

May 22, 1998

Mr. Chris Mason
Senior Compliance Specialist
Williams Field Services,
P.O. Box 1396
Houston, Texas 77251-1396

Dear Mr. Mason:

This is in response to your letter requesting an interpretation of the federal jurisdiction over Williams Field Services Company's (WFS) Ignacio plant LNG production facility located near Durango, Colorado. You requested a determination of the applicability of 49 CFR §193.2001 to the LNG portion of the plant in the event WFS were to change the nature of its LNG business.

Under the current operation, the WFS Ignacio Plant provides compression, natural gas conditioning, and liquid recovery for the rural, non-jurisdictional San Juan gathering system. Less than two percent of the total volume of gas received at the plant is converted to LNG and stored in a 50,000 gallon tank. All LNG is delivered by trucks to buyers for use as vehicular fuel. The LNG facility does not involve the transportation of gas by pipeline that is subject to the pipeline safety laws (49 U.S.C. 60101 et seq.) and 49 CFR Part 192. Based on this information, the Research and Special Programs Administration (RSPA) considers the current operation of the Ignacio Plant to be non-jurisdictional.

WFS Ignacio Plant proposes to change the operation of the plant to truck LNG to two new consumers: (1) certain Indian reservations that operate their own local gas distribution systems and (2) certain local gas distribution companies (LDCs) that are subject to 49 CFR Part 192. Because the LNG facility is not directly involved in the transportation of gas by pipeline that is subject to the pipeline safety laws (49 U.S.C. 60101 et seq.) and 49 CFR Part 192, the RSPA considers WFS Ignacio Plant under proposed operation to be non-jurisdictional.

If you have any questions regarding this matter, please contact Mike Israni at (202) 366-4571.

Sincerely,

Richard D. Huriaux
Director, Technology and Regulations
Office of Pipeline Safety

cc: Richard E. Sanders, TSI
Ed Ondak, Zach Barret, Western Region