

March 10, 1995

Mr. Raymond R. Latchem
Northern Eclipse, Inc.
Suite 100
1900 West Benson Blvd.
Anchorage, AK 99517

Dear Mr. Latchem:

I am responding to your letter of January 25, 1995, regarding a liquefaction facility your company plans to construct in Alaska. We previously advised you that this facility would come under 49 CFR Part 193 (letter of October 18, 1994). You have asked us to reconsider that decision.

You point out that while the proposed facility will receive gas by pipeline, it will not supply gas to a pipeline. All LNG will be transported from the facility by truck. Because it lacks this pipeline supply feature, you assume the liquefaction facility will not be subject to Part 193.

We believe you are viewing the jurisdiction of Part 193 too narrowly, Part 193 is not limited to LNG facilities that supply natural gas to pipelines. As stated in § 193.2001(a), Part 193 applies to LNG facilities used in the transportation of gas by pipeline that is subject to the regulations in 49 CFR Part 192. In general, the Part 192 regulations apply to the pipeline transportation of gas between producers and consumers. Because after liquefaction, the gas received by pipeline would still be in route [sic] to consumers, the liquefaction facility would come within the range of pipeline transportation under Part 192 and, thus, be subject to Part 193.

Sincerely,

Cesar DeLeon
Deputy Associate Administrator
for Pipeline Safety