DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

[Docket No. P-97-2W; Notice 2]

Liquefied Natural Gas Facilities Petition for Waiver; Northern Eclipse, Inc.

Northern Eclipse, Inc. (NE) petitioned the Research and Special Programs Administration (RSPA) for a waiver from compliance with 49 CFR Sec. 193.2155(c), Liquefied Natural Gas (LNG) storage tank impounding system. Section 193.2155(c) requires a Class 1 impounding system whenever an LNG storage tank is located within 20,000 feet from the nearest runway serving large aircraft. The petition applies to the Northern Eclipse's proposed LNG storage facility at Fairbanks, Alaska.

The petitioner requested the waiver from compliance with the Class 1 impounding system based on the following reasons:

1. Fairbanks does not currently have natural gas service, and given the distance to gas fields and the size of the market, petitioner believes that LNG is the only feasible way to provide natural gas service in the community.

2. Fairbanks is a small town by a lower-48 states standards, however, due to international air transport and reliance of Alaskans on air travel, Fairbanks has an international airport (FIA) with a 11,050 foot long runway. In addition, Fairbanks has a similar runway for a U.S. military base (Fort Wainwright), and other smaller runways in the area. The 20,000 foot restriction requirement eliminates any reasonable site in Fairbanks for an LNG storage tank and it would not be economically feasible to build an impounding system which would withstand a direct impact from a 747, in order to provide gas service to the Fairbanks community.

3. NE does not propose to locate its storage tank in the approach/ departure corridor for heavy aircraft. The areas under consideration are approximately two miles to the side of the FIA runway.

4. NE proposes the use of a shop fabricated, heavy outer wall storage tank of less than 70,000 gallon capacity, built to National Aeronautical and Space Administration specifications, and likely to survive even a direct impact from small aircraft.

5. Similar LNG storage tanks and dispensing facilities are routinely allowed at airports without impoundment as they are not subject to Part 193 requirements, but they pose precisely the same risk in the event of a collision, and due to their location at the airport pose a much greater risk of impact from an aircraft. To support this fact, NE provided pictures of an above ground NFPA 59A LNG storage tank at the Dallas/Fort Worth airport.

6. Part 193 contains special provisions for LNG tanks with less than a 70,000 gallon capacity. However, Section 193.2155(c) fails to reflect the vastly different risks posed by different sized LNG storage tanks. A small LNG tank like that proposed by NE poses no significant risk, and certainly no more than any other similar small energy storage tank, such as a propane tank or a non-Part 193 LNG tank.

7. During the December 9, 1996, meeting between NE and OPS on this issue, NE was informed that the origin of the distance of 20,000 feet from the airport was taken from the Federal Aviation Administration's (FAA) Regulations under 14 CFR Part 77, which define a critical area surrounding a large airport. According to NE, only Section 77.13(a)(2)(I) of 14 CFR Part 77, addresses 20,000 ft. restriction, which exists where there are runways of over 3,200 feet in length, and that section refers only to the heights of structures. NE believes that the FAA may be concerned with the height of the structure rather than the contents.

After reviewing the petition, RSPA published a notice inviting interested persons to comment on whether a waiver should be granted (Notice 1) (62 FR 10307; March 6, 1970). RSPA stated it was considering granting the requested waiver because of the unusual circumstances described at NE's proposed LNG facility, relatively low risk to the public safety due to a smaller tank, and the operators's use of a shop fabricated heavy outer wall built to more stringent standards than those specified under Part 193. RSPA also stated that the operator will be required to comply with all other requirements of Part 193 including Class 2 impounding system for the storage tank. RSPA did not receive any comments in response to the Friday notice.

For the reasons explained above and in Notice 1, RSPA, by this order, finds that the requested waiver of 49 CFR 193.2155(c) is appropriate and is not inconsistent with pipeline safety.

Therefore, Northern Eclipse's petition for waiver from compliance with 49 CFR 193.2155(c) is granted, effective May 22, 1997.

Authority: 49 App. U.S.C. 2002(h) and 2015; and 49 CFR 1.53.

Issued in Washington, D.C. on May 15, 1997.

Cesar De Leon,

Deputy Associate Administrator for Pipeline Safety.

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