

September 17, 1976

Mr. William T. Nichols  
Marshall, Hawks, McKinney & Hendrix  
810 Merchants National Bank Building  
Topeka, Kansas 66612

Dear Mr. Williams:[sic]

This responds to your letter of August 13, 1976, concerning gas pipeline distribution systems in mobile home parks.

With respect to a system serving individual mobile home sites, you ask whether "the ultimate user of the gas is the occupant of the individual mobile home and consequently, the service line is the line running to a meter measuring the usage at the individual mobile home or to the piping of the individual mobile home." In such a system, the "ultimate user" or consumer of the gas would be the mobile home owner or tenant as long as that owner or tenant is consuming all the gas purchased himself and not reselling and distributing any part of the gas to others. The service line would be that pipeline running between a main and the consumer's piping or a meter which measures the transfer of gas to the consumer, whichever is farther downstream. The consumer's piping is that piping which is within the possession of the consumer.

Secondly, you ask whether the service lines downstream from a master meter are "considered as service lines of the gas distribution company which had also transported the natural gas up to the point of the master meter, even though the lines downstream of the master meter were not initially installed by the gas distribution company." The service lines downstream of a master meter would only be those of the gas distribution company if that company owns the line. If it does not own the lines, the company may nonetheless be responsible for the compliance of those lines with Part 192 if it operates the lines. These statements are consistent with Sec. 8 of the Natural Gas Pipeline Safety Act of 1968 (49 USC 1677) which designates persons engaged in the transportation of gas or who own or operate pipeline facilities as persons responsible for compliance with the Federal standards. We do not consider a person to be "engaged in the transportation of gas" unless that person owns or operates the pipeline involved in the transportation.

Generally speaking, where the owner of a mobile home park buys gas from a public utility via a master meter and then sells and distributes the gas by pipeline to others who consume the gas, the pipeline and the park owner are subject to the jurisdiction of Part 192.

We trust that our response is helpful to you.

Sincerely,

Cesar DeLeon  
Acting Director  
Office of Pipeline  
Safety Operations

MARSHALL, HAWKS, McKINNEY & HENDRIX

August 13, 1976

Mr. Cesar DeLeon  
Acting Director  
Materials Transportation Bureau  
Office of Pipeline Safety  
400 Seventh Street SW  
Washington, D.C. 20590

RE: Title 49, Code of Federal Regulations,  
Part 192, Section 192.3  
Interpretation of definition of  
service line

Dear Mr. DeLeon:

Our firm represents the Greater Topeka Mobile Housing Association with regard to the manner in which natural gas is presently delivered to the occupants of individual mobile homes within mobile home parks in Topeka. The questions we are asking your office to answer concern the interpretation of the definition of service line.

When natural gas service was first provided to mobile home parks some years ago, certain conditions were imposed before service would be provided. The most restrictive condition required the owner of the mobile home park to install, at his own expense, the distribution system within his park for delivery of the natural gas. The owner also has been required to maintain and operate these distribution systems, at his expense, since their installation. Service was initially provided to the park at a master meter. The distribution system installed by the park owner was then used to get the natural gas to the ultimate consumer, the mobile home occupant.

Natural gas service is now being provided through distribution systems installed, owned and maintained by the gas distribution companies in the newly constructed mobile home parks.

The definition of "service line" in Section 192.3 reads as follows:

" 'Service line' means a distribution line that transports gas from a common source of supply to (1) a customer meter or the connection to a customer's piping, whichever is further downstream, or (2) the connection to a customer's piping if there is no customer meter. A customer meter is the meter that measures the transfer of gas from an operator to a consumer."

On May 10, 1973, the definition of "service line" was amended to read as above. A report was issued by the Office of Pipeline Safety at this time which accompanied the amendment, such report appearing in the Federal Register, Volume 38, Number 68, Tuesday, April 10, 1973, at pages 9083 and 9084.

In this report the Office of Pipeline Safety states that the Department of Transportation has jurisdiction under the Natural Gas Pipeline Safety Act to regulate the transportation of gas to the point where it is used by the consumer. The report further states that the Office of Pipeline Safety does not feel that consumers owning lines that come within the definition of service line thereby become operators; that an operator means a person who engages in the transportation of gas; and that transportation of gas means the gathering, transmission, or distribution of gas by pipeline or the storage of gas in or affecting interstate or foreign commerce. The report also states that the transportation of natural gas ends with the sale coupled with delivery of the gas to the ultimate consumer so that, after the sale, the gas becomes a consumer item and is no longer in commerce.

The report further states that a service line is now defined as including a customer meter or the connection to a customer's piping, whichever is further downstream and what constitutes a customer meter does not depend on its ownership, but rather its function which is to measure the transfer of gas from an operator to an ultimate consumer. It is stated in the report that a master meter is not a customer meter that measures the transfer of gas from an operator to a consumer as the term is used in the amended definition of service line nor is the line upstream of a master meter a service line.

Further, it is stated in the report that within a master meter system, a service line, as that term is defined in the amended definition, transports gas from the distribution main to the customer meter measuring the transfer of gas to the ultimate user of the gas or to the connection to that user's piping if such connection is further downstream than the customer meter or if there is no customer meter.

With regard to the situation involving our client, we interpret the definition of "service line", when considered with its accompanying report, to mean that when a master meter set-up exists in a mobile home park, a service line is that line downstream of the master meter which connects with (1) a sub-meter located at an individual mobile home site or (2) if no sub-meter exists, then the line connecting directly to the piping of the individual mobile home. It is our interpretation that the ultimate user of the gas is the occupant of the individual mobile home and consequently, the service line is the line running to a meter measuring the usage at the individual mobile home or to the piping of the individual mobile home. We would like to be advised if the Office of Pipeline Safety agrees with our interpretation and if not, where the error in our interpretation lies.

We also need another interpretation from the Office of Pipeline Safety concerning a distribution system downstream of a master meter. It is our interpretation that the service lines downstream of a master meter are to be considered as service lines of the gas distribution company which had

also transported the natural gas up to the point of the master meter, even though the lines downstream of the master meter were not initially installed by the gas distribution company. Please advise us as to the interpretation of the Office of Pipeline Safety.

In our opinion, to hold otherwise would require an interpretation making the owner of the mobile home park, with a master meter system, to be an "operator" as that term is defined in Section 192.3. This interpretation would also require the park owner to comply with all subparts of part 192.

Throughout the report accompanying the amendment of the definition of service line, the Office of Pipeline Safety premises its position in terms of protecting and watching over the public safety. To be consistent with this position, we feel that the large gas distribution companies which transport natural gas up to the point of entry into the mobile home parks, i.e., at the master meter, should be determined to be also responsible as operators for the service lines downstream of the master meter. Because the primary business and purpose of the large gas distribution companies is to transport gas to the ultimate consumer, i.e., the occupant of the individual mobile home, we feel it is entirely consistent to require that such companies be responsible for the public safety up to the point of delivery at the individual mobile home.

We feel it is extremely important that the members of the Association we represent be advised on the questions we have presented.

The interpretations from the Office of Pipeline Safety concerning these questions will be greatly appreciated.

Thank you for your assistance in this matter.

Very truly yours,

MARSHALL, HAWKS, MCKINNEY & HENDRIX

William T. Nichols