

PI-01-0101

February 15, 2001

Mr. Steven A. Davey
Central Support Department
Prodica LLC (Agrium US Inc.)
227515 E. Bowles Road
Kennewick, WA 99337-0618

Dear Mr. Davey:

Thank you for your letter of September 1, 2000 (ref. E: 00-111) which requests an interpretation of the jurisdictional status of two anhydrous ammonia pipelines under 49 CFR Part 195.1(b).

You state that both hazardous liquid pipelines are "less than 1 mile in length (measured fence to fence), transport anhydrous ammonia in the liquid phase, and are low stress" and that "neither pipeline crosses navigable waterways or are located offshore." You allege that the pipelines are not jurisdictional per 195.1(b)(3)(iii).

The hazardous Liquid pipeline regulations, 49 CFR Part 195, apply to all pipeline facilities used in the transportation of petroleum, petroleum products, and anhydrous ammonia except as specified in § 195.1(b) as follows:

(b) This part does not apply to-

- (1) Transportation of a hazardous liquid that is transported in a gaseous state;
- (2) Transportation of a hazardous liquid through a pipeline by gravity;
- (3) Transportation through any of the following low-stress pipelines:
 - (i) An onshore pipeline or pipeline segment that;
 - (A) Does not transport a HVL [highly volatile liquid];
 - (B) Is located in a rural area; and
 - (C) Is located outside a waterway currently used for commercial navigation
 - (ii) A pipeline subject to safety regulations of the U.S Coast Guard; or
 - (iii) A pipeline that serves refining, manufacturing, or truck, rail or vessel terminal facilities, if the pipeline is less than 1 mile long (measured outside facility grounds) and does not cross an offshore area or a waterway currently used for commercial navigation.

Under § 195.1(b)(3)(iii) a low-stress pipeline that serves manufacturing facilities and is less than one mile long and does not cross a waterway is not subject to the pipeline safety regulations, even if it transports an HVL, such as anhydrous ammonia.

Therefore, based on the representations made in your letter of September 1 2000, the Federal pipeline safety regulations do not apply to the two hazardous liquid pipelines operated by Prodica L.L.C (Agrium US Inc.).

If you require further information on this issue, please contact me at (202) 366-4565.

Sincerely,
Richard D. Huriaux, P. E.
Regulations Manager
Office of Pipeline Safety

Prodica
227515 E. Bowles Road
Kennewick, WA

September 1, 2000

Mr. Richard Huriaux
Department of Transportation
Office of Pipeline Safety
400 Seventh Street S.W.
Room 8417
Washington, D.C. 20590

Dear Mr. Huriaux;

I am requesting an interpretation to 49CFR195. Part 195, Subpart A, section 195.1 refers to jurisdictional applicability. Paragraph (b) lists those facilities to which this part does not apply as points 1 through 9. Paragraph (b)(3) has three sub-paragraphs listed as (i), (ii), and (iii) respectively. Sub-paragraph (i) lists three conditions that are required if paragraph (i) were to be applicable. Subparagraphs (ii) and (iii) do not list the same conditions. I believe that the restrictions (A), (B), and (C) of sub-paragraph (i) apply only to sub-paragraph (i) and not to (ii) and (iii) of paragraph (3). I've discussed this matter with Mr. Zach Barrett from the OPS Denver office. He concurs with my opinion but stated official interpretations must come from Washington DC.

Prodica LLC owns and operates two hazardous liquid pipelines. One pipeline connects two manufacturing facilities and the other connects a manufacturing facility to a terminal storage facility. Both are less than 1 mile in length (measured fence to fence), transport anhydrous ammonia in the liquid phase, and are low-stress. Neither pipeline cross navigable waterways or are located offshore. Based upon the above information, I believe that Prodica LLC is not jurisdictional per 195.1(b)(3)(iii).

Please provide an interpretation of the code and its applicability to Prodica's facilities. If there are any questions, please call me at (509) 586-5465.

Sincerely,
Steven A. Davey