

SPEED MEMO

SUBJECT: Interpretation

TO: Chiefs, All Regions

Date: 7-8-76

INITIAL MESSAGE:

The attached material (letter to New Hampshire Public
1976 Advisory Bulletin) is sent for your information.

Utilities Commission and June

37 cities nationwide. Details of the cost and the list of the 37 examination cities may be obtained from the AWS. Application closing date for the first round of examinations is August 15th. For a free copy of the Guide to AWS Welding Inspector Qualification and Certification with application form, contact the Qualification-Certification Manager in Miami: American Welding Society, 2501 Northwest 7th Street, Miami, Florida 33125, telephone (305) 642-7090.

The Reading Rack... Technical information relating to pipeline safety appears in the following industry publications
(Note--copies of these articles are not available from OPSO, and inclusion here does not necessarily indicate that content is consistent with current Federal regulations):

GAS INDUSTRIES, Natural Gas Edition, April 1976, "The OPSO Odorization Requirements for Gas in Transmission Lines," Staff Report; May 1976, "Reminder Issued by OPSO on Corrosion Control Deadlines," Cesar DeLeon, Office of Pipeline Safety Operations; "Conclusions Announced in Study of Plastic Pipe Use," Jack W. Pierce, formerly with Toups Corp. GAS DIGEST, March 1976, "Monitoring Cathodic Protection of Isolated Services," George Hendrick, Southern California Gas Co.; "Intermountain Gas Updates System Odorization Operations," Oscar Kash, Intermountain Gas Co. EXCAVATING CONTRACTOR, May 1976, "Utility Alert Networks," Staff Report. PIPELINE AND UNDERGROUND UTILITIES CONSTRUCTION, April 1976, "Miss Dig Program Now Covers Upper Michigan," Staff Report. PIPELINE & GAS JOURNAL, May 1976, "Put Corrosion Control in Your Design Plans," William McGary, Henkels & McCoy, Inc. PIPE LINE INDUSTRY, May 1976, "Status of Automatic Welding for Onshore/Offshore Lines, Part 1," Harry C. Cotton, The British Petroleum Co. Ltd. OIL & GAS JOURNAL, May 10, 1976, "Improved Pipeline Coatings Emerge," J. R. Hancock, H. C. Price Co.; "Pipeline Plunges Into Deeper Water," Staff Report.

Relates to 49 CFR, §192.3

INTERPRETATION OF REGULATIONS

Question: Under the Natural Gas Pipeline Safety Act of 1968, at what point in a propane air peak-shaving facility does jurisdiction begin?

OPSO Interpretation:..."In a propane air peak-shaving facility, liquid propane is vaporized and mixed with air to supplement natural gas supplies during peak shaving. All 'pipeline facilities' are within the jurisdiction of the Act. 'Pipeline facilities' are defined in the Act to include 'without limitation . . . any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation' (49 USC 1671(4)). Peak-shaving facilities are an interrelated and often essential part of a gas

distribution system and fall within the intended coverage of the term 'pipeline facilities.'
Consequently, a propane air peak-shaving facility is in its entirety subject to the
jurisdiction of the Act."

Cesar DeLeon
Acting Director
Office of Pipeline
Safety Operations

The Secretary of Transportation has determined that publication of this periodical is
necessary in the transaction of the public business required by law of this Department.
Use of funds for printing this periodical has been approved by the Director of the Office of
Management and Budget through November 30, 1976.

October 1, 1975

Mr. Bruce B. Ellsworth
Gas Safety Engineer
State of New Hampshire
Public Utilities Commission
Concord, New Hampshire 03301

The following responds to your letter of September 3, 1975, asking for our opinion on the scope of jurisdiction under the Natural Gas Pipeline Safety Act of 1968 over propane-air and LNG peak shaving facilities.

1. At what point in a propane air peak-shaving facility does jurisdiction begin?

In a propane air peak-shaving facility liquid propane is vaporized and mixed with air to supplement natural gas supplies during peak shaving. All "pipeline facilities" are within the jurisdiction of the Act. "Pipeline facilities" are defined in the Act to include "without limitation...any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation" (49 USC 1671(4)). Peak-shaving facilities are an interrelated and often essential part of a gas distribution system and fall within the intended coverage of the term "pipeline facilities." Consequently a propane air peak-shaving facility is in its entirety subject to the jurisdiction of the Act.

2. At what point in an LNG peak-shaving facility does jurisdiction begin?

Except for the change in state, LNG is identical to natural gas and consequently is within the definition of the term "gas" in the Act (49 USC 1671(2)). Pipeline facilities used in the transportation of gas are subject to the jurisdiction of the Act. The "transportation of gas" is defined in the Act as meaning "the gathering, transmission or distribution of gas by pipeline or its storage in or affecting interstate or foreign commerce" (49 USC 1671(3) emphasis added). Thus, an LNG peak-shaving facility is within the intended coverage of the term "pipeline facilities" and therefore is in its entirety subject to the jurisdiction of

the Act. Additionally, it should be noted that the reasons discussed in answer to Question 1 are equally applicable to an LNG peak-shaving facility.

We trust this satisfactorily answers your inquiry.

Sincerely,

Cesar DeLeon
Acting Director
Office of Pipeline
Safety Operations