

PI-01-0111

U.S. Department of Transportation  
Research and Special Programs Administration  
400 Seventh St., S.W.  
Washington, D.C. 20590

June 1, 2001

Ms. Joyce A. Padleschat Attorney  
Sempra Energy  
101 Ash Street  
San Diego, CA 92101-3017

Dear Ms. Padleschat:

This letter is in response to your letter of May 1, 2001, requesting clarification of the definition of "pipeline facilities" as used in federal gas pipeline safety regulations at 49 CFR Part 192.

Sempra was asked by the Certified Unified Program Agency (CUPA) for Kern County, California, to prepare a Risk Management Plan (RMP) for anhydrous ammonia storage and handling facilities, which are part of a selective catalytic reduction (SCR) system used for controlling NO emissions from a natural gas pipeline compressor station. Preparation of RMPs for certain stationary pollution sources is required by the regulations of the U.S. Environmental Protection Agency (EPA) at 40 CFR § 68.3. Because the SCR facilities are part of the compressor engine assembly, Sempra maintains that they are transportation-related "pipeline facilities" not subject to the RMP requirements.

The pipeline safety regulations at 49 CFR § 192.3 define "pipeline facility" as "new and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation." There is no question that Sempra's pipeline compressor assemblies, including the storage tanks for anhydrous ammonia, are "pipeline facilities." Although the term "transportation" is not defined, we believe that the anhydrous ammonia storage likely constitutes a "stationary source" within the meaning of the environmental regulations at 40 CFR § 68.3 (the RMP rule).

However, the gas pipeline safety regulations do not address NO control. Nor can the storage of anhydrous ammonia for the purpose of pollution control be considered "storage incident to transportation" in the sense of storage of a product being transported by a pipeline.

Therefore, the storage of anhydrous ammonia storage as part of an SCR system on a "pipeline facility" does not appear to exempt it from the EPA RMP requirements. Naturally, any determination of whether this facility is subject to RMP requirements is up to EPA and its state partners.

If you have any further questions, please contact me at (202) 366-4565.

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

Sempra Energy  
101 Ash Street  
San Diego, CA 92101-3017

May 1, 2001

Richard Huriaux  
Director of Regulations  
Office of Pipeline Safety  
Research and Special Programs Administration  
Department of Transportation  
400 Seventh Street, S.W., Room 7128  
Washington, D.C. 20590

Re: Definition of "Pipeline Facility"

Dear Mr. Huriaux:

Thank you for taking the time yesterday in our telephone conversation to respond to my question concerning facilities that constitute a "pipeline facility" and for offering to provide us with a written explanation. We would very much appreciate the written response.

As we discussed, the Company has been asked to prepare a RMP for emissions reduction equipment that is necessary for the operation of natural gas compressors along a transmission pipeline. Transportation facilities subject to oversight or regulation under 49 C.F.R. Part 192 are included in those facilities exempt from preparing a RMP.<sup>1</sup> I understand from our conversation that you participated in defining the parameters of this exemption.

The facilities at issue are part of a natural gas compressor station regulated pursuant to 49 C.F.R. Part 192. Each compressor is driven by a natural gas fired engine which, pursuant to the engine's air quality permit, is equipped with a Selective Catalytic reduction system ("SCR") to reduce air pollutant emissions (NO<sub>x</sub>). SCR operates by injecting small amounts of ammonia into the emission stack, which changes the NO into nitrogen and water. Consequently, this facility handles and stores a certain volume of anhydrous ammonia for use solely in the SCR. Pursuant to the engines' air permits, the engines — and thus the compressors - would not be able to operate without the SCR, including ammonia.

The only purpose for the SCR, including the ammonia, is to allow operation of the compressors that move natural gas through the pipeline system. Based on their purpose and function, we believe that the emission reduction equipment that are part of the compressor engines are transportation related "pipeline facilities" as defined by 49 C.F.R. Part 192.

We greatly appreciate your providing us with your opinion in this matter.

Very truly yours,  
Joyce A. Padleschat

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<sup>1</sup> 49 C.F.R. §68.3, definition of "Stationary source".