U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

Mr. John C. Kelly
Vice President, LNG Operations and Engineering
Trunkline LNG Company, LLC
5444 Westheimer Road
Houston, TX 77056-5306

SEP 0 4 2009

Docket No. PHMSA-2008-0327

Dear Mr. Kelly:

On November 21, 2008, you wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) on behalf of Trunkline LNG Company, LLC (Trunkline LNG) requesting a special permit to waive compliance with 49 CFR Part 193 concerning the separation distance requirements between vaporizers 3101-CB and 3101-CC at the Trunkline LNG terminal in Lake Charles, Louisiana. In subsequent submissions, dated January 27, April 22, April 26, and July 13, 2009 Trunkline LNG provided additional information. Safety regulations require the operator of each LNG vaporization facility to design and construct vaporizers in accordance with National Fire Protection Association (NFPA) Standard 59A (2001 edition, which is incorporated by reference in 49 CFR Part 193 and Section 2.2.5.5 of NFPA 59A addresses separation distances between vaporizers.

PHMSA is granting the enclosed special permit which allows Trunkline LNG to operate, maintain, and inspect the specified vaporizers with a reduced separation distance, but imposes conditions to mitigate any potential safety issues. The conditions and limitations in this special permit provide Trunkline LNG some relief from the Federal safety regulations while ensuring that safety is not compromised.

My staff would be pleased to discuss this special permit or any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Director of Engineering and Emergency Support (202-366-5124), may be contacted on technical matters specific to this special permit.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure: Special Permit

U. S. DEPARTMENT OF TRANSPORTATION

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

SPECIAL PERMIT

Docket Number:	PHMSA-2008-0327
Pipeline Operator:	Trunkline LNG Company, LLC
Date Requested:	November 21, 2008
Code Section(s):	Standard 59A (2001 edition), Section 2.2.5.5, of the National Fire Protection Association (NFPA) incorporated by reference in 49 CFR §193.2051, 193.2101, 193.2301, 193.2303, and 193.2401

Grant of Special Permit:

By this Order, the Pipeline and Hazardous Materials Safety Administration (PHMSA) grants this special permit, subject to the terms and conditions set forth below, to Trunkline LNG Company, LLC (Trunkline LNG). This special permit allows Trunkline LNG relief from requirements to have a separation distance of five feet between vaporizers 3101-CB and 3101-CC as otherwise required under NFPA Standard 59A (2001 edition), Section 2.2.5.5, which is incorporated by reference in 49 CFR Part 193. PHMSA has determined that the conditions being imposed will allow these remotely heated vaporizers to be operated with a level of safety equivalent to one conventional, remotely heated vaporization system of commensurate capacity found in many other LNG facilities. The conditions and limitations in this special permit provide Trunkline LNG some relief from the Federal pipeline safety regulations while ensuring that pipeline safety is not compromised.

PHMSA grants this special permit based on the findings set forth in the *"Special Permit Analyses and Findings"* document, which can be read in its entirety in Docket No. PHMSA-2008-0327 in the Federal Docket Management System (FDMS) located on the Internet at www.Regulations.gov.

Conditions:

The grant of this special permit is subject to certain conditions for restricted operations. By this order, Trunkline LNG shall adhere to the following conditions:

1) Any abnormal operating condition based shutdown, emergency shutdown, or process safety shutdown, whether activated automatically or manually, which would discontinue the operation of either vaporizer 3101-CB or vaporizer 3101-CC must simultaneously discontinue the operation of the other vaporizer;

2) Neither vaporizer 3101-CB nor 3101-CC may be operated when one of these vaporizers is out of service for maintenance, repair, modification, inspection, or testing and is being actively worked on such that personnel are required to be present between the two vaporizers;

3) Prior to simultaneous operation of vaporizers 3101-CB and 3101-CC, Trunkline LNG must:
   a) Install additional closed-circuit camera(s) and adequate lighting to monitor hazardous areas between and surrounding vaporizers 3101-CB and 3101-CC as set forth in Trunkline LNG's application;
   b) Closed-circuit camera(s) and adequate lighting to monitor hazardous areas between and surrounding vaporizers 3101-CB and 3101-CC must be fully operational when vaporizers 3101-CB and 3101-CC are in operation;
   c) Submit written plans and procedures to PHMSA's Director, Southwest Region for implementing all safeguards and conditions described in Trunkline LNG's application dated November 21, 2008 and set forth in this special permit; and
   d) Implement all operating plans and procedures to ensure all risks are properly evaluated and adequately mitigated;

4) At least 30 days prior to placing vaporizers 3101-CB or 3101-CC in service, Trunkline LNG must develop and submit for prior approval a written plan to PHMSA's Director, Southwest Region. The plan must provide for the following:

a) Incorporation of the requirements set forth in Conditions 1-3 above;

b) Modification of Trunkline LNG's operations and maintenance (O&M) manual as it relates to vaporizers 3101-CB and 3101-CC and the other vaporization systems at the Lake Charles LNG terminal including the provisions addressing process systems (e.g. control systems, safety systems, emergency shutdown systems, remote heating systems, LNG and natural gas piping systems) and other O&M procedures to reflect the requirements of this special permit;

c) A process for verification of the LNG plant monitoring procedures including 24 hour monitoring, plant first alarm actions (low alarm) and shutdown parameters (low/low and/or shutdown) of the following KF controls on the vaporizers 3101-CB or 3101-CC:

   i) Low KF flow (prevents freezing of KF),

   ii) Low KF temperature (prevents freezing of KF),

   iii) Low natural gas outlet temperature from vaporizer,

   iv) Low level in surge tank dedicated to bank of vaporizers (precursor to a KF Pump trip and low KF flow to a vaporizer,

   v) Low temperature on the inlet line to the vaporizer's shell side relief valve (indicative of a vaporizer tube leak and a precursor to potentially spilling KF solution to grade),

   vi) High KF pressure (detects NG/LNG leak into KF system)

   vii) Hydrocarbon detection annunciator at KF surge tanks (detects NG/LNG leak into KF system), and

   viii) ESS II shutdown condition at the terminal;

d) Submittal of a certification to PHMSA's Southwest Region Director by the responsible Trunkline LNG official stating that all requirements of this special permit have been met along with supporting documentation. The receipt of this notification and supporting documentation shall begin a 30 day period where PHMSA's Southwest Region determines Trunkline LNG's compliance with this special permit and whether its new air vaporizers 3101-CB and 3101-CC may commence operation in accordance with these special permit conditions; and

5) Trunkline LNG must provide to PHMSA's Southwest Region Director quarterly updates of its compliance with the required written plans and other conditions of this special permit including reports of all inspections and tests relevant to this special permit conducted during the quarter. The report shall also include a summary of vaporizer B (3101-CB) and C (3101-CC) performance including any deviation from expected parameters (number of instances and duration), specifically:
    - LNG low outlet temperature
    - KF low flow
    - KF low outlet temperature, and
    - KF quality assurance sampling program results for material degradation

Quarterly updates should begin with the calendar year quarter during which this special permit is granted and should continue until August 1, 2011, or until PHMSA determines that quarterly updates are no longer necessary. The quarterly report is due not later than the last day of the month following the calendar quarter. For example, the quarterly report for the third quarter of 2009 is due not later than October 31, 2009.

Limitations:

PHMSA grants this special permit subject to the following limitations:

1) This special permit shall be reviewed upon notification of Trunkline LNG by PHMSA's Southwest Region Director or every ten years, whichever occurs first.
2) PHMSA has the sole authority to make all determinations on whether Trunkline LNG has complied with the ordered conditions and specified limitations of this special permit or whether this permit is null and void.
3) Should Trunkline LNG fail to comply with any of the specified conditions or limitations of this special permit, PHMSA may revoke this special permit and require Trunkline LNG to comply with the regulatory requirements in NFPA Standard 59A (2001 edition), Section 2.2.5.5, which is incorporated by reference in 49 CFR Part 193.
4) PHMSA may revoke, suspend or modify a special permit based on any finding listed in 49 CFR § 190.341(h)(1) and require Trunkline LNG to comply with the regulatory

requirements in NFPA Standard 59A (2001 edition), Section 2.2.5.5, which is incorporated by reference in 49 CFR Part 193.

5) Should PHMSA revoke, suspend or modify a special permit based on any finding listed in 49 CFR § 190.341(h)(1), PHMSA will notify Trunkline LNG in writing of the proposed action and provide Trunkline LNG an opportunity to show cause why the action should not be taken, unless PHMSA determines that taking such action is immediately necessary to avoid the risk of significant harm to persons, property or the environment (see 49 CFR § 190.341(h)(2)).
6) The terms and conditions of any corrective action order, compliance order or other order applicable to a pipeline facility covered by this special permit will take precedence over the terms of this special permit in accordance with 49 CFR § 190.341(h)(4).

AUTHORITY: 49 U.S.C. 60118(c) and 49 CFR § 1.53.

Issued in Washington, DC on SEP 0 4 2009

Jeffrey D. Wiese,
Associate Administrator for Pipeline Safety