

South Dakota Gas Pipeline Safety Program

2012 Summary



State Program General

- Number of operators
 - 2012 year end total 13
 - # of additions since 2011 0
 - # of deletions since 2011 0
 - Comments
- Number of inspectors
 - 2011 year end total 1.3
 - Change from year end 2010 0

Program Operational Overview

- 2 inspectors: Mary 100 %, Nathan 35 % inspector, 65 % Program Manager
- 133 inspection days per year required, 173.5 in 2012
- Complete regulation review once every two years
- Year 1 (2012): welding, fusion, drug and alcohol, DIMP, public awareness
- Year 2 (2013): corrosion, patrolling, leak surveys, OQ, TIMP

Covered Operators (13)

Municipals

- Crooks Municipal Gas
- Garretson Municipal Gas
- Humboldt Municipal Gas
- Watertown Municipal Gas

Private Distribution

- Mid-American Energy
- Montana-Dakota Utilities
- Northern Natural Gas
- NorthWestern Energy

Transmission

- Basin Groton CT Pipeline
- Basin Deer Creek
- Black Hills Power
- Montana-Dakota Utilities
- NorthWestern Energy
- South Dakota Intrastate Pipeline
- Sioux Falls Sanitary Landfill Gas Pipeline
- Xcel Angus Anson Pipeline

2011 Year End Gas Statistics for South Dakota

- Gas transmission mileage 297
- Gas distribution mileage 4,570
- Number of gas services 204,737

SD Gas Distribution Federal Reportable Incident Summary 1998 – 2011

| Year | Number | Fatalities | Injuries | Property Damage |
|-------------|---------------|-------------------|-----------------|------------------------|
| 2004 | 1 | 0 | 0 | \$110,266 |
| 2007 | 2 | 0 | 0 | \$696,630 |
| 2008 | 1 | 0 | 0 | \$150,000 |
| 2009 | 0 | 0 | 0 | 0 |
| 2010 | 0 | 0 | 0 | 0 |
| 2011 | 0 | 0 | 0 | 0 |
| 2012 | 1 | 0 | 0 | \$108,000 |

Spearfish Incident Summary

- **4:50 am on February 10, 2012**
- **Logging truck's pup trailer struck the Spearfish Wal-Mart's meter set and gas was blowing.**
- **The road conditions were clear. The temperature was around 10 deg. F and the wind was blowing around 10-15mph.**
- **No injuries or deaths**
- **Property damages including building wall and mechanical units were estimated to be around \$108,000.**
- **The tongue of the trailer went between the meter barricades and sheared the meter.**

Root Cause

MDU –

- **Root cause of the incident was a large uncontrolled vehicle striking a well-protected meter set. The random nature of the collision defeated the barrier not because it was weak or misplaced but because of the extreme randomness of the crash.**

PUC –

- **The root cause of the incident lies with MCS trucking and not the operator. The operator had appropriate procedures in place to protect the meter set from vehicular damage. These procedures were followed and the barriers were able to withstand the impact of the logs.**

Prevention of Reoccurrence

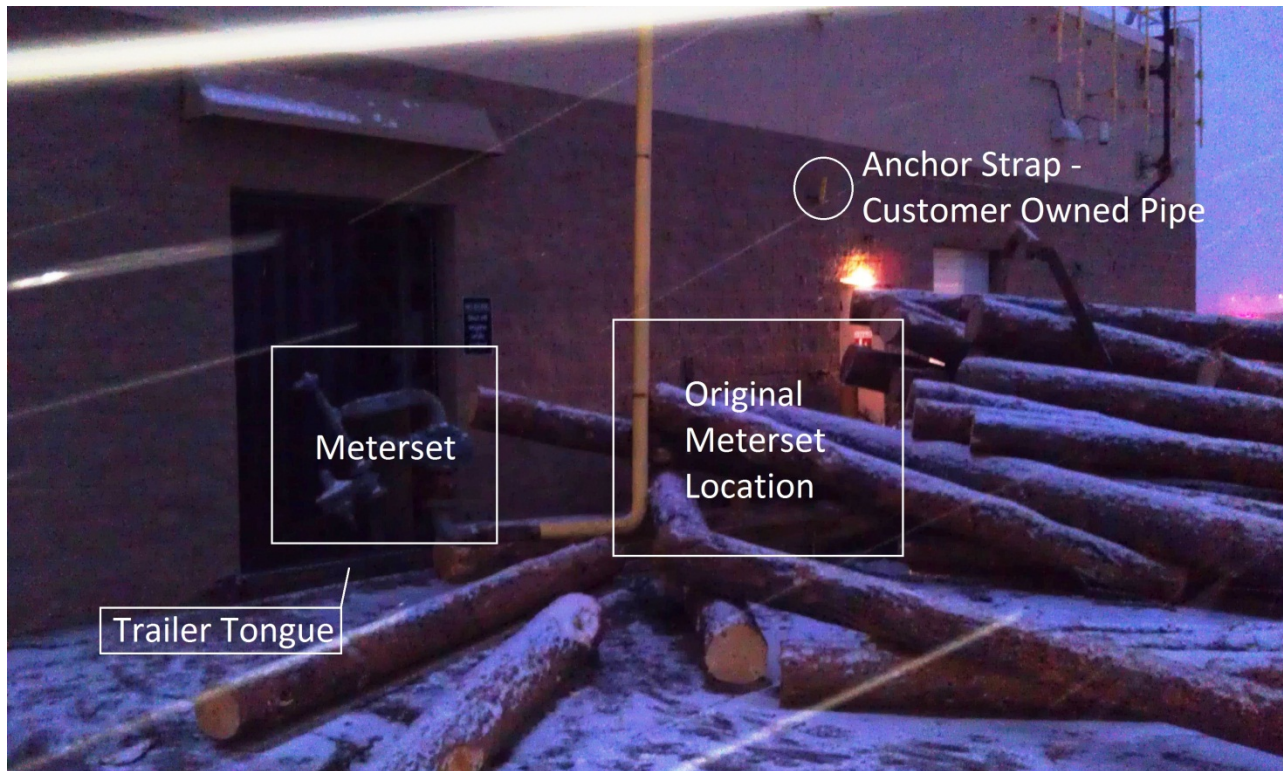
MDU-

- **This is an isolated incident and no changes to their vehicle protection standards and practices are warranted at this time.**

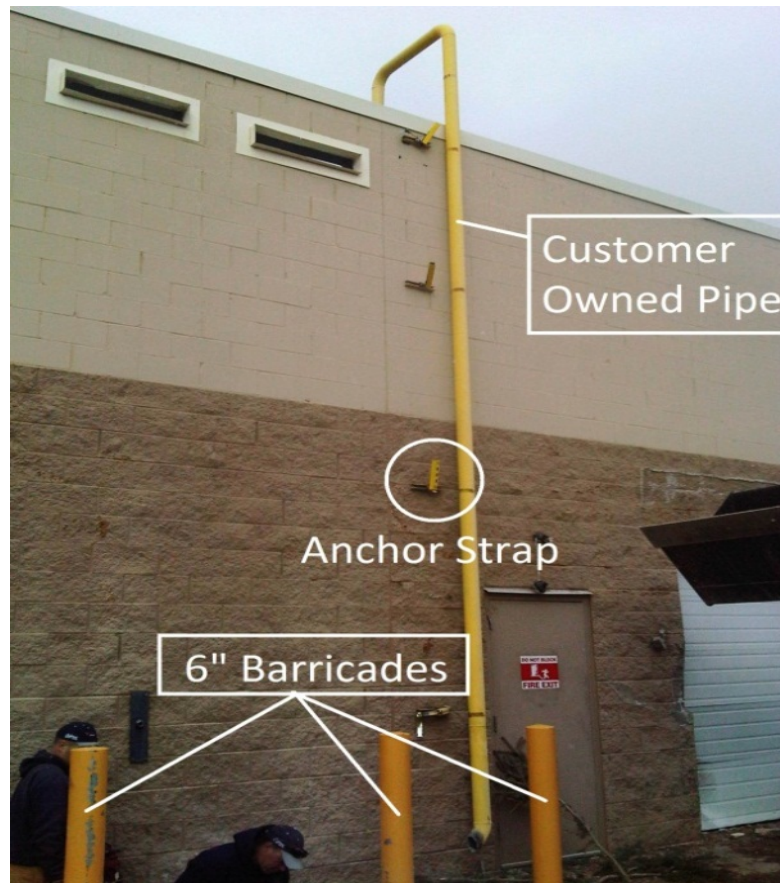
Staff –

- **Concurs with this conclusion. In the event that a similar incident occurs at this site, it is recommended that further actions be taken.**

Picture 1



Picture 2



Enforcement Statistics 2012

| | |
|--|-----------------|
| NPV & Warnings Cited | 242 |
| NPV & Warnings Corrected | 315 |
| NPV & Warnings Outstanding at Year End | 77 |
| | |
| Number fines levied | 3* |
| Amount of Fine | \$3,550* |
| *2 penalty dockets opened in 2011– fines assessed in 2012: \$800 & \$2,000 | |
| | |

Major Construction Activity

- **Several large volume customers downstream of distribution center added**
 - **Beef plant, generation facility**
 - **Jerky plant**
- **Misc. system expansion activity in distribution systems**
- **No new transmission lines**

Special Permits Requested / Granted

- None in 2012

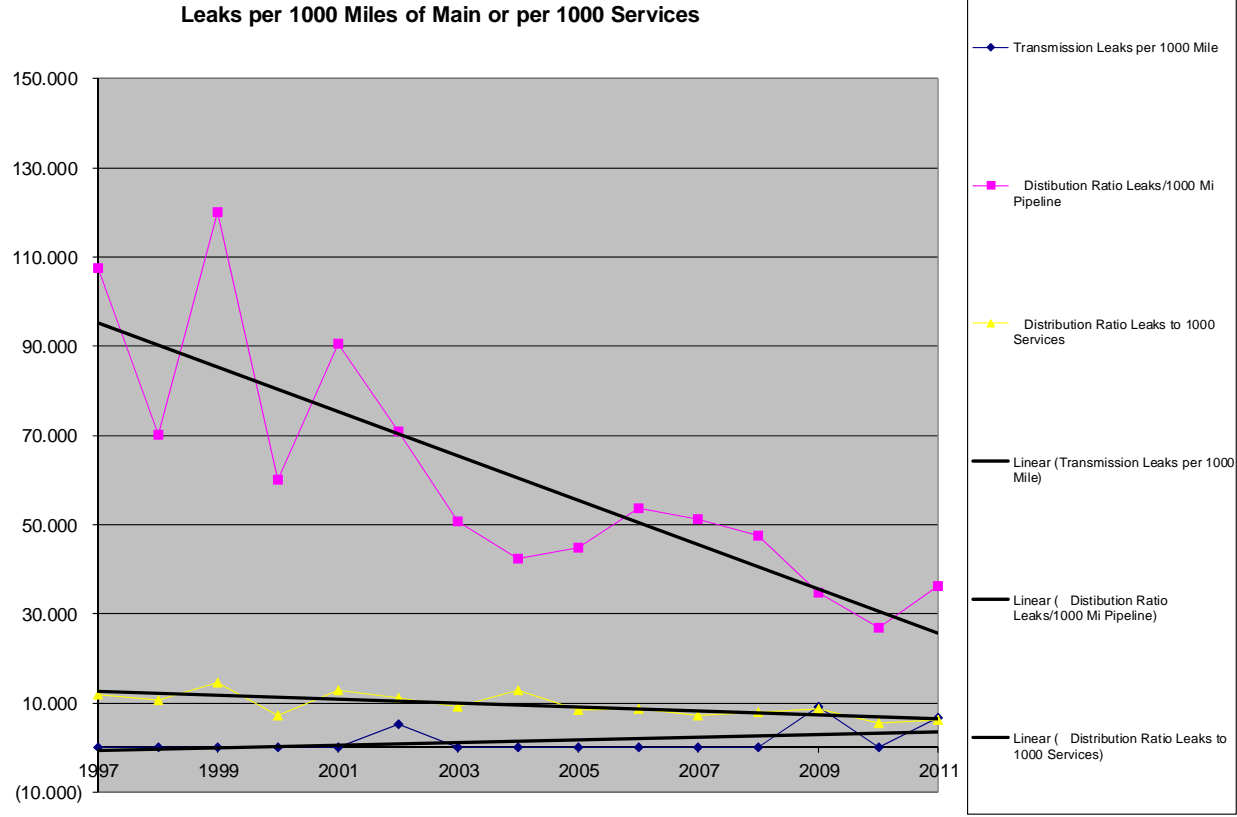
2012 Highlights

- **Completed remaining public awareness inspections with new PAPEE form**
- **Completed remaining first round DIMP plan inspections**
- **Conducted drug and alcohol inspections on all but one operator including clinic inspections**
- **Conducted 3 construction inspections**
- **Participated on federal/state DIMP implementation team**
- **Coordinated and led a joint multi state DIMP inspection**

2012 Highlights Continued

- **Completed 1 of 2 remaining T & Q courses for program manager**
- **Half of the code in Parts 191 and 192 was inspected:**
 - **o emergency plans**
 - **o test requirements**
 - **o welding**
 - **o fusion**
 - **o damage prevention**
 - **o overpressure protection**
 - **o MAOP**

2012 Program Metrics



2013 Outlook

- **Hold quarterly operator training webinars**
- **Complete first round of control room management inspections**
- **Complete NACE CP Level 2 Certification for program manager**
- **Complete half of required T & Q courses for new inspector.**
- **Complete TIMP inspections on all transmission operators
Begin DIMP field audit inspections**
- **Complete operations and maintenance manual inspections**

2013 Outlook Continued

- **Inspect all operators records in following areas:**
 - **Corrosion and cathodic protection**
 - **Line markers**
 - **Patrolling**
 - **Leakage surveys**
 - **Emergency valves**
 - **Excess flow valves**
 - **Pipe on structures**
 - **Operator Qualifications**
- **Conduct field inspections of emergency valves, pipe on structures and operator qualifications**