

December 13, 1977

Master Meter Systems

Acting Director, Office of Pipeline
Safety Operations, DMT-20

Chief, Western Region, DMT-215

With regard to your memo of November 29 concerning master meter operators, Buck Furrow and I have made some comments that should be incorporated in your letter and your "Master Meter Gas Systems" write-up.

Cesar DeLeon

Attachment

MEMORANDUM

November 29, 1977

SUBJ: Master Meter Operators

FROM: Chief, Western Regional Office

TO: Acting Director, Office of Pipeline
Safety Operations, DMT-20

Attached is a copy of an article recently received concerning master meter operations for apartments.

Please note the several misleading statements concerning the regulation and/or Act.

Unfortunately articles such as this encourage non compliance by operators. The last paragraph on the 1st page more or less sums up what master meter operators are doing here in California.

I would like to reply to the publisher with a letter such as I have attached in draft form. Please comment.

Jack C. Overly

DRAFT

To Editor, The Property Manager
505 Shatto Place
Los Angeles, California 90020

Dear Sirs:

I have recently seen an article in your publication discussing the Natural Gas Pipeline Safety Act. I would like to clear up some discrepancies noted in the article.

The "Natural Gas Pipeline Safety Act of 1968" directed that standards were to be issued for pipeline facilities used in the transportation of gas. The Act provides a civil penalty for persons in violation of the regulation. The amount could be as much as \$1,000 for each violation for each day the violation persists, except that the maximum penalty shall not exceed \$200,000. In determining the amount of the penalty three items are considered.

1. The size of the business of the person charged.
2. The gravity of the violation.
3. The good faith of the person charged in attempting to achieve compliance.

An interim standard was established in 1968. In 1970, Part 192, Regulations For The Transportation of Natural & Other Gas By Pipeline (Parts 191 & 192 Title 49 of the code of Federal Regulations) was established as minimum Federal safety standards & several Amendments have been added since that time.

There are deadlines for compliance of some sections of the regulation. These were established to allow adequate time for existing systems to meet compliance requirements. These deadlines, however for the most part have expired.

It would be difficult to conclude that an operator is acting in "good faith" if, as is stated in the article, "owners will not comply with this law until they have been cited for non compliance". The purpose of the regulation is not to "hook" gas operators but to promote public safety through

adequate installation and operation of gas systems. By not meeting these minimum standards an operator may be ignoring conditions that could prove a hazard.

I have included an attachment concerning master meter systems that may be of interest.

Thank you for your interest in gas safety.

Sincerely,

Jack C. Overly

Mr. Irving Thomsen
Apartment Association of L.A. County Inc.
551 So. Oxford St.
Los Angeles, CA

July 12, 1977

Dear Mr. Thomsen:

This letter is in reference to our conversation of July 11, 1977. We will try to put into understandable terms, the National Pipeline Safety Act; and what our company does in relation to compliance to that act.

The Law states that after the gas leaves the domain of the gas company, normally at the master meter, the responsibility of the gas and it's [sic] transportation to the individual recipients [sic] becomes the responsibility of the property owner. Any gas lines that run underground must by the virtue of this law be Cathodically protected. This means that in order to eliminate the possibility of a gas explosion due to the pocketing of gas from a leak in the pipelines; the lines themselves must be made more resistant to corrosion.

Our company, by means of sacrificial [sic] annodization [sic] does what the law requires (sic). We implant annodes [sic] under the ground and attach same to the gas lines which eliminate the vast majority of corrosion. We also install dielectric [sic] unions on the lines and isolate the flow of gas to the individual entities. We do not disturb the interior of any building; nor do we disrupt the landscape we work with. Any work we do is put in and all landscape is left as we found it.

We do all inspections and testing free of charge. We submit written bids on any work that is needed to be in compliance with the Law. There are no deposits or pre-payments needed on any work we do. All work is paid for within 30 days after completion of all of our work. Any property that is in compliance with the law, we will send you certification of this for your permanent files. We also send certification of all work that is done to the proper authorities. All of our work is guaranteed for one full year from the date of completion. We also have additional guarantees available for extended periods, in increments [sic] of one year each.

If there is any additional information we can supply you with, please let us know at your convenience. We have enclosed some of our brochures for you, in the hope that they may answer any other questions that you might have.

Yours truly,

Al D. Alexander

NATIONAL PIPELINE SAFETY ACT OF

PUBLIC LAW 90-481

(Irving Thomsen, CPN, President Apartment Association of Los Angeles County has done some research for us on the National Pipeline Safety Act of Public Law 90-481, 9th Congress, Sll66. He submits the following for our information.)

The effective date of this Act is August 1, 1976. However, as I read it, one year's grace was granted, making it effective August 1, 1977.

The firms doing this type work, and I understand there are only one or two firms specializing in this type installation in the Los Angeles area, usually install a dia-electric union wherever a gas line goes underground on the owner's side of the gas meter. This union is intended to prevent any pipeline corrosion from spreading along the pipe above ground.

The firms also attach an almost pure magnesium block to the gas line at various locations to reduce the amount of corrosion. These blocks have to be serviced each year, at a cost of approximately 10 to 13% of the original cost.

The work required, as briefly presented above, is usually quite expensive. However, the life of the pipes underground is reportedly extended two or three times it's [sic] original life by installing this cathodic protection.

I'm enclosing a copy of a letter from a firm that does this type of work, along with a copy of the Federal rules and regulations relating to the pipeline safety act. The Public Law itself is available.

I would guess most owners will not comply with this law until they have been cited for non-compliance or the insurance companies require it. The owner will be "hooked" thereafter, so to speak, in having this installation serviced each year.

THE PROPERTY MANAGER

Official publication of the Property Management Division of the California Association of Realtors

Editor: Posey Carpentier
Managing Editor: Carolyn Angelos

Normally, however, Federal and State enforcement efforts are primarily directed toward public utilities and to a lesser degree master meter operators.

When a violation occurs, upon a proper showing in individual cases, the enforcing agency may defer¹ a decision on imposition of a penalty or other sanction while an owner executes an orderly program for compliance with the regulations. Notwithstanding this discretionary action, in the absence of a statutory waiver, an owner would be legally subject to penalty for any operation which still contravene the regulations while the program is being conducted.

If it is later determined that an orderly program for compliance is not being conducted or if a system failure occurs requiring investigation, this office would take appropriate enforcement action.

¹ to just "defer" the penalty means it will be imposed later; what we want to do is hold this decision open.

MASTER METER GAS SYSTEMS

Generally speaking, when gas is purchased at a master meter and then is distributed through underground or exterior piping to others who consume the gas, the system is considered to be a gas distribution system.

Gas distribution systems are subject to Federal safety regulations under Natural Gas Pipeline Safety Act of 1968. (NGPSA).

The Federal regulations are called "Regulations for the Transportation of Natural and Other Gas by Pipeline". The regulations are published in Parts 191 and 192 of Title 49 of the Code of Federal Regulations.

Individual States may also regulate the safety of master meter gas distribution systems. Where this is done, States enforce the Federal regulations and may have additional requirements. In States that do not regulate master meter systems, enforcement is the direct responsibility of the Office of Pipeline Safety Operations of the US DOT.

Master meter systems must comply with all applicable sections of the Federal regulations for gas distribution systems. Sections of the regulations to which master meter operators should pay particular attention are as follows:

- 191.5 - Telephonic notice of certain leaks
- 191.11 - Distribution System: Annual Report (DOT Form 7100.1-1)
- 192.17 - Inspection & Maintenance Plan
- Subpart I - Requirements for Corrosion Control (192.451 through 192.491, inclusive)
- 192.605 - Essentials of Operating & Maintenance Plan
- 192.615 - Emergency Plans
- 192.723 - Distribution Systems: Leakage Surveys and Procedures.

Forms are not provided for records, reports, etc. other than those specifically identified in the Regulations.

The Federal regulations are enforced in an equal manner against all operators of master meter systems.