



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

DEC 06 2016

Mr. Jonathan C. Wolfgram
Chief Engineer
Minnesota Department of Public Safety
445 Minnesota Street, Suite 147
Saint Paul, MN 55101-4145

Dear Mr. Wolfgram:

In a September 2, 2016 letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), you requested an interpretation of 49 CFR Part 192. You specifically requested an interpretation of § 192.1 for the regulatory requirements of a master meter system. You asked whether Mall of America in Bloomington, Minnesota would be required to comply with Part 192.

You provided the following information about the Mall of America (“the Mall”) gas system:

1. The Mall is a large shopping mall that is currently operating its own natural gas system. The Mall buys natural gas from CenterPoint Energy, the local distribution company, and resells it to mall tenants using gas meter readings.
2. CenterPoint Energy serves the Mall system with two external gas meters. CenterPoint Energy delivers gas at 5 psig. Additionally, the Mall has three anchor department stores and two attached hotels that have their own service lines and meters from CenterPoint Energy and are not connected to the Mall system.
3. The piping from the two CenterPoint Energy gas meters serving the Mall proceed underground toward the Mall service level (tunnel). Currently, CenterPoint Energy is under contract to operate the Mall-owned sections of predominately underground piping downstream of the CenterPoint Energy meters.
4. For each of these two connections, once inside the building, there is a transition point between the CenterPoint Energy-operated piping and the Mall-operated piping, which includes an emergency remote shutoff valve.
5. These two systems are then interconnected via a pipeline loop in the ceiling area of the service level, which is the lowest level. The Mall piping typically consists of black iron piping with a mill-applied varnish coating. It is typically joined by welding. There are about 12 vertical risers at various locations from the loop that serve customers on the various levels above. The gas piping then branches out from each vertical riser on each floor of the Mall that has gas customers. There are about 50 customer meters currently connected to the Mall gas system. The Mall reads these meters and invoices the customer tenants for their gas usage.
6. The Mall does not currently operate any buried piping.

The Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety provides written clarifications of the Regulations (49 CFR Parts 190-199) in the form of interpretation letters. These letters reflect the agency's current application of the regulations to the specific facts presented by the person requesting the clarification. Interpretations do not create legally-enforceable rights or obligations and are provided to help the public understand how to comply with the regulations.

You asked if the Mall's natural gas system (facility) is subject to 49 CFR Part 192 as a master meter, or if it is exempt from regulation because it consists entirely of non-buried pipeline facilities.

A master meter system is defined in § 191.3 as:

[A] pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as by rents.

Also, operator is defined in § 191.3 as:

[A] person who engages in the transportation of gas.

The definition for a master meter system does not prohibit regulation for non-buried gas pipelines. PHMSA does not regulate gas piping inside a building unless the interior piping is used by the gas pipeline operator to distribute gas. The service risers downstream of the CenterPoint Energy meter are inside the building and are used to deliver metered gas to customers. One of the characteristics of a master meter system that makes it subject to the regulations is a transfer of gas from the operator, in this case the Mall, to other persons (the Mall tenants) who are the ultimate consumers of the gas. The Mall is selling gas to others and, therefore, the Mall is engaged in the distribution of gas. In this case, the Mall is subject to the Federal gas pipeline safety regulations as a master meter system operator. The Mall is responsible for compliance with 49 CFR Parts 191 and 192 for the pipeline downstream of CenterPoint's meter as owner of the pipeline and master meter operator. If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,



Cameron H. Satterthwaite
Acting Director, Office of Standards
and Rulemaking



Alcohol
and Gambling
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Office of Pipeline Safety

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September 2, 2016

Mr. John Gale
Director, Office of Standards & Rulemaking
Office of Pipeline Safety (PHP-30)
PHMSA
1200 New Jersey Ave. S.E.
Washington, D.C. 20590-0001

SEP 19 2016

Dear Mr. Gale:

I am contacting you in regards to an interpretation of the scope of Title 49, Code of Federal Regulations §192.1. This section states that Part 192 “prescribes minimum safety requirements for pipeline facilities and the transportation of gas including pipeline facilities...”

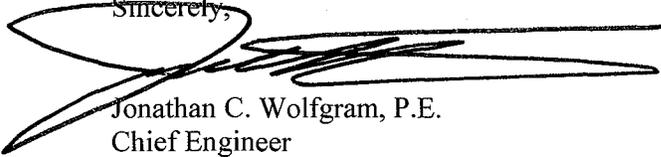
Specifically, the Minnesota Office of Pipeline Safety is inquiring as to whether the Mall of America (MOA) would be classified as a master meter and subject to Part 192, or be exempt due to its configuration. The following outlines the MOA gas system in question:

1. The MOA is a large shopping mall that is currently operating its own natural gas system. The MOA buys natural gas from CenterPoint Energy (CPE), the local distribution company, and resells it to mall tenants using gas meter readings.
2. CPE serves the MOA system with two external gas meters. CPE delivers gas at 5 psig. Additionally, the MOA has three anchor department stores and two attached hotels that have their own service lines and meters from CPE and are not connected to the MOA system.
3. The piping from the two CPE gas meters serving the mall proceed underground toward the mall service level (tunnel). Currently CPE is under contract to operate the mall-owned sections of predominately underground piping downstream of the CPE meters.
4. For each of these two connections, once inside the building, there is a transition point between the CPE-operated piping and the MOA-operated piping, which includes an emergency remote shutoff valve.
5. These two systems are then interconnected via a pipeline loop in the ceiling area of the service level, which is the lowest level (tunnel). Mall piping typically consists of black iron piping with a mill-applied varnish coating. It is typically joined by welding. There are about 12 vertical risers at various locations from the loop that serve customers on the various levels above. The gas piping then branches from each vertical riser on each floor of the mall that has gas customers. There are about 50 customer meters currently connected to the MOA gas system. The MOA reads these meters and invoices the customer tenants for their gas usage.
6. The MOA does not currently operate any buried piping.

My question for you is this: Is the MOA natural gas system (facility) subject to 49 CFR 192 as a master meter, or is it exempt from regulation because it consists entirely of non-buried pipeline facilities?

I appreciate any clarification that you can provide in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan C. Wolfgram', is written over the typed name. The signature is stylized with a large loop on the left and several horizontal strokes on the right.

Jonathan C. Wolfgram, P.E.
Chief Engineer