

(61 F.R. 9740) for more information about the RSAC.

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Deputy Administrator.

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

[Docket No. RSPA-97-2707; Notice 1]

Pipeline Safety: Liquefied Natural Gas Facilities Petition for Waiver; Applied LNG Technologies

Applied LNG Technologies (ALT) has petitioned the Research and Special Programs Administration (RSPA) for a waiver from compliance with certain provisions of 49 CFR part 193 for its Needle Mountain Liquefied Natural Gas (LNG) storage and truck loading facility at Topock, Arizona. This facility consists of two 50,000 gallon LNG storage tanks and a truck transfer system. It is piped to a liquefaction facility owned and operated by a subsidiary of El Paso Natural Gas. A transmission pipeline, owned by El Paso Natural Gas Company supplies Part 192 regulated gas to the El Paso liquefaction facility. ALT alleges that an extension of Part 193 jurisdiction to the Needle Mountain LNG storage and truck loading facility would be inconsistent with the language of Section 193.2001(a). Section 193.2001(a) states "This part prescribes safety standards for LNG facilities used in the transportation of gas by pipeline that is subject to the Natural Gas Pipeline Safety Act of 1968 and Part 192 of this chapter". ALT states that the Needle Mountain LNG storage and truck loading facility would not be transporting natural gas by pipeline. ALT further points out that Section 193.2001(b)(1) states "This part does not apply to LNG facilities used by the ultimate consumer of LNG or natural gas". ALT states that this facility would be loading LNG into tank trucks for delivery to commercial and industrial customers, thus, it is the ultimate consumer of LNG. Therefore, ALT alleges that the Needle Mountain LNG storage and loading facility is non-jurisdictional.

On May 16, 1997, the RSPA issued an Interpretation of Part 193 as it applies to the Needle Mountain LNG Storage and truck loading facility. LNG storage and truck loading facility is owned and operated by Applied LNG Technology, Inc. The liquefaction facility and piping is owned and operated by a subsidiary

of El Paso natural gas. However, the land on which the storage facility sits is owned by El Paso Natural Gas. In that interpretation, RSPA stated that regardless of who owns or operates different sections of an LNG facility, it is subject to Part 193 in its entirety. Part 193 encompasses all parts of an LNG facility from the point at which it receives gas from a Part 192 regulated gas transmission pipeline through the liquefaction process, storage, and transfer into a motor carrier vehicle.

ALT now requests a waiver from compliance with certain sections of Part 193 and proposes to ensure equivalent safety through compliance with the National Fire Protection Association (NFPA) standard 59A. The specific sections of Part 193 for which ALT seeks a waiver are:

(1) *Section 193.2173—Water Removal:* § 193.2173(a) requires that except for Class 1 systems, impounding systems must have sump pumps and piping over the dike to remove water collecting in the sump basin.

NFPA 59A section 2-2.2.7 requires either sump pumps or gravity drainage for water removal, provided there is means to prevent the escape of LNG by way of the drainage system.

ALT's rationale for noncompliance: The impoundment area in this facility drains to a sump basin. A sump pump is not provided due to the arid location. In the rare event of rain in Topock, AZ, ALT does not expect to have standing water for any length of time.

RSPA would agree with ALT that a sump pump and piping are not necessary at this LNG facility due to the arid location only if ALT can demonstrate that there would be no standing water (i.e., proving ground is permeable) in the sump for any significant period. RSPA proposes to grant the waiver from § 193.2173 subject to the above condition.

(2) *Section 193.2209(b)(2)—Instrumentation for LNG storage tanks:* For LNG tanks with capacity of 70,000 gallons or less, § 193.2209(b)(2) requires pressure gages and recorders with high pressure alarm.

NFPA 59A 7-2.1 requires only a pressure gage.

ALT does not believe that safety has been compromised by requiring only a pressure gage, because any high pressure in the storage tank is controlled by a recompressor system within the "facility" that maintains the storage pressure at 20 psig. Any failure of this system places the entire storage facility in a "fail safe" (shut down) mode.

RSPA believes that recorders (at the storage tank site and possibly at the control center) and a high pressure

alarm (at the control center) are essential in the event of the failure of the recompressor system. Although the entire storage facility will be placed in a shut down mode, there appears to be no way to prevent pressure from increasing in the LNG storage tank. This is especially important because this LNG storage facility will be an unattended operation. Therefore, RSPA is proposing not to grant a waiver from § 193.2209(b)(2).

(3) *Section 193.2321(a)—*

Nondestructive tests, Circumferential butt welds: § 193.2321(a) requires that 100 percent of circumferential butt welded pipe joints in the cryogenic piping and 30 percent of circumferential butt welded pipe joints in the non-cryogenic piping be nondestructively tested.

NFPA 59A 6-6.3.2 requires all circumferential butt welds to be nondestructively tested, except that liquid drain and vapor vent piping with an operating pressure that produces a hoop stress of less than 20 percent of specified minimum yield stress (SMYS) need not be nondestructively tested, provided it has been inspected visually in accordance with the American Society of Mechanical Engineers (ASME) standard B31.3, Chemical Plant and Petroleum Refinery Piping, 344.2.

RSPA believes that safety is not compromised and is considering granting a waiver from § 193.2321(a) for the liquid drain and vapor vent piping with operating pressures that produce hoop stresses of less than 20 percent SMYS, if that piping complies with the NFPA 59A 6-6.3.2.

(4) *193.2321(e)—Nondestructive tests, Circumferential and longitudinal welds in metal shells of storage tanks:*

§ 193.2321(e) requires 100 percent of both longitudinal and circumferential butt welds in metal shells of storage tanks that are subject to cryogenic temperatures, and are under pressure, to be radiographically tested.

NFPA 59A 4-2.2.2 requires welded construction for shell in accordance with the ASME Code section VIII, and shall be ASME-stamped and registered with the National Board of Boiler and Pressure Vessels (NBBI)

ALT's rationale for requesting a waiver is that safety in this case is not compromised as ALT storage tanks are small, shop fabricated, and built to ASME Code. ASME Section VIII is an accepted standard to which cryogenic pressure vessels are built all over the world.

RSPA agrees that safety is not compromised by waiving the requirements of § 193.2321(e) for smaller pressure vessels (less than

70,000 gallons) which are designed and built to ASME Code VIII (greater than 15 psig). Tanks built to this code are shop fabricated under strict quality control and are inspected and stamped by the Authorized Inspectors of the NBBI. Storage tanks at the ALT LNG facility are built to ASME code Section VIII and have a capacity of 50,000 gallons (relatively small). Therefore, RSPA is proposing to grant the waiver from § 193.2321(e).

(5) *Sections 193.2329 (a) and (b)—Construction Records:* § 193.2329(a) require that an operator shall retain records of specifications, procedures, and drawings consistent with this part, and § 193.2329(b) requires that an operator shall retain records of results of tests, inspections and quality assurance program required by this subpart.

ALT requests a waiver for records for design and manufacture of the pressure vessels, because they are built to the ASME code as referenced in NFPA 59A. ALT would comply with all other record keeping requirements in accordance with §§ 193.2329 (a) and (b).

RSPA agrees and is proposing to grant waiver from §§ 193.2329 (a) and (b) for those parts of its facility where ALT has requested and has been granted a waiver.

(6) *Section 193.2431(c)—Vents:* § 193.2431(c) requires that venting of natural gas/vapor under operational control which could produce a hazardous gas atmosphere must be directed to a flare stack or heat exchanger.

NFPA 59A 3–4.5 also requires safe discharge of boil-off and flash gas to the atmosphere or into a closed system. NFPA 10–12.4.4 requires that safety relief valve discharge stacks or vents shall discharge directly into the atmosphere.

ALT is requesting a waiver from § 193.2431(c) which requires flare stacks. ALT's reasons for noncompliance are that (i) safety relief valves relieve under emergency conditions, and (ii) there will be no boil-off venting at this facility because LNG storage vessels are maintained at a storage pressure of 20 psi by a recompressor system.

RSPA agrees that at this LNG facility recompressor system will maintain a pressure of 20 psi in the LNG storage tanks. Therefore, no continuous discharge of boil-off to atmosphere is expected. RSPA believes that relief valves discharge only under emergency conditions. Therefore, it is safe to discharge them to the atmosphere through a stack without flaring.

Therefore, RSPA is proposing to grant a waiver from compliance with

§ 193.2431(c), as long as relief valves discharge through stacks which are higher than surrounding structures at this facility.

(7) *Section 193.2817 (b)(2)—Fire Equipment:* § 193.2817(b)(2) requires fire control equipment and supplies to include a water supply and associated delivery system, if the total inventory of LNG is 70,000 gallons.

NFPA 59A 9–5.1 similarly requires a water system except where an evaluation in accordance with 9–1.2 indicates the use of water is unnecessary or impractical. Section 9–1.2 also requires evaluation of the methods necessary for protection of the equipment and structures from the effects of fire exposure.

ALT not only requests a waiver from § 193.2817(b)(2), but also takes an exception to NFPA 59A 9–5.1. ALT's rationale for such a waiver is that this facility is remotely located, generally unattended, and is equipped with fire detection sensors which will annunciate fire detection to the control center, as well as initiate a facility shutdown to a fail-safe condition.

RSPA disagrees with ALT's rationale that water is unnecessary and impractical at this facility. This LNG facility has two 50,000 gallon capacity storage tanks, processors, liquefiers, compressors, and piping. For protection of the above components and for controlling unignited leaks and spills, RSPA believes that a fire protection water system is necessary. From the information available to RSPA, it appears that providing a water system at this facility is feasible. Therefore, RSPA is not proposing to grant a waiver from § 193.2817(b)(2).

Except for the sections for which RSPA is proposing to grant a waiver, this LNG facility must meet all the other requirements of Part 193. For the sections for which RSPA proposes to grant a waiver, RSPA believes that the granting of a waiver from these requirements would not be inconsistent with pipeline safety, as long as ALT follows alternative provisions in the NFPA 59A.

Interested parties are invited to comment on the proposed waiver by submitting in duplicate such data, views, or arguments as they may desire. Comments should identify the Docket and Notice number, and should be addressed to the Docket facility, U.S. Department of Transportation, Plaza 401, 400 Seventh Street SW., Washington, DC 20590–0001.

All comments received before September 30, 1997, will be considered before final action is taken. Late filed comments will be considered so far as

practicable. No public hearing is contemplated, but one may be held at a time and place set in a notice in the **Federal Register** if requested by an interested person desiring to comment at a public hearing and raising a genuine issue. All comments and other docketed material will be available for inspection and copying in room 401 plaza between the hours of 10:00 a.m. and 5 p.m., Monday through Friday, except federal holidays.

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

Issued in Washington, D.C. on July 30, 1997.

Cesar De Leon,

Deputy Associate Administrator for Pipeline Safety.

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33425]

I & M Rail Link, LLC—Trackage Rights Exemption—The Burlington Northern and Santa Fe Railway Company

The Burlington Northern and Santa Fe Railway Company (BNSF) will agree to grant limited overhead trackage rights to I & M Rail Link, LLC (IMRL), between milepost 429.7 in the vicinity of Division Street, St. Paul, MN, and milepost 11.6 in the vicinity of the Shoreham Yard Switch, Minneapolis, MN. The trackage includes both the route between the above-referenced mileposts via BNSF's St. Paul Sub-Division, a total of 11.9 miles, and the route between those same mileposts via BNSF's Midway Sub-Division, a total of 11.4 miles. IMRL's use of a particular route will be determined by BNSF.

The transaction was expected to be consummated on or after the July 29, 1997 effective date of the exemption.

The purpose of this transaction, in the interest of operating economies and improving service, is to permit IMRL to handle traffic to and from the Soo Line Railroad Company's Shoreham Yard at Minneapolis, and to pick up and deliver interchange traffic to BNSF at either Dayton's Bluff or Northtown Yard.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in *Norfolk and Western Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Ry., Inc.—Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If the notice contains false