



U.S. Department of Transportation  
**Pipeline and Hazardous Materials  
Safety Administration**

1200 New Jersey Ave, S.E.  
Washington, D.C. 20590

**MAR - 4 2013**

Mr. Leo M. Haynos  
Chief of Gas Operations and  
Pipeline Safety  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

Dear Mr. Haynos:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated August 1, 2012, the Kansas Corporation Commission (KCC) requested an interpretation of the applicability of the Federal pipeline safety regulations at 49 CFR Part 192 to a natural gas pipeline that serves two cattle feeding operations in Western Kansas. The line is tapped from a Kinder Morgan transmission pipeline that operates at around 400 psi and has a double cut regulator installed similar to a "farm tap" customer. The pipeline consists of approximately 1.5 miles of two-inch diameter polyethylene piping. The pressure on the line is 18 psi from the tap on Kinder Morgan pipeline at the north end to the deduct meters. At that point, the pressure drops again to 12 psi for a pipe that goes under a highway and over to a west feed yard. The gas is consumed by the two customers at approximately 113,000 cubic feet per day. With the exception of the railroad crossing and the state highway crossing, the pipeline is located on land owned by one of the companies in the partnership.

The Federal pipeline safety laws and regulations apply to the gathering, transmission, and distribution of natural and other gas by pipeline. PHMSA has defined a 'farm tap' as "industry jargon for a pipeline that branches from a transmission or gathering line to deliver gas to a farmer or other landowner."<sup>1</sup> PHMSA has recognized most farm taps as distribution lines for several years.<sup>2</sup> Historically, PHMSA and its predecessor agencies have held that farm taps are service lines, a subset of distribution pipelines because the gas was consumed by the farm residence in similar volumes to other types of residential customers. However, in this case, the natural gas pipeline is transporting gas from a natural gas transmission line to two separate large scale cattle feeding operation facilities, both of which consume volumes of gas similar to that of a distribution center and are, therefore, considered to be large volume customers. Therefore, the 1.5 mile pipeline meets the definition of a transmission pipeline and the fact that it is not entirely

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<sup>1</sup> *Customer-Owned Service Lines*, 60 Fed. Reg. 41821, 41823 (August 14, 1995).

<sup>2</sup> Letter from Mr. John A. Gale, Director, Office of Standards and Rulemaking, PHMSA, to Mr. Charles R. Yarbrough II, Vice President, Atmos Energy, dated Sept. 12, 2012 (Atmos Energy Interpretation).

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.

on the property of a customer but crosses a public highway and a railroad establishes that transportation is occurring.

Based on its description, KCC asked PHMSA to respond to several questions. Both KCC's questions and PHMSA's responses are addressed as follows:

**Question:** If the gas is consumed by the owners of the pipeline, is it considered to be in transportation?

**Response:** The fact that the gas is consumed by the operator of the pipeline does not mean that transportation did not occur. Many energy companies own pipelines that serve their gas turbine power plants or other facilities. No sale of gas from a transporter to a consumer is required for purposes of DOT jurisdiction over pipeline transportation.

**Question:** If so, is the section of jurisdictional piping limited to those sections of piping that are not located on property owned or controlled by the partnership?

**Response:** No, this line is subject to the pipeline safety regulations from the tap at the transmission line to the point the gas enters the deduct meters or at a pressure control device or block valve within the customer's premises, whichever is furthest downstream.

**Question:** In this case, would this include the railroad and highway crossings, (approximately 250 feet)?

**Response:** Yes, it would include railroad and highway crossings.

**Question:** If footage not located on property controlled by the operator is the limiting factor in determining jurisdiction, what is the minimum amount of footage not on the operator's property that is necessary to be considered jurisdictional?

**Response:** There is no minimum footage limitation.

**Question:** Under this scenario, what is the minimum footage of jurisdictional piping that operates at low pressures in a rural area that would necessitate the application of pipeline safety regulations?

**Response:** Again, there is no minimum footage limitation.

**Question:** If the piping is jurisdictional, should it be considered as distribution or transmission pipeline?

**Response:** As discussed above, this line meets the definition of a transmission line as defined in 49 CFR Part 192, Subpart A. Section 192.3 defines a transmission line as; "a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a gas distribution center, storage facility, or large volume customer that is not down-stream from a gas distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field." In this case, the line transports gas from an interstate natural gas transmission line to two large volume customers. Therefore the operator or operators of the lines

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are transmission operators under § 192.3 and are subject to the Federal and state regulations applicable to natural gas transmission lines covered under that definition.

I hope that this information is helpful to you. If we can be of further assistance, please contact Tewabe Asebe of my staff at (202) 366-5523.

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Gale', is written over the printed name.

John A. Gale  
Director, Office of Standards  
and Rulemaking

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August 1, 2012

United States Department of Transportation  
Pipeline and Hazardous Materials Administration  
Pipeline Safety, PHP-30  
1200 New Jersey Avenue, SE  
Washington DC 20590  
Attn.: John Gale, Director of Standards and Rulemaking

RE: Interpretation of Applicability of 49 CFR Part 192 to a Pipeline Serving a Cattle Feeding operation

Dear Mr. Gale:

I would like to receive feedback from PHMSA on the applicability of Part 192 regarding a natural gas pipeline that serves two cattle feeding operations in Western Kansas. A map depicting the line in question is attached to this letter. The pipeline consists of approximately 1.5 miles of 2-inch polyethylene piping that was built in partnership by the two feedlots shown on the map. The gas is consumed by the two companies primarily for the purpose of preparing feed. Consumption of gas for the two operations is approximately 113,000 cubic feet per day. The partnership receives gas through a transportation agreement with an interstate pipeline. With the exception of the railroad crossing and the state highway crossing, the pipeline is located on land owned by one of the companies in the partnership.

Based on this description, I would appreciate your feedback on the following questions:

1. If the gas is consumed by the owners of the pipeline, is it considered to be in transportation?
2. If so, is the section of jurisdictional piping limited to those sections of piping that are not located on property owned or controlled by the partnership? In this case, this would include the railroad and highway crossings, (approximately 250 feet)?
3. If footage not located on property controlled by the operator is the limiting factor in determining jurisdiction, what is the minimum amount of footage not on the operator's property that is necessary to be considered jurisdictional.
4. Under this scenario, what is the minimum footage of jurisdictional piping that operates at low pressures in a rural area that would necessitate the application of pipeline safety regulations?

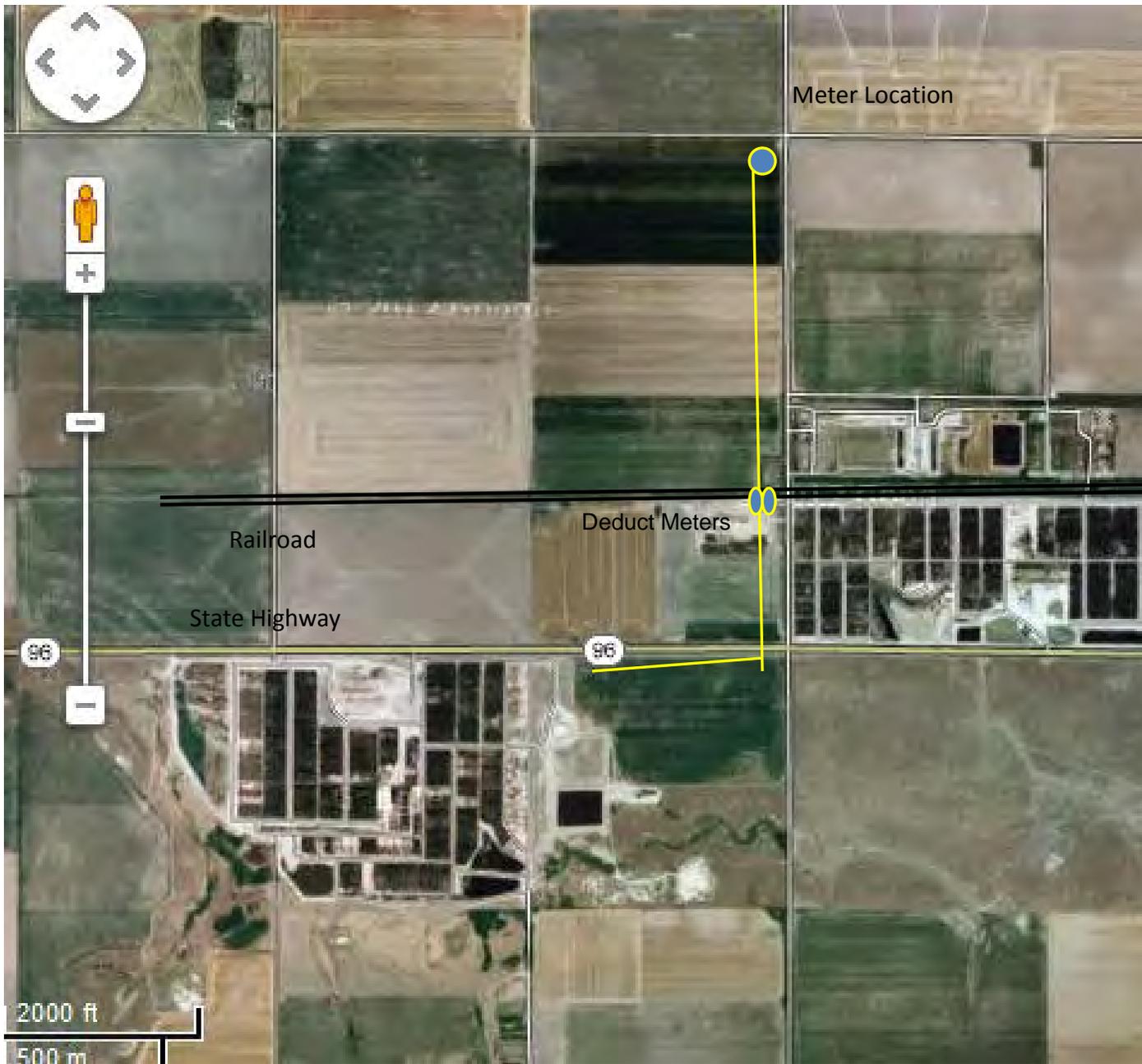
5. If the piping is jurisdictional, should it be considered as distribution or transmission?

If you have any questions about the above description or need more information, please give me a call. I look forward to your response.

Sincerely,

Leo Haynos  
Chief of Gas Operations & Pipeline Safety

xc: David Barrett, Central Region



Meter Location

Railroad

State Highway

Deduct Meters

2000 ft

500 m

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