

PI-75-0117

December 8, 1975

Mr. Bruce 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,
SIGNED
Cesar DeLeon
Acting Director
Office of Pipeline
Safety Operations