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U.S. Department of Transportation
Research and Special Programs Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

December 24, 2002

Mr. Richard Lonn
Chief Engineer/Director
Regulatory Compliance
Atlanta Gas Light Company
PO Box 4569
Atlanta, GA 30302

Dear Mr. Lonn:

I apologize for taking so long to answer your letter seeking an interpretation of certain Federal safety standards concerning an operator's discontinuance of service. You specifically requested clarification of a letter of interpretation issued by the Office of Pipeline Safety (OPS) on October 1, 1978, concerning the safety standard in 49 CFR 192.727(d) that provides that, whenever service to a customer is discontinued, the operator must take one of three measures to prevent unauthorized persons from activating the flow of gas in the service line.

The 1978 OPS letter confirmed that § 192.727(d) does not apply when a responsible party requests that service be transferred to his or her name with no actual discontinuance of service, for example, when home ownership is transferred from the seller to the buyer. The same letter went on to state that § 192.727(d) does apply if "an interim period exists when gas service is not requested by another party."

Your letter sought confirmation of the view that "the interim period is for services physically discontinued, not for interim periods where the service is left physically on and an accounting procedure takes place." Unfortunately, those two alternatives are the two ends of a continuum rather than the two sides of a coin.

The 1978 OPS letter of interpretation stated that the provisions of § 192.727(d) apply when an interim period exists during which gas service is not requested by another party. An example of such an interim period is when a homeowner moves out of the residence in anticipation of, but prior to, the sale of the property. In such circumstances the premises could be unoccupied and under no one's immediate control for an extended period of time.

OPS is aware of the industry practice known as "soft closure" under which an operator continues to provide gas service to a property during the interval between termination of one customer's account and initiation of the successor's account. Sometimes the service is continued even though no successor has been identified. The Federal standards do not state how soon an operator must discontinue service to a property when no subsequent customer has been identified for billing purposes. There is a general requirement at § 192.703(b) that [e]ach segment of pipeline that becomes unsafe must be replaced, repaired, or removed from service." A gas pipeline connected to an unoccupied apartment in a secure building presents much less of a safety risk than one connected to an unoccupied house in an area prone to break-ins, vandalism, or other unauthorized interference. Since these are site-specific considerations, the operator must determine on a site-specific basis what actions are consistent with the requirement to remove from service any segment of pipeline that becomes unsafe. Various actions are possible to reduce risks and these should be incorporated *in* the procedural manual required by § 192.605. In any event, the operator's decision to use "soft closure" should be guided by considering whether a reasonable finder of fact would conclude that doing so was consistent with the operator's obligation to remove from service any pipeline segment that has become unsafe.

Please let me know if you have any further concerns regarding this interpretation. I can be reached at (202) 366-4595.

Sincerely,
Stacey L. Gerard
Associate Administrator for Pipeline Safety