



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

AUG 21 2012

Mr. William G. Cope
Vice President, Operations
Southern LNG Company LLC
569 Brookwood Village, Suite 501
Birmingham, AL 35209

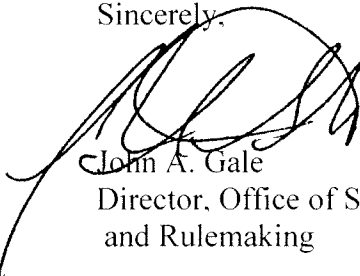
Dear Mr. Cope:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern LNG Company, LLC (SLNG) requested a written interpretation concerning 49 CFR 193.2051. Specifically, SLNG asked whether an increase in the unloading flow rate at an existing liquefied natural gas (LNG) facility would be considered a “significant alteration” under § 193.2051. A “significant alteration” to the facility would require revision of SLNG’s calculations and modeling to satisfy the siting requirements of Subpart B of Part 193. SLNG believes such a change would not count as a significant alteration because the increase in flow rate would not require the replacement or modification of facilities. The only changes to the facility would be the increase in flow rate and the resulting increase in operational pressure. This change in operational pressure would be within the pipeline system’s design pressure limits.

PHMSA agrees that because this operational change is within the original design parameters and the facility would not require any further modification, an increase in flow rate would not be a significant alteration and the siting requirements of § 193.2051 and Subpart B of Part 193 would not be triggered.

I hope that this information is helpful to you. If I can be of further assistance, please contact me at 202-366-4046.

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking

APR 18 2011

KI-11-0001



April 15, 2011

Mr. Jeffrey D. Wiese
Associate Administrator for Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
East Building, 2nd Floor, Mail Stop: E24-455
1200 New Jersey Avenue, SE
Washington, DC 20590-0001

Re: Request for Written Interpretation of Southern LNG Company, LLC
Increase in Terminal Unloading Rate

Dear Mr. Wiese:

Southern LNG Company, LLC ("SLNG") is requesting a written interpretation from the U.S. Department of Transportation ("DOT") as allowed in 49 CFR Part 190.11, regarding Section 49 CFR Part 193.2051 of the DOT Regulations regarding Federal safety law for LNG Terminals. SLNG is the operator under Part 193 of the Elba Island LNG Terminal ("Elba Terminal") near Savannah, Georgia. SLNG recently completed an expansion of the Elba Terminal ("Elba III Expansion") with the addition of a 200,000m³ tank (D-5), boil-off gas (BOG) handling facilities, send out equipment, and LNG transfer line from the North Unloading Dock effective July 1, 2010. Approval for constructing this work was received from FERC in an order dated September 20, 2007 in Docket Nos. CP06-470, et al. The expansion facilities comply with the DOT regulations under the 49 CFR Part 193.2051, 2002. requirements for siting.

Now that the Elba III Expansion is complete, the Elba Terminal is capable of unloading two ships either simultaneously or separately. The Elba III Expansion provided the Elba Terminal with dual unloading lines and automated valves for selecting the flow path to the storage tanks. Typically, a cargo is either split between D-1/2/3/4 using line 36"-LNG-150-1003 or sent in its entirety to D-5 tank through line 36"-LNG-150-1102. The Elba Terminal relies on program controls for valve set-up and flowrate alarms to ensure that the maximum flowrate for a tank is not exceeded. In combination, tanks D-1/2/3/4 are designed to handle the increased flowrate of 62,000 gpm; however the flow going into tank D-5 is limited to 50,000 gpm. Therefore, the maximum flowrate for unloading two ships simultaneously is 112,000 gpm. If two ships are off-loaded simultaneously, either berth could be used to unload at the 62,000 gpm rate but the other berth would off-load at the 50,000 gpm rate.

SLNG proposes to decrease the unloading time for large LNG carriers by increasing the unloading rate from 50,000 gpm to 62,000 gpm. Such increase in unloading rate will reduce the time needed to unload the larger carriers by 19%. SLNG does not generally plan to use the higher unloading rate except when it receives the larger Q-max ships. The ability for SLNG to receive the larger Q-max ships at the Elba Terminal was approved by the U.S. Coast Guard in its Letter of Recommendation dated October 10, 2008.

The current and new unloading lines at the Elba Terminal are designed for 220 psig. An independent engineering firm conducted a study to evaluate the hydraulics and surges due to the increased flow rate pressure and abnormal shutdowns. The highest peak pressure is predicted to be about 163.5 psig which is below the design pressure of 220 psig. The study indicates there is no need for any modifications or changes to the piping system to accommodate the increased flow rate to 62,000 gpm and corresponding increase in piping pressure.

In addition, SLNG has more than adequate containment for a guillotine cut of the largest branch line which is a 12-inch line. In the event of a 10 minute spill from a guillotine cut of the largest branch line at 62,000 gpm, the required containment volume would be 42,134 ft³. Even in the event of a 10 minute spill from a guillotine cut of the 42-inch unloading line at 62,000 gpm, the required containment volume would be 122,533 ft³. Retention Area #1 is approximately 150,000 ft³ so it meets the test for adequate containment for a worst case scenario on even the largest downstream line.

According to 49 CFR Part 193.2051 "Each LNG facility designed, constructed, replaced, relocated or significantly altered after March 31, 2000 must be provided with siting requirements in accordance with the requirements of this part and of NFPA 59A..."

The purpose of this request for a written interpretation is to confirm SLNG's interpretation of the DOT Regulations that the proposed increase in the unloading rate from 50,000 gpm to 62,000 gpm would not be considered to be a "significant alteration," and thus would not require any revisions to its calculations or modeling for siting purposes as required in 49 CFR Part 193.2051. Because SLNG does not have to make any facility modifications or change the design of the facilities, SLNG believes that this operational change in flow rate does not manifest itself to be a significant alteration under the DOT Regulations. Please advise us that our interpretation is correct or provide us with any feedback if you do not agree with this interpretation. If you have any questions, please contact Steve Heard, LNG Terminal Manager at (912) 944-3806 or steve.heard@elpaso.com.

We thank you for your guidance in this matter.

Very truly yours,



Southern LNG Company, LLC
William G. Cope
Vice President, Operations