

September 14, 1992

Mr. F. Bruce Abel
Steer, Strauss, White & Tobias
Attorneys at Law
2208 Central Trust Tower
Cincinnati, OH 45202

Dear Mr. Abel:

By letter of December 22, 1983, we wrote you concerning application of the Natural Gas Pipeline Safety Act of 1968 (NGPSA) (49 App. U.S.C. 1671 et seq.) to a proposed 1¼-mile coke gas pipeline between an Armco coke plant and an Armco steel plant. The letter stated that the NGPSA did not apply to the proposed pipeline because the gas in transportation would be owned by the ultimate consumer.

Recent safety problems involving consumer-owned gas pipelines have caused us to reassess our regulatory authority under the NGPSA. We have concluded that our earlier opinion that pipelines transporting consumer-owned gas do not come under the NGPSA does not comport with the broad scope of that statute. The NGPSA authorizes the safety regulation of pipeline facilities used in the transportation of gas in or affecting interstate or foreign commerce, without regard to ownership of the gas. The safety standards in 49 CFR Part 192 parallel that jurisdiction, covering consumer-owned gas pipelines other than lines located downstream from a service line. From our review of the facts presented in your letter of December 12, 1983, the proposed pipeline does not lie downstream from a service line. Therefore, the proposed pipeline would be subject to the NGPSA and the Part 192 safety standards.

We hope this change in position is not a great inconvenience. But we are endeavoring to maintain a consistent approach to application of the NGPSA and the Part 192 standards.

Sincerely,

Cesar de Leon
Director, Regulatory Programs
Office of Pipeline Safety