

Ratio	Acceptable ranges	
	Over	Under
9. One year reserve development to surplus		25
10. Two year reserve development to surplus		25
11. Estimated current reserve deficiency to surplus		25

In those instances where a company's ratio results do not fall within the usual ranges, the Treasury may issue a warning to the company indicating Treasury's concern over its financial condition.

If information submitted by the company to support its continued financial strength is not sufficient to convince the Treasury of the company's continued ability to keep and perform its contracts, Treasury will commence proceedings to terminate the company's Certificate of Authority.

Termination procedures as described at 31 CFR 223.17 will be followed in all instances.

Treasury has the option of revising these guidelines in the future should industry conditions change significantly.

Dated: August 22, 1985.

Gerald Murphy,

Acting Fiscal Assistant Secretary.

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

49 CFR Part 192

[Docket No. PS-84; Notice 1]

Transportation of Natural and Other Gas by Pipeline; Confirmation or Revision of Maximum Allowable Operating Pressure for Gas Pipelines

AGENCY: Materials Transportation Bureau (MTB), DOT.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: This advance notice invites comments on whether it is necessary for safety to confirm or revise the maximum allowable operating pressure of gas pipelines in the vicinity of isolated buildings or outdoor places of assembly where 20 or more people gather in normal use. The current requirements may be too conservative and costly compared to the benefits attained. Comments received may result in a Notice of Proposed Rulemaking to adopt the most practical and beneficial alternatives to the current rule.

DATE: Interested persons are invited to submit written comments on this advance notice before November 4, 1985. Late filed comments will be considered so far as practicable. All interested persons must submit as part of their written comments all the material that they consider relevant to any statement of fact made by them.

ADDRESS: Comments should be sent to the Dockets Branch, DMT-62, Materials Transportation Bureau, U.S. Department of Transportation, 400 Seventh Street SW., Washington, D.C. 20590. Please identify the docket and notice numbers. All comments and docket materials will be available in Room 8426 for inspection and copying between the hours of 8:30 a.m. and 5:00 p.m. each working day. Non-Federal employee visitors are admitted to the DOT Headquarters building through the southwest quadrant at Seventh and E Streets.

FOR FURTHER INFORMATION CONTACT: Robert F. Langley, (202) 426-2082, regarding the contents of this advance notice, or the Dockets Branch, (202) 426-3148, regarding copies of the advance notice or other information in the docket.

SUPPLEMENTARY INFORMATION:

Background

Section 192.611 was originally derived from existing industry standards. Briefly stated, § 192.611 requires the operator of a gas pipeline segment which has a hoop stress at its present operating pressure in excess of that corresponding to the maximum allowable operating pressure (MAOP) for the present class location to reduce the pipeline segment's operating pressure or the pipeline must be changed (to increase its strength), or relocated. The rule is designed to provide safety benefits by reducing internal stress levels on the particular pipeline when class location changes, based on an increase in the number of dwellings intended for human occupancy adjacent to the pipeline, occur after construction. Section 192.611 also establishes time limits within which this revision or confirmation of MAOP must be accomplished. However, the rule does make allowance for an affected segment of a pipeline if it had been previously tested in place to 90 percent of its specified minimum yield strength (SMYS) for at least 8 hours, or is subsequently tested in accordance with applicable parts of Subpart J. For such a line the MAOP could be maintained to one class location higher but the MAOP may not exceed that established prior to the confirmation or revision. For example, such a tested segment of pipeline found to be in a

Class 3 location after change from Class 2 would retain an MAOP of 60 percent of the SMYS rather than the 50 percent of SMYS otherwise required by Part 192 for Class 3 pipelines. Unlike the industry standard, which recommended making necessary revisions in the affected pipeline(s) as soon as the location changes were noted, the Federal pipeline safety regulations allow 18 months from the time the change has taken place until the applicable requirements of § 192.611 must be met.

The class location concept in the Federal gas pipeline safety standards was derived from the 1968 edition of the Standard Code, USAS B31.8-1968, "Gas Transmission and Distribution Piping Systems," and relates such pipeline operating parameters as design pressure and MAOP to population density adjacent to the pipeline. Section 192.5 defines the class location unit as an area that extends 220 yards on either side of the centerline of any continuous one-mile length of pipeline; and with two exceptions the class location of a pipeline is determined by the number of buildings (dwellings) intended for human occupancy in the class location unit. Section 192.5(d)(2) is very significant in its effect on pipeline operations when the class location change occurs some time after initial construction and the determination of a MAOP for a line segment.

Under § 192.5(d)(2) a Class 3 location is an area where the pipeline lies within 100 yards of any of the following:

(i) A building that is occupied by 20 or more persons during normal use.

(ii) A small, well-defined outside area that is occupied by 20 or more persons during normal use, such as a playground, recreation area, outdoor theater, or other place of public assembly.

There are three elements in § 192.5(d)(2) that control when a gas pipeline becomes subject to Class 3 location requirements due to a single building or well defined outside area intended as a place of public assembly which otherwise would be considered a Class 1 or Class 2 location. These are: (1) a pipeline within 100 yards of the single building or outside area (2) the building or outside area is occupied by 20 or more persons; (3) the occupation occurs as normal use. A § 192.5(d)(2) class location may include churches occupied by more than 20 persons for a few hours one day per week or nursing homes occupied by more than 20 persons all of the time.

A § 192.5(d)(2) class location change often takes place after the gas pipeline has been constructed resulting in a

major cost impact on the operator. These isolated areas of public assembly make it necessary for a pipeline operator who has a pipeline constructed to meet requirements for a Class 1 or Class 2 location to relocate or change a segment of that pipeline to conform to the requirements of § 192.611 when the segment becomes a Class 3 location. The impact is especially costly where an otherwise Class 1 location becomes a Class 3 under § 192.5(d)(2) criteria.

Petitions for waiver of the above two rules have been received by MTB and a list of those follows:

Docket No. 74-17W, § 192.611(e)(1), Great Lakes Transmission Company;
Docket No. 83-5W, §§ 192.5(d)(2) and 192.611, Transcontinental Gas Pipe Line Corporation;
Docket No. 84-3W, §§ 192.5(d)(2) and 192.611, United Gas Pipeline Company;
Docket No. 85-4W, § 192.611(e), El Paso Natural Gas Company; and
Docket No. 85-5W, § 192.5(d)(2)(i), Texas Gas Transmission Corporation.

Each of the above petitioners requested waivers from the requirements for segments of pipeline amounting to approximately 600 feet each. The above waivers were requested because an isolated building of some sort, housing 20 or more persons at some time, had been erected within 100 yards of the pipeline. Since these pipelines were operating at or near full capacity, the operators preferred, if necessary, to replace the segment rather than reduce the MAOP. To reduce the MAOP, in particular during the winter peak load periods, would lead to unnecessary hardship for the consumers. Therefore, all of the operators requesting waivers cited the costs of replacing the short segments. For the above listed operators alone, the total costs of replacement, including cost of gas "blown down" to the atmosphere amounted to nearly two million dollars. None of the above listed waivers were granted because the petitioners did not demonstrate that the safety of the public would be assured if the pipeline's MAOP were not confirmed or revised as a result of granting the waiver.

However, MTB is considering the waiver petitions involving § 192.611, directly or indirectly, as a request for a rule change and is pursuing rulemaking action to possibly amend § 192.611 or § 192.5(d)(2) as appropriate. The alternative of processing the large number of waiver requests anticipated in the future would be substantially more time consuming and costly for both the operators and the Department than adopting new or modified rules which

change these requirements while assuring pipeline safety.

Problem

In many areas of the country, thousands of miles of major gas transmission pipelines (20 inch or larger) are installed to what have become known as Class 1 or Class 2 location specifications. The concept of increased strength or additional piping design and operating specifications being related to increased population near the pipeline dates back over 40 years, and was codified in early editions of the USAS B31.8 Code. The concept derives from the theory that risks, whether they be physical damage to the pipeline or potential hazards to persons and dwelling places adjacent to the pipeline, increase as population increases and greater risks require greater protection through more stringent safety standards.

MTB believes that there is a real question whether the requirement of § 192.611 for an operator to upgrade or cut the pressure on a pipeline in an otherwise rural Class 1 location can be justified on a cost/safety benefit basis when an area becomes Class 3 merely because of the application of § 192.5(d)(2). RSPA does not have supporting safety or accident data to verify that any additional safety benefits balance the costs of reducing the MAOP, replacing the pipe segment with higher strength pipe, or relocating either the pipeline or the building or outdoor place. Perhaps an equivalent degree of safety may be achieved in a different and more economical manner than the application of the § 192.5(d)(2) criteria in § 192.611. RSPA is studying this matter and seeks public comments on how to define the safety benefits that compliance with § 192.611 provide, if any, and what other approaches there are to achieve that safety.

Discussion

The criteria in § 192.5(d)(2) were incorporated into § 192.5 because the Department believed at that time that they would provide a higher degree of safety for the isolated buildings and outside areas of congregation which would otherwise be Class 1 or Class 2 locations. MTB now believes that this concept, while valid, may be too conservative for at least two important reasons. First, the exposure of persons at risk in most "normal use" situations covered by § 192.5(d)(2) are more comparable to a Class 2 population density than to a Class 3 population density based on a dwelling unit count. A 1983 study, "Characteristics of Population," by the Bureau of Census shows that the average number of full

time occupants, nationwide, of buildings intended for human occupancy is 2.75. The normal designation of a Class 1 location, as defined by § 192.5(b) is 10 or less buildings intended for human occupancy. Likewise, a Class 2 location defined by § 192.5(c) is a class location with more than 10 but less than 46 buildings intended for human occupancy. When we use the Bureau of Census figure of 2.75 occupants per building, the upper limit of person count for Class 1 and Class 2 locations is 28 and 124 occupants, respectively. It appears, therefore, based on the above, that under § 192.5(d)(2) defining the occasional occupancy of a building or area within 100 yards of a pipeline by "20 or more persons during normal use" as a Class 3 location may be overly conservative.

Further, MTB has recently reviewed earlier work on the strength testing of line pipe which indicates that there is significant conservatism in the yield strength of pipe grades covered by Part 192. The Battelle Memorial Institute's Columbus (Ohio) Laboratories conducted a research project¹ for the American Gas Association (AGA) titled "Study of Feasibility of Basing Natural Gas Pipeline Operating Pressure on Hydrostatic Test Pressure." The conclusions of that study were that there is conservatism in the yield strength designated by the manufacturer because of the manner in which yield strength has been traditionally determined. The study discusses the Bauschinger effect which refers to the fact that prior plastic deformation of steel in compression lowers the yield strength in tension. The usual test by pipe manufacturers for the yield strength of pipe is to take a specimen parallel to the circumference of the pipe and then flatten it. The flat specimen is then put under tension in a tensile test machine and yield strength is determined by recording the stress. The preparation by flattening causes plastic deformation thus indicating a lower yield strength than the pipe actually possesses. Another method of testing for yield strength of pipe, but more complicated, applies internal hydraulic loading to a complete ring of pipe duplicating more closely the internal stress placed on a working pipeline. It was found that yield strength of the pipe was higher than that designated by the manufacturer by about 4.6 percent when this latter test was used.

In addition to the impacts of the 192.5(d)(2) criteria on MAOP

¹ AGA Cat. No. L30050, Project NC-18, A.R. Duffy and others (1968).

requirements in § 192.611, those criteria also affect many other requirements in Part 192 that are based on class location. The most significant ones are: Subpart C—Pipe Design; Subpart D—Design of Pipeline Components; Subpart J—Test Requirements, and §§ 192.179, 192.243, 192.327, 192.607, 192.609, 192.619, 192.625, 192.705, 192.706, and 192.707.

Based on information in the waiver petitions and RSPA's review of the above data, a rulemaking proposal was drafted and presented to the Technical Pipeline Safety Standards Committee (TPSSC) at a public meeting on October 30, 1984. The TPSSC did not take formal action on the proposal, but their comments favored appropriate rulemaking action on this matter.

Alternatives

1. Continue present rules §§ 192.5(d)(2) and 192.611 unchanged.

2. Modify § 192.5(d)(2) by changing number of persons to some number greater than 20, possibly the range of numbers in the other Class 3 location using Census data.

3. Quantify the term "normal use." This could be on the basis of days of use per year or percentage of time used.

4. Place the criteria presently in § 192.5(d)(2) under § 192.5(c), thus making such a location a Class 2 location.

5. Revise § 192.611 to increase the MAOP allowed for those pipelines impacted by the criteria of § 192.5(d)(2) to that allowed for pipelines in Class 2 locations.

6. Except the § 192.5(d)(2) defined Class 3 locations from § 192.611.

Request for Information

To help MTB decide which alternative, or combination of alternatives, to choose, interested persons are invited to participate in this rulemaking by commenting on the above alternatives, suggesting additional ones, and answering the following questions. Substantiating information for any comments should also be submitted.

1. Are the requirements of § 192.611 needed for the safety of pipelines in general? If so, are they needed for pipelines in Class 3 areas defined by § 192.5(d)(2)?

2. If the requirements of § 192.611 are needed for safety in general or in § 192.5(d)(2) areas, what safety problem does compliance with § 192.611 help to resolve, and are there any alternative less costly solutions to that problem?

3. If the rules are modified under any alternative above, should other safety requirements be proposed to maintain safety in the vicinity of the isolated building or outside area as defined in

§ 192.5(d)(2)? If so, what should they be and why? If not, why not?

4. What data can be provided from experience or studies about degree of risks associated with a pipeline in proximity to the § 192.5(d)(2) type locations? In this regard, is an isolated pocket of population within 100 yards of a pipeline a factor in the occurrence of a pipeline accident? What data can you provide about such adjacent population density in relationship to the severity of (or hazardous results from) a pipeline accident?

5. Is "20 or more persons" the appropriate size group on which to base this class location criteria? Cite any research, experience, or safety studies.

6. Can a better criteria be developed from research, study, or risk analysis upon which to base possible exposure of the public to hazard than "normal use?" What is it and what is the basis for your recommendation?

7. What data are available from research or experience concerning any relationship between the stress level in a gas pipeline and the cause of a pipeline accident or the magnitude of accident consequences? Do accidents on higher stress level pipelines normally result in greater damages than lower stress level pipelines, given the same population density and mixture?

8. If change is not provided in the regulation from the effects of the criteria in § 192.5(d)(2) on the MAOP resulting from such class location changes, what are the estimated costs to comply for an operator's impacted pipelines? For upgrading? Moving the pipeline? Reducing MAOP? Give estimated number of locations with size and length of each.

The RSPA has long recognized the impact of § 192.611 on pipelines in areas which have become Class 3 locations solely because of § 192.5(d)(2). Because of the possibility that the requirements of § 192.611 are overly conservative and too costly from a safety standpoint for such areas and the difficulties of framing a regulatory solution, the RSPA has evolved a posture of not seeking enforcement of § 192.611 for Class 3 areas brought about solely by § 192.5(d)(2). The RSPA will continue this posture until there is an announced agency position on a regulatory solution or on abandoning the search for a solution.

Authority: 49 U.S.C. 1672; 49 CFR 1.53; Appendix A to Part 1 and Appendix A to Part 106.

Issued in Washington, D.C., on August 30, 1985.

Richard L. Beam,

Associate Director for Pipeline Safety Regulation, Materials Transportation Bureau.
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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

Endangered and Threatened Wildlife and Plants; Proposal To Determine *Glaucocarpum suffrutescens* To Be an Endangered Species With Critical Habitat

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: The Service proposes to determine a plant, *Glaucocarpum suffrutescens* (toad-flax cress), to be an endangered species and to designate its critical habitat under the authority of the Endangered Species Act of 1973, as amended. This species is the only one in its genus. It is endemic in the Uinta Basin of northeastern Utah on shale barrens of the Green River Formation, in or adjacent to the Hill Creek drainage in southern Uintah County, and at the base of the Badland Cliffs in nearby Duchesne County. The 8 known populations of the species total fewer than 1,900 individuals and show decline due to overgrazing and removal of building stone; future oil shale development without consideration for this species could cause its extinction. Lands on which the species occurs are under the jurisdiction of Bureau of Land Management, Department of Energy, Bureau of Indian Affairs, State of Utah, Uintah and Ouray Indian Reservation, and private individuals or companies. This proposal, if made final, would implement protection provided by the Endangered Species Act. The Service is requesting data and comments from interested parties on this proposal.

DATES: Comments from all interested parties must be received by November 4, 1985. Public hearing requests must be received by October 21, 1985.

ADDRESSES: Comments and materials concerning this proposal should be sent to the Regional Director, U.S. Fish and Wildlife Service, P.O. Box 25486, Denver Federal Center, Denver, Colorado 80225. Comments and materials received will be available for public inspection, by appointment, during normal business