Common Wealth of Virginia State Corporation Commission Division of Utility and Railroad Safety

November 1, 2002

Mr. Richard Huriaux Office of Pipeline Safety 400 Seventh Street, SW Room 7128 Washington, DC 20590

Dear Mr. Huriaux,

This letter is to request an interpretation of wording contained within 49 C.F.R § 193.2019. As you know, this code section exempts "mobile and temporary" LNG facilities from compliance with 49 C.F.R. Part 193, if the facilities are "...in compliance with applicable sections of NFPA 59A (1996 edition)." One of the natural gas system operators in Virginia has approached the State Corporation Commission with a plan to install LNG facilities in a part of their system for a period of three years. The facilities are needed to address pressure and capacity constraints that may occur on peak days until additional sources of gas are acquired.

The company's plan includes the installation of skid-mounted equipment including two small LNG storage tanks, an LNG tanker off-loading facility, and vaporizers. In addition, a boiler, a boil-off compressor, and a motor control center will be in a prefabricated metal building set on an above grade foundation. All components of the system will be connected by piping that runs in troughs constructed at grade level or above ground. The LNG tanks will be inside an impoundment created by the installation of jersey barriers with sealant between them on top of gravel over a liner fabric. Associated piping and wiring to connect all of the facilities and controls will also be installed.

The LNG facility is designed with the following capacities:

- On-Site Storage (2 LNG tanks) = 49,000 gallons or 4,000 Dths (total both tanks combined)
- Send out Capability = 14,000 Dths per Day or 584 Dths per Hour
- LNG Truck Unloading Capability = 1,000 Dths per Hour (2 Stations each connected to 2 tankers)
- 2 Man Per Shift operations

The company believes these are "mobile and temporary facilities" as that term is used in §193.2019 as the LNG will only be used for a period of three years, and then all equipment will be removed.

By this letter, I am requesting an interpretation of the term "mobile and temporary" found in § 193.2019. Further, is a facility of the type described above "mobile and temporary" and, as such, exempt from meeting the requirements of Part 193 as long as it is in compliance with the applicable sections of NFPA 59A (1996 edition)?

If you need additional information or have questions relative to this request, please feel free to contact me.

Sincerely,
Massoud Tahamtani

## Interpretation 193.2001 5

January 14, 1993

## TO ALL STATE PIPELINE SAFETY PROGRAM MANAGERS

Enclosed, for your information, is a copy of correspondence related to the formation of a committee to develop proposals for revising regulations applicable to mobile LNG facilities. This information is being provided to you so that you might use the waiver process to take interim action on these types of facilities.

Also enclosed is a copy of a memorandum from Cesar De Leon regarding the application of regulations to these facilities (this memorandum was sent to you earlier in a pipeline safety information mailing -SR-92-136).

Sincerely,
G. Tom Fortner
Office of Pipeline Safety Compliance

**Enclosures** 

TO: Chris Bourne, MA
Paul Grieco, RI
Stanley Kastanas, Colonial Gas Company
Richard Marini, NH
Philip Sher, CT

This memorandum is in regard to the December 11, 1992, letter from Chris Bourne to Richard Marini about regulation of mobile LNG facilities.

Rather than establishing a moratorium on enforcement of 49 CFR Part 193 with respect to mobile LNG facilities, I believe it would be preferable for those adversely affected by application of Part 193 to mobile LNG facilities to seek relief through the waiver process. For those mobile LNG facilities that are subject to state regulatory authority, the LNG operators must apply for a waiver from the state agency; and if a waiver is granted, the Research and Special Programs Administration (RSPA) would have 60 days to affirm or reject the waiver. For mobile LNG facilities subject to Federal regulatory authority, the LNG operators must apply to RSPA for a waiver.

While we applaud the initiative to form a committee to submit proposals for revisions to the regulations applicable to mobile LNG facilities, we cannot sponsor such a committee and request that it not be characterized as a "DOT LNG Committee." The Federal Advisory Committee Act of 3972 establishes specific requirements for committees to advise government agencies that make it difficult for RSPA to sponsor such a committee. Instead, we suggest that your committee be a state-sponsored effort, and be identified as such.

If you need further advice on this matter, please call Tom Fortner at 202-366-4564.

Sincerely, George W. Tenley, Jr. Associate Administrator for Pipeline Safety

## **INFORMATION: Mobile LNG facilities**

Cesar De Leon, Director Pipeline Safety Regulatory Programs, DPS-10

Richard Sanders, Manager Pipeline Safety Division, DMA-607

Your memo of June 17, 1992, describes a unit consisting of LNG storage cylinders, a vaporizer, and connection devices all mounted on a tractor-trailer. Operators temporarily connect such units to gas pipeline distribution systems to furnish gas when the normal supply is disrupted. You asked whether the unit is a pipeline facility subject to 49 CFR Part 192.

Because the unit is used in the transportation of gas by pipeline that is regulated by Part 192, the unit is an LNG facility subject to the safety standards in 49 CFR Part 193 (§193.2001(a)). Amendments 192-36 and 193-2 (45 FR 70390; October 23, 1990) repealed the application of Part 192 to LNG facilities, except as provided by § 193.2005(C). Under that section, an operator *may elect* to comply with Part 192 and NFPA 59A (1972 edition), instead of Part 193, with regard to siting, design, installation, and construction of certain existing facilities. So the unit would not be subject to Part 192 unless it's covered by § 193.2005(c) and the operator has elected to comply with Part 192.

We recognize that compliance with the siting requirements of Part 193 may be difficult or overly burdensome for some mobile LNG facilities, considering the temporary nature of their use at particular sites. In this regard, we invite your comments as to how the siting requirements might be changed to lighten the compliance burden without sacrificing safety. Keep in mind that some existing mobile facilities may be except from those requirements to the extent provided by the grandfather provisions of §193.2005. Also, when mobile LNG facilities are in transit or are otherwise not being used in the pipeline transportation of gas, the Part 193 requirements do not apply.