

For the reasons stated, Rockies Express is requesting a waiver from the regulatory requirements at 49 CFR 192.111 for its Rockies Express Pipeline Project, and is seeking to operate its new interstate Rockies Express pipeline at hoop stresses up to 80 percent SMYS in Class 1 locations.

PHMSA will consider Rockies Express' waiver request and whether its proposal will yield an equivalent or greater degree of safety than that currently provided by the regulations. After considering any comments received, PHMSA may grant Rockies Express' waiver request as proposed, with modifications and conditions, or deny the request. If the waiver is granted and PHMSA subsequently determines the effect of the waiver is inconsistent with pipeline safety, PHMSA reserves the right to revoke the waiver at anytime.

**Authority:** 49 U.S.C. 60118(c) and 49 CFR 1.53.

Issued in Washington, DC, on March 17, 2006.

**Theodore L. Willke,**

*Deputy Associate Administrator for Pipeline Safety.*

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## DEPARTMENT OF TRANSPORTATION

### Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-23448; Notice 1]

#### Pipeline Safety: Request for Waiver; Maritimes & Northeast Pipeline, L.L.C.

**AGENCY:** Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

**ACTION:** Notice of intent to consider waiver request.

**SUMMARY:** Maritimes & Northeast Pipeline, L.L.C. (M&N) requests a waiver of compliance for the U.S. portion of its pipeline system in Class 1, 2, and 3 locations to operate at stress levels up to 80 percent; 67 percent; and 56 percent respectively, of the pipeline's specified minimum yield strength (SMYS).

**DATES:** Persons interested in submitting comments on the waiver request described in this Notice must do so by April 21, 2006.

**ADDRESSES:** Comments should reference Docket No. PHMSA-2006-23448 and may be submitted in the following ways:

- DOT Web site: <http://dms.dot.gov>. To submit comments on the DOT electronic docket site, click "Comment/

Submissions," click "Continue," fill in the requested information, click "Continue," enter your comment, then click "Submit."

- Fax: 202-493-2251.
- Mail: Docket Management System: U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-0001.
- Hand Delivery: DOT Docket Management System; Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- E-Gov Web Site: <http://www.Regulations.gov>. This site allows the public to enter comments on any **Federal Register** notice issued by any agency.

**Instructions:** You should identify the docket number, PHMSA-2006-23448, at the beginning of your comments. If you submit your comments by mail, you should submit two copies. If you wish to receive confirmation that PHMSA received your comments, you should include a self-addressed stamped postcard. Internet users may submit comments at <http://www.regulations.gov>, and may access all comments received by DOT at <http://dms.dot.gov> by performing a simple search for the docket number.

**Note:** All comments will be posted without changes or edits to <http://dms.dot.gov> including any personal information provided.

**Privacy Act Statement:** Anyone may search the electronic form of all comments received for any of our dockets. You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477) or you may visit <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** James Reynolds by telephone at 202-366-2786; by fax at 202-366-4566; by mail at DOT, Pipeline and Hazardous Materials Safety Administration (PHMSA), Pipeline Safety Program (PHP), 400 7th Street, SW., Room 2103, Washington, DC 20590; or by e-mail at [james.reynolds@dot.gov](mailto:james.reynolds@dot.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

Maritimes & Northeast Pipeline, L.L.C. requests a waiver of compliance for the U.S. portion of its pipeline system in Class 1, 2, and 3 locations to operate at stress levels up to 80 percent; 67 percent; and 56 percent respectively, of the pipeline's SMYS. Specifically, M&N requests a waiver of compliance

from the following regulatory requirements:

- 49 CFR 192.111—Design factor (F) for steel pipe;
- 49 CFR 192.201—Required capacity of pressure relieving and limiting stations;
- 49 CFR 192.503—General Requirements;
- 49 CFR 192.611—Change in class location: Confirmation or revision of maximum allowable operating pressure; and
- 49 CFR 192.619—Maximum allowable operating pressure: Steel or plastic pipelines.

The proposed waiver would apply to approximately 203 miles of M&N's 24-inch diameter pipeline. This portion of pipeline extends from M&N's Baileyville, Maine compressor station near the U.S./Canada border to Westbrook, Maine; and includes two compressor stations. The current maximum allowable operating pressure (MAOP) of the mainline system is 1440 pounds per square inch gauge (psig).

M&N placed its pipeline in service on December 1, 1999. The pipeline is operated by M&N Operating Company, LLC—a wholly owned subsidiary of Duke Energy Gas Transmission. The pipeline is 24-inch diameter, Grade X-70 pipe with varying wall thicknesses. One hundred percent of the pipeline's girth welds were inspected using radiography, and the pipeline—including girth welds—are coated with fusion bonded epoxy. M&N tested the Class 1 and 2 pipelines to 125 percent MAOP; the Class 3 pipeline was tested to 150 percent MAOP. In addition, M&N performed an in-line inspection of its pipeline in 2002 and no anomalies were detected.

#### Pipeline System Analysis

M&N conducted evaluations of the U.S. portion of its pipeline to confirm whether the system could safely and reliably operate at increased stress levels. As part of its evaluation, M&N analyzed and compared the threats imposed on a pipeline operating at 72 percent SMYS to those imposed on a pipeline operating at 80 percent SMYS; including: (1) External corrosion; (2) internal corrosion; (3) stress corrosion cracking; (4) pipe manufacturing; (5) construction; (6) equipment; (7) immediate failure due to puncture; (8) delayed failure due to resident defects or damage; (9) incorrect operation; and (10) weather/outside factors. M&N asserts that any impact(s) that potentially threaten the integrity of its pipeline, as a consequence of the line operating at higher stress levels, have been addressed.

M&N requests a waiver of compliance from the regulatory requirements at 49 CFR 192.111. This regulation prescribes the design factor to be used in the design formula in § 192.105. The design factors are found in the following table:

Class location	Design factor (F)
1 .....	0.72
2 .....	0.60
3 .....	0.50
4 .....	0.40

M&N is proposing to use a design factor for its existing pipeline of 80 percent SMYS for Class 1; 67 percent SMYS for Class 2; and 56 percent SMYS for Class 3. M&N notes that if the waiver is granted, it intends to operate its pipeline in the future with a design factor of 80 percent SMYS for Class 1; 60 percent SMYS for Class 2; and 50 percent SMYS for Class 3.

M&N also requests a waiver from § 192.201(a)(2)(i) which states if the MAOP is 60 psig or more, the pressure may not exceed MAOP plus 10 percent, or the pressure that produces a hoop stress of 75 percent SMYS, which ever is lower. M&N proposes to set the over pressure protection for the waiver sections to 104 percent of the pipeline MAOP. This setting is based on the ratio of 75 percent to 72 percent of SMYS.

M&N additionally requests a waiver from the requirements of § 192.503(c) which limits the maximum hoop stress allowed to 80 percent of the pipeline's SYMS if air, natural gas, or inert gas is used as the test medium. M&N desires to test its compressor station piping to 82 percent SMYS.

Section 192.611 requires an operator to confirm or revise the MAOP of its pipeline if the hoop stress corresponding to the established MAOP is not commensurate with the present class location. M&N notes that any class location changes that occur subsequent to this proposed waiver will be filed under separate waiver requests.

PHMSA will consider M&N's waiver request and whether its proposal will yield an equivalent or greater degree of safety than that currently provided by the regulations. After considering any comments received, PHMSA may grant M&N's waiver request as proposed, with modifications and conditions, or deny M&N's request. If the waiver is granted and PHMSA subsequently determines the effect of the waiver is inconsistent with pipeline safety, PHMSA may revoke the waiver at its sole discretion.

**Authority:** 49 U.S.C. 60118 (c) and 49 CFR 1.53.

Issued in Washington, DC, on March 20, 2006.

**Joy Kadnar,**

*Director of Engineering and Emergency Support.*

[FR Doc. 06-2829 Filed 3-21-06; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 34830]

#### **Kansas City Transportation Company LLC—Lease and Assignment of Lease Exemption—Kansas City Terminal Railway Company and Kaw River Railroad, Inc.**

Kansas City Transportation Company LLC (KCTL), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire by lease from Kansas City Terminal Railway Company (KCT) approximately 25.73 miles of rail line in the Kansas City Terminal District in Jackson County, MO, and Wyandotte County, KS. KCTL also seeks to acquire by assignment from KRR the operating and lease rights over all tracks owned by KCT which are currently subleased to KRR and over all tracks owned by The Kansas City Southern Railway Company (KCS) which are leased to KRR. KCTL, a wholly owned subsidiary of KCT, states that it expects to enter into one or more agreements with contract operators, but that it will retain the common carrier obligation.<sup>1</sup>

The lines KCTL seeks to acquire by lease are: all leads and tracks connecting to the KCT Joint Track, including KCT Main 1 west of Osage Ave. to 12th Street in Kansas City, KS; KCT Main 2 west of Osage Ave. to Kansas Ave. in Kansas City, KS; KCT's Blue River Yard (KCT track nos. 402-405 and 933) and KCT's Mill Street Yard (KCT track nos. 1010-1018, 1020-1023, and 1030-1047) and certain other KCT leads and tracks (KCT track nos. 90, 109, 238, 243, 450, 451, 604, 610, 650, 664, 666, 276W, 278W, 280W, 4031, 4033, 4350, 4364, 4653, 4709, 5800, 5538, 1063, 1070, 1091, 6108, 6109, 6411, 6428 and 6481, and KCT's rights over Procter & Gamble's plant tracks).

The lines that KCTL seeks to acquire by assignment are: (i) The leads and tracks located (a) between the facilities of Inland Container on Kansas Avenue in Kansas City, KS, and the facilities of

Constar Plastics, Inc., on Armourdale Parkway in Kansas City, KS, and (b) between the facilities of Lite-Weight Products, Inc., on Kansas Avenue in Kansas City, KS, and the facilities of Ace Pallet on Argentine Boulevard in Kansas City, KS, (ii) KCS's 12th Street yard located south of 12th Street in Kansas City, MO, and (iii) KCS's Armourdale Yard, located near the facilities of Kaw River Shredding on South 12th Street in Kansas City, KS.

KCTL states that there are no milepost designations associated with the rail lines being leased or assigned. The total length of the lines is 33.2 track miles (including yard tracks), including 7.5 miles of KCS tracks incidental to the principal transaction. KCTL will also have incidental rights over the KCT Joint Tracks for continued access to the tracks and interchange locations. Interchange with Union Pacific Railroad Company, BNSF Railway Company, KCS, Norfolk Southern Railway Company, and Iowa, Chicago and Eastern Railroad Corporation will continue at points in and around Kansas City where KRR and KCS have interchanged, or as otherwise agreed to by KCTL and the other railroads involved.

This transaction is related to STB Finance Docket No. 34831, *Kansas City Terminal Railway Company—Intra-Corporate Exemption—Kansas City Transportation Company LLC*, wherein KCT seeks to continue in control of KCTL upon KCTL's becoming a Class III rail carrier.<sup>2</sup>

KCTL certifies that its projected revenues will not result in the creation of a Class II or Class I rail carrier, and that its projected annual revenues will not exceed \$5 million.

The transaction was expected to be consummated on March 1, 2006, the effective date of the exemption (7 days after the exemption was filed).

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34830, must be filed with the Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. In addition, one copy of each

<sup>1</sup> Under 49 U.S.C. 10902 and the Board's rules at 49 CFR 1150.31, if KCTL elects to enter into agreements with contract operators, the operators must file a request with the Board for authority prior to commencing operations.

<sup>2</sup> On February 27, 2006, the Brotherhood of Locomotive Engineers and Trainmen, a Division of the Rail Conference, International Brotherhood of Teamsters, filed a petition for a stay of the transactions encompassed by both notices of exemption. The stay request was denied by decision served on February 28, 2006.