



MICHIGAN OIL AND GAS ASSOCIATION

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April 10, 2018

Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

Re: Case No. U-17826
Comments on Proposed Rules Governing Gas Pipeline Safety

Dear Executive Secretary:

On behalf of the Michigan Oil and Gas Association ("MOGA"), I am writing to comment on the gas pipeline safety rules which have been proposed in the above-referenced case. MOGA appreciates the opportunity it was given to be involved in the process by which these rules were developed. Oil and gas producers, their operations, equipment and facilities are subject to comprehensive regulation under Part 615 of the Natural Resources and Environmental Protection Act. Under Part 615, extensive administrative rules have been promulgated to regulate not only the production of oil and gas, but also to protect the public health, safety and welfare.

The gas pipeline safety rules are issued under a different state regulatory program (Act 165) intended to cover the gathering, transmission and distribution of natural gas by pipeline downstream of gas production operations. MOGA is always interested in participating in the rulemaking process pertaining to gas pipeline safety so as to minimize overlapping regulation.

MOGA has a comment pertaining to Rule 338, the "farm tap" rule. While it is MOGA's position that Act 165 and the gas pipeline safety rules do not apply to "farm taps" associated with gas production, MOGA does not intend to object to the general prohibition on the construction of new "farm taps" or the limited reporting requirement pertaining to existing "farm taps" connected to natural gas producing wells, natural gas compressor stations or natural gas processing facilities.

Most "farm taps" are generally low pressure lines installed by landowners to provide an inexpensive energy supply. "Farm taps" associated with gas wells and gas production facilities and equipment generally were installed and are owned and operated by the landowner pursuant to a contractual agreement with a producer. Under these contracts, the producer has little if any right to exercise control over such "farm taps." Safety concerns as may exist should be addressed by the owner of the "farm tap."

Michigan Public Service Commission

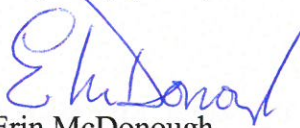
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Most “farm taps” were connected by the landowners pursuant to what are now quite old leases. “Farm taps” are not favored by producers, and thus few new “farm taps” have been established in the last several decades. MOGA expects that the number of existing “farm taps” connected to natural gas producing wells, natural gas compressor stations and natural gas processing facilities will continue to decrease in number. This will occur as the gas reserves being produced decline and wells are plugged.

In closing, MOGA appreciates the opportunity to have been involved in the development of the proposed rules and for consideration of the comment in this letter.

Very truly yours,



Erin McDonough
President