



South Dakota Public Utilities Commission



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

March 10, 1998

Mr. Rick Ramstad
Utility Board President
City of Crooks Municipal Gas
PO Box 744
Crooks, SD 57020-0744

Mr. Craig Nuesbaum
Utility Manager
Garretson Natural Gas Utilities
PO Box 370
Garretson, SD 57030-0370

Gentlemen:

During the construction and initial inspection phases of your respective gas pipeline systems, there was some discussion as to whether or not the steel portion of your systems should be classified as a transmission line or distribution main. 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 the combined Crooks/Garretson 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." It is my opinion that the portion of the pipeline owned and operated by the City of Garretson (Garretson) can be considered a main as it is presently operated and configured. Although there is no pressure regulation at the point the gas is metered, it does constitute a point on the system where gas enters piping used primarily to deliver gas to customers who purchase it for consumption. Therefore, as long as the pipeline maintains its present configuration and will not be operated at a hoop stress of 20 percent or more of SMYS, it can be treated as a main under Part 191 and Part 192.

Likewise it would be easy to classify the steel portion of the pipeline system, owned and operated by the City of Crooks (Crooks), as a distribution main, if it was not also used to transport gas for Garretson. The transportation of gas for Garretson is a significant, if not equal, function to the distribution function of the steel portion of Crooks' system. OPS opinions seem to rely on the determination of the "primary use" of a pipeline, when determining whether or not a pipeline operating at a hoop stress of less than 20 percent of SMYS should be considered a transmission line or distribution main. Since there appears to be no clear answer as to what the "primary use" is of the Crooks portion of the pipeline, I believe the choice should be left up to the operator to decide whether they want to

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operate the pipeline as a transmission line or distribution main in this instance. Therefore, as long as the pipeline will not be operated at a hoop stress of 20 percent or more of SMYS, it is my opinion that the steel portion of Crooks' system can be considered a main under Part 191 and Part 192, as it is presently configured and operated.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Martin C. Bettmann". The signature is fluid and cursive, with the first name "Martin" and last name "Bettmann" clearly distinguishable.

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

cc: Dan Whoehrle, NSP