
Office of Pipeline Safety  
Office of the Secretary of Transportation  
Washington, D.C. 20590

Re: Applicability of Natural Gas  
Pipeline Safety Act to  
Mastermetered Mobilehome Parks

Dear Sir:

I have been informed that on December 18, 1970, the Office of Pipeline Safety issued a letter concerning natural gas distribution systems in mobilehome parks and municipal housing projects for which there is a single master meter for all of the occupants therein. Reportedly, this letter set forth the Office of Pipeline Safety's position that the mains and service lines to the tenants in such complexes are subject to the provisions of 49 C.F.R., Parts 191 and 192, and that the Housing Authority or mobilehome park landlord is an operator within the meaning of such Parts.

I would appreciate your furnishing me a copy of such letter and any update or explanation of the Office of Pipeline Safety's position as reported to me.

Your prompt attention in this matter will be most appreciated.

Very truly yours,  
Lance Jay Robbins