

9/29/97

Mr. Martin C. Bettmann
Pipeline Safety Program Manager
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Mr. Bettmann:

This is in response to your letter of January 6, 1997, requesting guidance on how to classify a natural gas pipeline system consisting of a "farm tap" located next to an interstate natural gas pipeline and the customer-owned piping which serves a farm operation.

You stated in your letter that the farm operation includes a farm office, the owner's house, various out buildings, and a grain drying system. The same piping system crosses the township road and serves a series of mobile homes and at least one house, all owned by the farm corporation. These residences, except for one structure, are occupied by employees of the farm who receive the gas as part of their pay. One of the residences is rented to a non-farm employee. Gas service to this residence is metered and the occupant is charged for his usage separate from the monthly rent.

As described in your letter, all of the uses of the natural gas appear to be consistent with ancillary farm use except the one residence where the gas service is metered and the occupant is charged for his usage separate from the monthly rent. Due to this sale of the gas, the system owner is classified as an "operator" and the system would be subject to the requirements of 49 C.F.R. 192.

If we can be of further assistance in this matter, please contact me at (202) 366-4565.

Sincerely,

Richard D. Huriaux, P.E.
Director for Technology and Regulations
Office of Pipeline Safety