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South Dakota

PUBLIC UTILITIES COMMISSION

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December 13, 2017

Patricia Van Gerpen, Executive Director
Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501

RE: PHMSA interpretation letter regarding farm tap master meter

Dear Ms. Van Gerpen:

During the commission meeting on December 5, 2017 there was a discussion about farm taps serving multiple customers potentially being master meters. Although each situation is different, and the details of each potential master meter have not been investigated, I was able to find an interpretation done by PHMSA for a similar situation to what we may have. Please find the attached letter of interpretation provided by PHMSA on February 13, 1996 regarding a farm tap serving a farming operation with multiple customers.

Sincerely,

Mary Zanter
Pipeline Safety Program Manager
South Dakota Public Utilities Commission

Attachment

Feb 13, 1996

Mr. Massoud Tahamtani

Utilities Manager

Division of Energy Regulation

Virginia State Corporation Commission

P.O. Box 1197

Richmond, VA 23209

Dear Mr. Tahamtani:

I am responding to your letter about three distribution piping systems. You requested our opinion on whether the systems are subject to Part 192.

The definition of "service line," in § 192.3, represents the limit of Part 192 jurisdiction over gas distribution piping. Under this definition, Part 192 jurisdiction ends at the outlet of a meter that measures the transfer of gas to a consumer, or at the connection to piping not owned by an operator through which a consumer receives gas, whichever point is farther downstream.

The first system you described begins at a transmission line and distributes gas to a farm house and outbuildings, including the residence of a farm worker who receives gas as part of his pay. Under these circumstances, it is reasonable to assume that the worker's residence and associated personal consumption of gas is an intrinsic part of the farming business. Thus, all gas transferred to the farm is consumed by the farm, and the farm is not an operator. If the transmission line delivers metered gas to farm piping, the jurisdiction of Part 192 ends at the outlet of the meter. If there is no meter, jurisdiction ends where the operator's piping connects to farm piping.

The second system transports gas to a public school, which has multiple buildings and buried gas piping. The school charges community organizations a fee to occasionally use the school cafeteria and gas cooking appliances under the supervision of a school employee. In this case, both the school and the organizations consume gas through the same equipment. But the school is by far the largest and most frequent consumer of gas through that equipment. As such, for purposes of determining Part 192 jurisdiction, it is reasonable to consider the school solely as a consumer, and not as an operator. Assuming the operator delivers metered gas to the school, Part 192 jurisdiction ends at the outlet of the meter.

The third system fuels street and entrance lighting in a planned community. The community association maintains the system and pays a flat fee to the local gas company for all the gas consumed. Because nobody other than the association is consuming any of the gas, the association is the consumer for purposes of determining Part 192 jurisdiction. Thus, in the absence of a meter, Part 192 jurisdiction ends where the gas company's piping connects to the community association's piping.

I hope you find these opinions useful. If you need any further assistance, please call me at (202) 366-4565.

Sincerely,

Richard D. Hurlaux, P.E.

Director for Technology and Regulations

Office of Pipeline Safety

cc:

DPS-11, 10, 20; DCC-1; DPS-2, 1, 24; TSI

DPS-11:LMFurrow:366-2392:2/13/96

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