

PI-73-0112

06-18-73

Mr. Wayne L. Carlson  
Department of Business Regulation  
Public Service Commission of Utah  
336 East Fourth South Street  
Salt Lake City, Utah 84111

Dear Mr. Carlson:

This is in further response to your letter of April 9, 1973, asking, in the case of a small distributor of gas from a master meter, whether the lines from the meter to the actual separate residence units are subject to the regulations of Part 192. Your letter then described three "master meter" situations for which you asked clarification.

On December 18, 1970, the office of Pipeline Safety (OPS) issued to the Chairman of each State agency having jurisdiction over gas pipeline safety a letter concerning master meter systems. A copy of that letter is enclosed. In part, that letter specifically discussed municipal housing complexes and mobile home parks that are supplied gas through a master meter and, in turn distribute gas by their own mains and services to the tenants. It was there explained that the mains and service lines downstream if the master meter are considered to be a distribution system subject to the Natural Gas Pipeline Safety Act, and that the housing authority or the mobile home park landlord is an operator within the meaning of Part 192.

The discussion of master meter systems in our letter of December 19, 1970, as summarized above, remains valid. Following the criteria there stated the other master meter systems that have subsequently been determined to be subject to the regulations are those having characteristics essentially similar to the systems serving municipal housing complexes and mobile home parks. Those characteristics are first, the existence of underground or exterior piping serving multiple buildings and, second, the transfer (sale) of gas (metered or unmetered) from the master meter system operator to the ultimate gas consumers (tenants) for use in the consumers' appliances.

Your letter refers to our "forthcoming new definition of a service line" which was subsequently published as Amendment 192-13 in the Federal Register on April 10, 1973 (38 F.R. 9063). The discussion of "service line" in our letter of December 10, 1970, is, therefore, not applicable to the revised definition. Amendment 192-13, in effect, extends the definition of service line to include any operator-owned piping downstream of the customer meter or, if there is no meter, to the connection to a customer's piping. The amendment, however, does not affect the status of master meter systems subject to the Natural Gas Pipeline Safety Act nor of landlords that are operators under the regulations. The only change resulting from the amendment is that within a master meter system, service lines as newly defined are covered by the regulations.

The three master meter situations you describe and our analysis of each are as follows:

1. The gas line enters the walls of one single residence unit, proceeds through the unit to serve various appliances, then leaves that unit and travels back out through the wall and through the ground and services another or a series of other single residence units in a like manner.

Analysis. The line serving a series of single residence units within a master meter system is a distribution line. In this case it has underground and exterior portions between buildings. Assuming that the gas is transferred to tenants of the individual units for use in the tenants' appliances, the system has the necessary characteristics and is, therefore, a master meter system subject to the regulations. While, normally, interior piping is not considered subject to the regulations, in this case where it is one continuous distribution line without separate risers or services for individual units and is under the sole control of the operator, one standard applies and the interior segments of that line are subject to the regulations to the same extent as the exterior and underground portions.

2. The gas line enters a multiple residence unit and travels throughout the residence unit tapping off services to the various residence units within the same building.

Analysis. this system involves interior piping only. Since there are no underground or exterior pipelines serving multiple buildings, it is not a master meter system that is subject to the regulations.

Consistent with the new definition of service line, the OPS applies the regulations down to a customer meter or to the connection to a customer's piping, whichever is farther downstream. The "master" meter serving a single building whether or not there are submeters for individual tenants, is considered the customer meter.

Because it is impractical in many situations to determine who owns the piping in a building, all the gas lines within a single building downstream of the "master" meter are considered by the OPS to be customer's piping. For example, in a condominium all tenants (gas customers) may own all the piping jointly whereas other cases may involve single ownership of a building and included pipelines, moreover, the type of ownership may change rapidly and go from single ownership to condominium or vice versa or even to some other form.

In those cases where the "master" meter serving the building is outside the building, the customer's piping is considered to begin no farther downstream than the point on the inside face of the wall through which the pipeline enters the building. Customer's piping within a building is not subject to the Federal regulations but, of course, must comply with any applicable safety standards to the extent required under a local building code.

3. The gas line leaves master meter, travels through the ground, serves a plant unit, then on to offices and various other plant units, warehouses, etc.

Analysis. One of the characteristics of a master meter system that makes it subject to the regulations is a transfer of gas from the operator (landlord) to other persons who are the ultimate consumers of the gas. In the situation described, however, the person (company) taking delivery of gas through the "master" meter is using the gas for its own purposes, i.e., offices, plant, warehouses, etc. There is no indication that the gas is resold by the company for use by another consumer or that the gas is being distributed by the company to any other person.

Here all available information indicates that the gas is being used by company employees for company purposes on company property. We are, therefore, unable to identify this as a master meter system subject to the regulations.

I trust these clarifications will prove helpful. Please do not hesitate to call on us if we can be of further assistance.

Sincerely,

/signed/

Joseph C. Caldwell  
Director  
Office of Pipeline Safety