



South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



March 10, 1998

Mr. Don Boll
Utility Manager
City of Humboldt
PO Box 72
Humboldt, SD 57035-0072

Dear Mr. Boll:

Recently, I found a Letter of Interpretation from the Office of Pipeline Safety (OPS) to the Arizona Corporation Commission, dated May 30, 1991, concerning the classification of pipelines under 49 CFR 192 as transmission lines or mains. In this Letter, it states that "(C)omprehension of the term, 'distribution center,' is essential to use of the transmission line definition. As we apply the term, it is the point where gas enters piping used primarily to deliver gas to customers who purchase it for consumption as opposed to customers who purchase it for resale."

How does this affect you? First of all, the high pressure portion of your pipeline system, which begins at a pressure limiting and metering station on an interstate natural gas transmission line, does not meet the criteria for a "transmission line" as defined in subsections (2) and (3) of Part 192.3. The pipeline as designed will not be operated at a hoop stress of 20 percent or more of SMYS and will not transport gas within a storage field.

That leaves the first criteria for a "transmission line" as defined in Part 192.3. Under subsection (1) of the definition of a "transmission line", a transmission line is defined as a line that "Transports gas from a gathering line or storage facility to a distribution center or storage facility." The primary use of the portion of your system upstream of the lower pressure plastic portion is to distribute gas to consumers and not to transport gas for others or transfer gas to customers for resale beyond the pressure limiting and metering station. Therefore, the station located at the interstate pipeline marks a distribution center under the OPS description, and therefore all of the pipelines downstream of that station should be classified as a distribution line or main.

Should you have any questions concerning this opinion, please do not hesitate to contact me.

Sincerely,

Martin C. Bettmann
Chief of Pipeline Safety
(605)773-6347

cc: Dan Whoehrle, NSP

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