



Agenda Date: 6/10/26

Agenda Item: 6A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

RELIABILITY & SECURITY

IN THE MATTER OF THE PETITION BY SOUTH)	ORDER APPROVING
JERSEY GAS COMPANY FOR A WAIVER OF 49 CODE)	WAIVER
OF FEDERAL REGULATIONS (CFR), PART 193,)	
SECTION 193.2321)	DOCKET NO. GW26030051

Parties of Record:

Dominick DiRocco, Esq., South Jersey Gas Company

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a request from South Jersey Gas Company ("SJG" or "Company"), in coordination with CBI Services, LLC ("CBI"), to waive the requirements of 49 C.F.R. §193.2321(b) to use ultrasonic examination in lieu of radiographic examination for certain weld thicknesses ranging between 0.250 to 0.375 inches for its proposed liquefied natural gas ("LNG") storage tank at the Company's McKee City Facility Expansion Project in Egg Harbor, New Jersey ("LNG Project").

BACKGROUND AND PROCEDURAL HISTORY

The scope of the LNG Project is to install a second LNG tank at the Company's existing McKee City LNG plant. The LNG Project includes installing one full containment tank with a volume of 1.0 billion cubic feet and is designed to contain LNG at a temperature of -260 °F. The tank will be subjected to pressures less than fifteen (15) pounds per square inch-gauge ("PSIG"). The welds of the tank will be subjected to cryogenic temperatures and federal safety regulations require nondestructive testing of the quality and integrity of the welds.

Via correspondence dated February 18, 2026, SJG, in coordination with CBI, requested a waiver of the requirements of 49 C.F.R. §193.2321(b) to use ultrasonic examination in lieu of radiographic examination on welded joints where thickness of the thinner of the two (2) members joined is greater than or equal to 0.250 inch, for the LNG Project.

49 C.F.R. §193.2321(b) states:

For storage tanks with internal design pressures at 15 psig or less, ultrasonic examinations of welds on metal containers must comply with the following:

- (1) Section 7.3.1.2 of NFPA Std-59A-2006, (incorporated by reference, see § 193.2013);
- (2) Appendices C and Q of API Std 620, (incorporated by reference, see § 193.2013);

49 C.F.R. §193.2321(b) incorporates by reference the 11th edition of American Petroleum Institute (API) Standard 620 (“11th Edition”), which limits the use of ultrasonic examination in lieu of radiographic examination to weld thicknesses in the range of 0.375 to 1.750 inches. The 12th edition of API Standard 620 (“12th Edition”) is not incorporated by reference in 49 C.F.R. §193.2321(b). The 12th Edition, and subsequent editions of API Standard 620, allow for the expanded use of ultrasonic examination to include weld thicknesses between 0.250 to 0.375 inches. The McKee City LNG tank shells will range from 0.355 to 0.600 inches in thickness, and as such, the 11th Edition precludes SJG from using ultrasonic examination on tank welds that are less than 0.375-inch thickness, which constitutes a combined 2,550 linear feet of welds. The 12th Edition would allow SJG to use ultrasonic examination on the entire LNG tank.

Additionally, according to CBI, ultrasonic examination is more sensitive than radiographic examination for detecting cracks, non-fusion, and other two (2)-dimensional planar type flaws in welds, which are the most severe type of weld defects. Ultrasonic examinations would allow SJG to detect weld flaws with the greatest detrimental impact on the LNG container walls. An added benefit cited is that ultrasonic examination does not require precautions to protect personnel from radiation present during radiographic examination.

CBI cited critical flaw size calculations using the smaller wall thickness to support the feasibility of using ultrasonic examination for 0.250 inch and greater thickness. CBI also cited the American Society of Mechanical Engineers’ extension of ultrasonic examination to thicknesses from 0.250 to 0.375 inches in its industry standard Boiler and Pressure Vessel Code Section VIII as justification for the change in API Standard 620 allowing the same. In addition, CBI provided its procedure for ultrasonic examination which incorporates requirements of API Standard 620 12th edition and uses methods which support detection at the smaller thickness.

Prior to adopting ultrasonic examination in the federal regulations in 2010, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (“PHMSA”) granted several waivers for general use of ultrasonic examination in lieu of radiographic examination under the 11th edition of API Standard 620. In addition, on December 28, 2022, PHMSA granted the Public Service Commission of Wisconsin two (2) waivers to allow Wisconsin Electric Power Company and Wisconsin Gas, LLC the use of ultrasonic examination in lieu of radiographic examination on weld thicknesses between 0.250 to 0.375 inches, as permitted by the 12th edition of API Standard 620.

DISCUSSION AND FINDINGS

Pursuant to 49 U.S.C. § 60118(d), the Board may waive compliance with a safety standard to which a Section 60105 certification applies. After careful consideration, the Board **HEREBY FINDS** that equivalent or safer construction of the LNG Project would be secured by using ultrasonic examination in lieu of radiographic examination of welds with thicknesses between 0.250 to 0.375 inches. The Board **FURTHER FINDS** that 49 C.F.R. §193.2321(b) incorporates, by reference, the 11th Edition which limits the use of ultrasonic examination in lieu of radiographic

examination to weld thicknesses in the range of 0.375 to 1.750 inches. The Board **FURTHER FINDS** that the 12th Edition, including addendum 2 (April 2018), is not incorporated by reference in 49 C.F.R. §193.2321(b) and allows for the expanded use of ultrasonic examination to include weld thicknesses between 0.250 to 0.375 inches.

The Board **HEREBY WAIVES** the requirements of 49 C.F.R. §193.2321(b), and by reference, the 11th Edition, and **HEREBY AUTHORIZES** SJG to use ultrasonic examination in lieu of radiographic examination for weld thicknesses ranging between 0.250 to 0.375 inches for the LNG Project, subject to the following conditions:

1. This Order applies to this particular LNG Project, only. Any subsequent waiver requests shall be determined on a case-by-case basis.
2. Ultrasonic examination of LNG storage tank welds with thicknesses between 0.250 to 0.375 inches shall comply with the 12th Edition, including addendum 2 (April 2018), and SJG's procedures provided in "Ultrasonic Examination Phased Array Austenitic Welds API 620."
3. Ultrasonic equipment calibrations must be conducted at the start of usage for each day, and the ending of usage of the ultrasonic equipment for each day.
4. Nothing herein affects the requirements provided in 49 C.F.R. 193, Et seq.

The Board **HEREBY FINDS** that the waiver is contingent upon PHMSA approval and is subject to any additional requirements imposed by PHMSA as a condition of its approval. Pursuant to 49 U.S.C. § 60118(d), if PHMSA approves the waiver or PHMSA takes no action after sixty (60) days, the Board **HEREBY ORDERS** that the provisions herein be in full force and effect.

This Order shall be effective on June 17, 2026.

DATED: June 10, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZEMON CHRISTODOLOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST: 
SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION BY SOUTH JERSEY GAS COMPANY FOR A WAIVER
OF 49 CODE OF FEDERAL REGULATIONS (CFR), PART 193, SECTION 193.2321
DOCKET NO. GW26030051

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