

November 23, 1977

LNG Facility in California

Acting Director, Office of
Pipeline Safety Operations, DMT-20

Chief, Western Regional Office

Regarding your October 25 memo concerning an LNG facility in California, the Federal/State relationship regarding LNG facilities subject to the proposed Part 193 will be the same as for other gas pipeline facilities subject to Part 192. That is, intrastate facilities may be regulated by the California Commission under its 5(a) certification as long as the State regulations are compatible with the Federal regulations, but the Commission may not regulate the safety of interstate facilities.

Under the Natural Gas Pipeline Safety Act and regulations thereunder, the Commission is preempted from establishing safety standards for the construction and operation of LNG facilities which are subject to the jurisdiction of the Federal Power Commission (now the Federal Energy Regulatory Commission) under the Natural Gas Act. Thus, Section 5637 of the Liquefied Natural Gas Terminal Act of 1977, which empowers the Commission to adopt regulations for the safety and construction of an LNG terminal, is invalid when applied to an interstate LNG facility.

Cesar DeLeon