

June 14, 1991

Mr. Glenn D. Smith
Chief, Pipeline Safety Utilities Division
Kansas Corporation Commission
1500 S.W. Arrowhead Rd.
Topeka, KS 66604-4027

Dear Mr. Smith:

We have considered the Commission's Order dated March 25, 1991, granting Oxy USA, Inc. (Oxy) a waiver from compliance with the leak and strength test requirements of 49 CFR 192.14(a)(4) and 503(b)(3). Oxy sought approval to convert its 6-inch Cheney, Kansas to Hutchinson, Kansas petroleum products pipeline to dual service, alternating between natural gas and hazardous liquid.

In view of the justification set forth in the Order, we have no objection to the waiver, and it may take effect as scheduled.

Sincerely, Original signed by
George W. Tenley, Jr.
Associate Administrator for Pipeline Safety

Kansas Corporation Commission

May 10, 1991

Cesar DeLeon
Docket Unit, Room 8417
Research and Special Programs Administration
U. S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Subject: Kansas Corporation Commission Letter of April 1, 1991, on Request for Waiver Related to Oxy, USA, Inc.,
Conversion to Service

Dear Mr. DeLeon:

Clarification of jurisdictional responsibility:

The subject pipeline system will be jurisdictional to the Kansas Corporation Commission gas pipeline safety section while operating as a intrastate gas transmission pipeline, and to the Federal Office of Pipeline Safety while operating as an interstate hazardous liquid pipeline.

Should you have any questions or comments regarding the above, do not hesitate to contact me.

Sincerely,
Glenn D. Smith
Chief, Pipeline Safety Utilities Division
(913)271-3223

Kansas Corporation Commission

April 1, 1991

Cesar DeLeon
U. S. Department of Transportation
Office of Pipeline Safety
400 7th Street S. W., Room 8417
Washington, D. C. 20590

Subject: Request for Waiver
Dear Mr. DeLeon:

Oxy USA, Inc. (Oxy), 1910 South Broadacres Road, Hutchinson, Kansas, 67505, telephone number (316)662-6691, seeks to convert a hazardous liquids pipeline, designated as the Cheney to Hutchinson 6" petroleum products pipeline, to dual service; that is, natural gas or hazardous liquid. Oxy requested a waiver in part to the paragraph 192.14(a)(4) which refers to paragraph 192.503(b)(3). Paragraph 192.503 excepts the use of a flammable liquid as a test medium. Oxy proposes to conduct a flowing medium test using the normal liquid in the line. Their request is predicated upon the fact that they regularly operate the line in liquids service at the test pressure required to establish their desired MAOP, and that they have no existing means to pressurize the line to the required test pressure utilizing natural gas, air, or an inert gas. To test without the waiver will entail sweeping the liquids from the line, providing a means to inject the test medium, and then pressurize the line to the test pressure. The process must then be reversed after the test. No new information would be obtained from the procedure, and significant costs would be incurred.

In liquids service the Cheney to Hutchinson 6" petroleum products pipeline has a MAOP of 1280 psi, and normally operates with 485 psi at Hutchinson, and whatever pressure is required at Cheney to maintain the desired throughput. At no point between Cheney and Hutchinson is the pressure less than 485 psi due to the topology. in natural gas service a MAOP of 388 psi is desired. Paragraph 192.619(a)(1)(i) requires a factor of 1.25 for a pipeline in a class 1 location converted under 192.14, as is the case. Therefore a minimum pressure of 485 psi would be necessary.

A review of other aspects of this request are enumerated in the order granting approval of the waiver request. Additionally, the approval is subject to public notification, with an opportunity for public hearing, and this request not being disapproved by your agency.

A copy of the KCC Order approving this waiver request is attached. If there are additional items required to give this waiver request full approval, please contact me, and I will address it expeditiously.

Sincerely,
Glenn D. S
Chief, Pipeline Safety
Utilities Division
(913)271-3223

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Jim Robinson, Chairman
Keith Henley
Rachel C. Lipman

In the Matter of the Request of Oxy USA Inc.,) Docket No.
for a waiver pursuant to K.A.R. 82-11-9) 91,100-U
concerning its Cheney to Hutchinson 6" pipeline.)

ORDER

Now, this matter comes before The State Corporation Commission of The State of Kansas (Commission) for consideration

premises and from the pleadings before it, the Commission finds and concludes as follows:
and determination. Having been fully and duly advised in the

INTRODUCTION

1. Oxy USA Inc.(Oxy), has its principal offices at 1910 S. Broadacres Road, South Hutchinson, Kansas and has, from initial in service operated as a liquid petroleum products system. Upon implementation of applicable Federal Pipeline Safety Regulation, this system has been regulated by and has complied with hazardous liquid pipeline regulations 49 CFR 195.

2. In September, 1990, Oxy commenced inquiries to the Commission gas pipeline safety conversion to natural gas service pipeline to be utilized as a dual that is; natural gas or hazardous section (Staff), relative to of an existing hazardous liquid service pipeline in the future, liquid. The line in question is described as the Cheney to Hutchinson 6" petroleum products pipeline. The upstream initiating point of the pipeline is the Oxy USA Inc., Cheney, Kansas product extraction plant, located in the NW/4 of section 22, T28S, R5W, Kingman County, Kansas and terminating at the OXY USA Inc., Hutchinson, Kansas Fractionation Center, located in the SW/4 of section 22, T23S, R6W, Reno County, Kansas.

3. In order to comply with the conversion to service requirements of 49 CFR Part 192, paragraph 192.14, Oxy is requesting a waiver in part to the requirements of paragraph 192.14(a)(4) which refer to Subpart J of Part 192 and specifically to applicable paragraph 192.503 (b)(3). Paragraph 192.503 (b)(3) excepts the use of a flammable test liquid.

4. K.A.R. 82-11-9 provides for waiver of compliance with any regulation of the Gas Pipeline Safety Code upon a showing that such waiver is consistent with pipeline safety. Granting of the requested waiver will allow Oxy to conduct an in service pressure test, utilizing the existing flowing hazardous liquid (at minimum cost) to establish the Maximum Allowable Operating Pressure (MAOP) for the line while in natural gas service as per paragraph 192.619.

ANALYSIS

5. The Commission Staff has investigated the application. This pipeline system will be jurisdictional to the Commission gas pipeline safety section while operating as a intrastate gas transmission pipeline. Oxy has submitted a conversion procedure required by paragraph 192.14 of 49 CFR Minimum Federal Safety Standards for Transportation of Natural and Other Gas by Pipeline, adopted by the State of Kansas.

6. Oxy has submitted copies of maps and records related to the design, construction and initial testing of this pipeline system. This information has been reviewed and confirms the pipe system was designed, constructed, and initially tested in a prudent manner, and under then industry standards, current during the 1966 construction period for

this pipeline. The pipeline has, from initial in service operated as a liquid petroleum products system.

7. Staff inspectors reviewed and observed the subject pipeline right-of-way, above ground pipeline facilities and four (4) below grade locations. On site observations included the confirmation of pipe wall thickness, by sonic measurement and the general condition of the pipe and pipe protective coating by visual observation. All locations observed are in excellent condition with no corrosion indicated. Also observed on site was and eight (8) hour pressure and leak test, during which the Hutchinson, Kansas terminal end of the pipeline was maintained at 485 PSIG, while maintaining an adequate product flow rate. The entire pipeline was leak surveyed during the test period, utilizing flame ionization leak detection equipment, with no leaks found. Surface elevations along the entire pipeline route were reviewed to confirm that all parts of the system contained at least 485 PSIG pressure during the liquid test period.

8. The pipeline system has been under continuous cathodic protection since operation commenced during late 1966. Cathodic protection levels of this system are equal to or above the protection required under 49 CFR 192, with monitoring records available.

9. The operator will install the necessary over-pressure protection equipment for the established Maximum Allowable Operating Pressure (MAOP) of this system, as part of the conversion procedure, and prior to final approval of the use of this system in natural gas service. After completion of all procedural items required by both Federal and State gas pipeline safety regulations, the operator will operate and maintain this natural gas pipeline system as a function of the Hutchinson, Kansas Fractionation Center and will maintain copies of all necessary records related to safety regulation compliance at the Hutchinson, Kansas facility.

10. In addition to the completion of all procedural items for this conversion the gas pipeline safety section has requested the operator to submit an operations procedure for conversion and reconversion of this pipeline system for safety in operations, which will become a part of the required Operations and Maintenance Plan for this pipeline. As part of the operations procedure for conversion the operator will confirm in writing and prior to each service conversion, the date, time and intended conversion, that is "liquid to natural gas" or "natural gas to liquid".

11. Staff believes that the requested waiver is consistent with the Gas Pipeline Safety rules and regulations. Further Staff recommends that approval be consistent with the requirements of K.A.R. 82-11-9 (b).

FINDINGS AND CONCLUSIONS

12. The Commission finds that it has jurisdiction of the subject matter and the parties.

13. The Commission finds that granting a waiver as requested by Oxy is supported by the evidence and appropriate in this specific factual situation subject to the requirements of K.A.R. 82-11-9 (b).

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

The requested waiver by Oxy is granted subject to a 90 day comment period to commence at the filing date of this order. In that vein, Oxy is hereby directed to publish notice of its requested waiver in newspapers of general circulation in and around the area of the pipeline in question directing all interested parties to file written comments with the Executive Director of the Commission, 1500 S.W. Arrowhead Road, Topeka, Kansas, 66604-4027 on or before the expiration of 90 days from the date of filing of this Order.

This Order shall become effective upon expiration of the comment period providing that no significant comments are received and that the appropriate Federal Regulatory Agency has not disapproved the waiver.

IT IS BY THE COMMISSION SO ORDERED.

Robinson, Chmn.; Henley, Com.; Lipman, Com.

Dated: MARCH 25, 1991