
**DEPARTMENT OF
TRANSPORTATION**
**Research and Special Programs Ad-
ministration**
[Docket No. RSPA-97-2346; Notice 2]
**Pipeline Safety: Liquefied Natural Gas
Facilities Grant of Waiver; Northern
Eclipse, Inc**

Northern Eclipse, Inc. (NE) petitioned the Research and Special Programs Administration (RSPA) for a waiver from compliance with 49 CFR Part 193, Liquefied Natural Gas (LNG) Facilities: Federal Safety Standards. The petition applies to the Northern Eclipse's proposed Gas Treating and Liquefaction (GTL) unit to be located 20 miles north of Anchorage, Alaska. NE ensures that an equivalent level of safety will be achieved through compliance with alternative safety requirements for portable LNG facilities and with the siting requirements for liquefaction units. The alternative requirements for portable LNG facilities and siting requirements for liquefaction units are described in the applicable sections of the National Fire Protection Association Standard (NFPA) 59A, Standard for Production, Storage, and Handling of Liquefied Natural Gas (1996).

The petitioner requested the waiver from compliance with Part 193 based on the following reasons:

1. The NE GTL unit will be supplied with gas from the Beluga-Anchorage pipeline through 2,500 feet, a privately-owned service pipeline installed by NE downstream of the sales meter.
2. The NE GTL unit will have minimal LNG surge capacity, and there will be no storage at the NE GTL facility.
3. The NE GTL unit's output will be trucked from the GTL unit to end users, including one or more local distribution companies.
4. The NE GTL unit will not be used by the Beluga-Anchorage pipeline in any way to transport gas on NE's behalf.
5. DOT does not assert similar jurisdiction over liquefiers connected to the local distribution companies' (LDCs) fueling motor vehicles. The GTL unit would fulfil essentially the same function.
6. The NE GTL unit will be no different from other consumers of gas. For example, chemical plants, power plants, and other end users are not regulated even

though they are supplied with gas from a pipeline.

7. The NE GTL unit would be exempt under Section 193.2001(b)(2) because it would be a natural gas treatment facility without any storage.

8. The NE GTL unit will be a transportable unit mounted on skids.

In view of the above, NE alleges that an extension of Part 193 jurisdiction to the proposed facility would be inconsistent with the language and purpose of the regulation. However, NE proposes to ensure equivalent safety through compliance with the alternative safety provisions for portable LNG facilities and with the siting requirements for liquefaction units as described in the applicable sections of the NFPA 59A.

After reviewing the petition, the Research and Special Programs Administration (RSPA) published a notice inviting interested persons to comment on whether a waiver should be granted (Notice 1)(62 FR 24157; May 2, 1997). In the notice, RSPA explained that the 2,500 foot, NE-installed gas pipeline supplying gas to the NE GTL facility (a large volume customer) is a transmission line. Therefore, the gas pipeline is subject to 49 CFR Part 192, Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards. Recent revision of the definition of Transmission pipeline in Section 192.3 (61 FR 28783; June 6, 1996) includes pipelines transporting gas to a large volume customer. In addition, RSPA explained that the proposed NE GTL facility is subject to Part 193 regulation because it receives gas from a Part 192 regulated pipeline. In general, Part 192 applies to the pipeline transportation of gas between producers and consumers. Although the LNG is transported by truck after liquefaction, RSPA believes that the NE GTL facility nonetheless is part of the overall operation of transporting gas, in this case from the Beluga-Anchorage transmission line to LDCs and other users at Fairbanks.

Nevertheless, RSPA considered granting the requested waiver because of the unusual features at the proposed NE GTL facility, including its remote location, lack of a storage tank, and skid-mounted transportable liquefaction unit, which, RSPA believes, poses low risk to public safety. RSPA also stated the operator must comply with alternative requirements for portable LNG facilities and meet the siting requirements for the liquefaction unit described in the applicable sections of the NFPA Standard 59A.

RSPA received two comments in response to the notice, both of which were subsequently withdrawn.

RSPA, for the reasons explained above and in Notice 1, finds that the requested waiver of 49 CFR 193 is appropriate and is consistent with pipeline safety, as long as the operator complies with alternative requirements for portable LNG facilities and meets the siting requirements for the liquefaction units described in the applicable sections of the NFPA Standard 59A. Therefore, Northern Eclipse's petition for waiver from compliance with 49 CFR 193 is granted, effective July 17, 1997.

Authority: 49 App. U.S.C. 2002(h) and 2015; and 49 CFR 1.53.

Issued in Washington, D.C. on July 14, 1997.

Cesar DeLeon,
*Deputy Associate Administrator for Pipeline
Safety.*

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