2009 South Dakota Pipeline Safety Inspection
Summary of Deficiencies
Operator: Montana-Dakota Utilities Company
Inspection Types: Compliance Review Initiated as a Result of an Incident Docketed in Docket PS09-001
Inspection Dates: May – August 2009 Data Response Review

Notices of Probable Violation

Code Section	Code Description	Deficiency Noted	Proposed Correction Due Date	Penalty Proposed	Maximum Allowable Penalty	Compliance Order Proposed
§192.465(a)	Has each pipeline that is cathodically protected been tested at least once each calendar year not to exceed **15** months?	No data for 2007 within a 4 block radius of incident. Data present for years 2003-2006, 2008-2009 for other sections of this cathodic protection area. This isolated main is over 100' in length falling under these requirements and those of MDU's O & M manual section 11. page 4, #4. No readings in the last 5 years on this main. See attached notes.	6/30/2010	None	$10,000 per day	MDU has offered to test all pre-1970's dead end mains like the one at the incident site for continuity with the adjacent corrosion protection area. I recommend this offer be made a compliance order with a report to Commission Staff on findings
§192.613(a)	Does the operator have appropriate procedures for continuing surveillance to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, cathodic protection, and other unusual conditions?	Leak history by the end of 2007 should have prompted MDU to dig this line and replace as part of continuing surveillance for corrosion <u>Leaks Fixed:</u> 6-14-04 main corrosion leak at incident site permanently repaired with clamp 6-22-04 leak meter set fixed 3-14-09 main corrosion leak at incident site. Bare steel main replaced with plastic. <u>Leak Survey:</u> 7-8-04 recheck after meter repair. No leak 10-10-07 underground class 2 not repaired	12/31/2009	None	$10,000 per day	Recommend that Commission have MDU submit a complete review of their continuing surveillance activities in the Black Hills region with recommendations for improvement.

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		10-10-07 service line Class 3 not repaired 3-7-08 checked meter for leaks.				
§192.465(d)	Is prompt remedial action taken to correct any deficiencies indicated by the monitoring?	A low Pipe/Soil reading of -0.74 Volts existed on 6-16-04. No follow-up readings at this address were taken to ensure correction had occurred. MDU O & M section 11, p. 5 states the correction must occur within the next test or 15 months whichever is first. The P/S reading during the 2009 incident was again a low - 0.67 Volts. The minimum negative voltage for cathodic protections is - 0.85 V.		Proposed Penalty amount will be recommended at a later date	$10,000 per day	None at this time
§192.459	If external corrosion requiring remedial action is found, is the pipeline investigated circumferentially and longitudinally beyond the exposed portion to determine whether additional corrosion requiring remedial action exists?	The 2004 repair report indicates that the external surface condition was poor for the exposed pipe. Additional pipe should have been exposed until no corrosion was found.	12/31/09	None	$10,000 per day	Have forms/ software modified if not currently capable to contain a blank for circumferential and longitudinal review results.
§192.465(b)	Has each cathodic protection rectifier been inspected at least **six** times each year not to exceed **2-1/2** months?	Rectifiers 84J1058, 91J1226, 72C1109, 89J1089, 70C1178 missing 4 reads in 2007. Readings were probably taken but not transferred timely to permanent records. See attached notes.	12/31/09	None	$10,000 per day	Issue a policy for timely transfer of raw data from field notes to permanent records.

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Warnings

Code Section	Code Description	Deficiency Noted	Warning	Proposed Correction Due Date
§192.465(b)	Has each cathodic protection rectifier been inspected at least **six** times each year not to exceed **2-1/2** months?	Rectifier 72C1109 readings of 6/4/2008 and 9/22/2008 more than 2 1/2 months apart. MDU must develop a plan to ensure readings are taken as required by the regulations	MDU may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	12/31/09

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Notices of Concern

Code Section	Code Description	Comment
Emergency Response Procedures , p. 12, # 4	Begin sampling on L.E.L. scale to establish the gas perimeter; then use the percent (%) gas scale to pinpoint leaks.	The data retained in writing on establishing the gas perimeter may not be sufficient to have fully established the perimeter. A number of readings were taken that were not recorded. It is recommended that all readings be recorded.