

September 10, 1976

Mr. John W. Johnson
Clanton & Johnson
P.O. Box 688
Eunice, Louisiana 70535

Dear Mr. Johnson:

This responds to your letter of August 23, 1976, asking whether the municipal gas pipeline system operated by the Town of Basile is exempt from the Federal gas pipeline safety standards because it is not "used in the transportation of gas in or affecting interstate or foreign commerce." Your letter indicates that the Town owns the gas system and purchases gas from the City of Eunice for resale and delivery to consumers.

Almost without exception the Natural Gas Pipeline Safety Act of 1968, under which the Federal standards are issued, applies to every gas pipeline distribution system used to deliver gas to consumers. As long as the distribution of gas affects interstate commerce, it is covered by the Act. As you know, the Supreme Court has held that even a single transaction can affect interstate commerce. The fact that Basile does not purchase gas from an interstate company would not diminish the effect that its system undoubtedly has on interstate commerce. For these reasons, we believe that the Basile system is subject to the Federal standards.

If we may be of further assistance, please let me know.

Sincerely,

Cesar DeLeon
Acting Director
Office of Pipeline
Safety Operations