

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.
03-0304582**

**FINAL ORDER
GRANTING THE APPLICATION OF VOPAK MODA HOUSTON, LLC
TO CONSIDER A SOUR GAS PIPELINE PURSUANT TO STATEWIDE RULE 106,
VOPAK MODA HOUSTON LINE NO. 2, PASADENA/DEER PARK AREA
HARRIS COUNTY, TEXAS**

The Commission finds that after notice and opportunity for hearing, the above-numbered docketed application meets the requirements of Statewide Rule 106 (16 Tex. Admin. Code §3.106 Sour Gas Pipeline Construction Permit.) The proceedings having been duly submitted to the Railroad Commission of Texas at conference held in its office in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. On April 18, 2017, Vopak Moda Houston, LLC filed with the Railroad Commission an application to construct a sour gas pipeline pursuant to 16 Tex. Admin. Code §3.106, the Vopak Moda Houston Line No. 2, Harris County, Texas.
2. On May 5, 2017, Vopak Moda Houston, LLC filed a copy of the application with the County Clerk offices of Harris County, Texas.
3. On May 11, 2017, Vopak Moda Houston, LLC published notice of the application in the *North Channel Star*, a newspaper of general circulation in Harris County, Texas. On May 17, 2017, Vopak Moda Houston, LLC published notice of the application in the *Houston Chronical*, a newspaper of general circulation in Harris County, Texas.
4. The Commission's Oversight and Safety Division has reviewed Form T-4 (Application for Permit to Operate a Pipeline in Texas) and recommends the pipeline permit be issued.
5. The Commission's Field Operations Section has reviewed the Form H-9 (Certificate of Compliance with Statewide Rule 36), contingency plan and supporting data for the subject pipeline and recommends the pipeline permit be issued.
6. On June 26, 2017, the application was received for review by the Commission's Hearings Division.

7. No protests were received.
8. On July 12, 2017, the Technical Examiner recommended the application be approved by the Commission at the next available conference.
9. The proposed pipeline will be located in the Pasadena/Deer Park area of Harris County, east of downtown Houston. The proposed pipeline will generally parallel State Highway 225 (Pasadena Freeway).
10. The proposed 24-inch pipeline will be approximately 10.7 miles long. The pipeline will connect Vopac's terminal facilities with industrial customers in the area. The pipeline will begin at 29° 42' 28.71" north, 95° 14' 29.92" west, and it will end at 29° 42' 52.38" north, 95° 5' 56.48" west.
11. The proposed pipeline will generally carry crude oil and condensate. The pipeline may, on some occasions, transport fluids that contain up to 1,000 parts per million ("ppm") hydrogen sulfide.
12. The pipeline will have a maximum allowable operating pressure of 1,170 psig. The maximum escape velocity is estimated to be 163,711 thousand cubic feet ("mcf") gas per day.
13. The system will be equipped with low/high pressure emergency shutdown systems along the line and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system.
14. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
15. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
16. The 100 ppm radius of exposure ("ROE") of the pipeline is 2,448 feet, and the 500 ppm ROE of the pipeline is 1,119 feet.
 - a. The proposed pipeline is in a heavily industrialized and urban area with many public roadways, structures and residences.
 - b. The preliminary contingency plan submitted by Vopac Moda Houston, LLC complies with the provisions of Statewide Rules 36(c)(9) and 106(a)9).
 - c. As provided in Statewide Rule 106(a)(9), the individual impact points will be identified before the line is put into service.
17. The materials to be used in and method of construction and operation of the facility comply with the applicable rules and safety standards adopted by the Commission.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 3.106
3. The application complies with Statewide Rule 106. 16 Tex. Admin. Code § 3.106
4. Approving the application for a permit to construct and operate the proposed sour gas pipeline is consistent with the rules and safety standards adopted by the Commission.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Vopak Moda Houston, LLC to construct and operate a sour gas pipeline, the Vopak Moda Houston Line No. 2, in Harris County, Texas, is hereby approved. Vopak Moda Houston, LLC shall comply with all applicable rules and safety standards adopted by the Commission for the construction and operation of sour gas pipelines.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Done this 1st day of August 2017.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated August 1, 2017)**