

Mar 27 1992

Mr. Larry Pain
Attorney for Phillips Alaska
Natural Gas Corporation
1256 Adams Building
Bartlesville, OK 74004

Dear Mr. Pain:

This letter responds to your petition dated August 26, 1991, regarding the Kenai LNG Plant (Docket No. P-47). Although you filed the petition under 49 CFR 193.2015, we are treating the petition as a request for information. Section 193.2015 is a procedural rule governing petitions for findings or approvals that are specifically authorized by substantive rules in Part 193, such as § 193.2059(e). Your petition does not request such a finding or approval.

You asked whether modifications (described in the petition) that are planned for the Kenai LNG Plant would cause the plant to lose its grandfather status under the siting, design, installation, and construction requirements of Part 193. The modifications that are planned would not cause the entire Kenai LNG Plant to lose its grandfather status under the siting, design, installation, and construction requirements of Part 193.

While the entire plant may not lose its grandfather status, § 193.2005(b) provides that LNG facilities (defined in § 193.2007) that are replaced, relocated, or significantly altered are subject to Part 193 standards governing siting, design, installation, and construction (with certain exceptions). Thus, if an LNG facility at the Kenai LNG Plant is replaced, relocated, or significantly altered by the planned modifications, that facility would lose its grandfather status to the extent prescribed by § 193.2005(b). In contrast, grandfathered LNG facilities at the Kenai LNG Plant that are not replaced, relocated, or significantly altered are not covered by § 193.2005(b), and would retain their grandfather status.

It appears that of the planned modifications in your petition, the replacement of one or both existing LNG transfer pumps is the only LNG facility that will be replaced, relocated, or significantly altered and would lose its grandfather status to the extent prescribed by § 193.2005(b). However, this modification would not have to meet the siting requirements since, in accordance with § 193.2005(b)(1), only an LNG storage tank that is relocated or significantly altered by increasing the original storage capacity would have to meet the siting requirements.

Your petition indicates that the planned modifications may include installation or construction of new components that do not constitute replacements or significant alterations of grandfathered facilities. If so, these new components would be subject to all applicable requirements governing siting, design, installation, and construction.

You also asked us to determine that the designs for the planned modifications are consistent with 49 CFR Part 193 or are otherwise acceptable. The Part 193 regulations allow operators to construct and operate LNG facilities without prior approval by this agency. We normally do not review operators' design and construction plans except during, or in preparation for, routine compliance inspections, which are handled by our regional offices. Therefore, we are not at this time determining whether the planned modifications comply with Part 193 or would otherwise be acceptable.

I apologize for the tardiness of this response. Do not hesitate to contact us again if you have further concerns about the Part 193 regulations.

Sincerely,

Cesar De Leon, Director
Regulatory Programs
Office of Pipeline Safety