

Linda M. Lane

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Mission Hill, South Dakota 57046

August 7, 2017

Commissioner Gary Hanson, Vice Chairman  
Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
*Via Email and US Mail*

Re: Docket NG17-011 - Questions raised by MidAmerican Energy Company letter to South Dakota Public Utilities Commission, dated July 27, 2017

Dear Commissioner Hanson,

I join the Commissioners in thanking MidAmerican Energy for stepping in as utility provider for Northern Natural Gas to live up to their commitment to the farm tap customers, taking up tasks previously performed by Northwestern Energy. I understand that the PUC staff has been instrumental in creating this arrangement. They are to be commended.

Thank you for being our voice on the PUC. You have consistently spoken and voted for fair treatment for farm tap owners, and we appreciate it!

I am concerned about the 'safety' requirements discussed in MidAmerican's letter. I have specific comments below, but in general this strikes me as unusual, inappropriate, and unfair. When a residential customer's utility provider changes the home piping is not inspected, leak tested, shut in tested, evaluated for compliance with the most recent codes, and recertified. And of course, some of the residential piping in South Dakota is as old if not older than my piping. As with a residential customer, the farm tap customer is responsible for everything past the meter so why would the PUC agree to such an arduous and costly safety inspection?

I am not opposed to the idea of safe construction following appropriate codes, but I want to point out that we, and the other farm tap customers, have already performed safe construction and followed the codes in place when we did our construction. The requirement that I go through a rigorous re-inspection and re-qualification based on current codes, and bring my piping up to current codes as if I were engaged in new construction is unnecessary and burdensome and certainly something not required of residential customers. This was not, to the best of my knowledge, done when utility providers have changed in the past, nor has it been required of other MidAmerican farm tap customers currently on the NNG pipeline, and hence should not be required for a change in utility provider from NWE to MidAmerican.

And it's not as if MidAmerican is buying my facilities. If they were taking title to our piping, I would certainly understand their concern that they know what they were getting. But that's not what's happening here; MidAmerican is simply taking over natural gas deliveries that are already in progress, and are operating safely and successfully.

The farm taps are operating safely and there is no reason to think they will begin to fail just because the gas is being measured, odorized and billed by a new company.

The letter seems to ignore both the language of our easement agreements and the SB-104 statute, which make the farm tap owner responsible for their piping.

Lastly, the entity most likely to discover a leak first is the farm tap customer - if the line is properly odorized. We are on the land much more frequently than any utility provider and the odorant is easily detected by smell, even from a small leak.

I have specific comments directed at the *Attachment 1: Pipeline Safety Requirements* of the 7/27/17 letter from MidAmerica to the PUC. While I regard these steps as unnecessary and burdensome, I noted a lack of detail in the proposed requirements, and have the following questions and comments.

- 1) *The line must pass a shut-in test.* A typical shut-in test is performed at 10 psig and the line must hold that pressure for 15 minutes. Is this the proposed test and if not, please let us know what the shut-in test procedures will be.
- 2) *The line must pass a pressure test with a minimum of 100 psi.* Why is 100 psi chosen for the test, and for how long will the test last? Will this risk damage to the pressure regulator at the downstream end of the line? Will the shut-in test be performed again after the line is stressed by the pressure test? And, generally speaking, why would this test be performed at all since the gas that flows through the piping is only at a couple of PSI.
- 3) *The line must be locatable.* Will MidAmerican actually locate the lines or just evaluate them as 'locatable'? Will MidAmerican mark the line as it is located?
- 4) *The line must pass a leak survey.* What methods will be used in the leak survey? If the line has passed a shut-in test and a pressure test, why assume detectable leaks exist that must be found in a leak survey?
- 5) *The line must be constructed of compliant materials.* If the line was in compliance with code at the time of installation is it likely to be 'in compliance' under this proposal. Our line was installed by, and at the direction of Northern Natural Gas. We have every reason to expect they followed the relevant codes and standards. Will you require lines that pass the shut-in and pressure tests to be replaced simply because codes have changed since their installation?
- 6) *Providing an easement from other property owners.* Since all or nearly all of these lines have been in place for more than 22 entire years, the existence of a Prescriptive Easement is strongly implied. Why include this requirement?
- 7) No comment.
- 8) No comment.
- 9) *Customer to demonstrate that no non-compliant conditions are present with respect to appliances or internal piping.* How will this demonstration be achieved? Since our houses and farms were constructed following the codes applicable at the time, why insist on such an internal inspection? Are internal inspections of this type required for continuing natural gas service for existing customers?

10) No comment.

11) *If a service line runs across public right-of-way the service must be registered with SD 811 and marked with pipeline markers*

This is a state law and as such does not need to be part of any safety inspection.

12) *Regulators must be verified to have adequate overpressure protection.* This is a highly technical task which farm tap users do not routinely perform nor residential customers. Will MidAmerican provide this service as part of their monthly or annual service?

13) *Valves must be verified to 100% shut off.* This is a highly technical task which farm tap users and residential customers do not routinely perform. Will MidAmerican provide this service?

14) *Service line must be verified to meet the fuel gas code.* Please elaborate. If the fuel gas code contains provisions other than those in the 13 points listed above, what is it you want from the farm tap users? Who is available to verify the service lines? How is this verification presented to MidAmerican?

In closing, we reiterate our thanks to the PUC, the PUC staff, and to MidAmerican Energy for your efforts on our behalf.

Sincerely,

Linda M. Lane