

2013 South Dakota Pipeline Safety Inspection
Summary of Deficiencies
Operator: Montana-Dakota Utilities Company Black Hills Region
Inspection Types: Standard Records
Inspection Dates: July 15-19, 2013

Notices of Probable Violation

Code Section	Code Description	Deficiency Noted	Proposed Correction Due Date	Penalty Proposed	Maximum Allowable Penalty	Compliance Order Proposed
§192.723(b)(1), §192.723(b)(2) & SDCL 49-34B-7	<p>Does the operator conduct gas detector surveys in the business district at intervals not exceeding 15 months, but at least once each calendar year?</p> <p>Does the operator conduct leakage surveys (to include manholes/cracks in pavement/other pertinent locations) of the distribution system outside of the principal business areas at intervals not exceeding 63 months, but at least once every 5 calendar year?</p> <p>MDU has a waiver that requires leak survey intervals to be every 4 years not exceed 51 months.</p> <p>Required records and information-- Inspection by employee or agent of commission. Any person who engages in the intrastate transportation of gas or who owns or operates intrastate gas pipeline facilities shall establish, maintain, and provide such records, reports, and information as the commission may require to determine whether the person has complied with</p>	<p>In 2011 operator was advised to develop new method to present leak survey data to make it possible for an inspector to follow. Operator did develop a new method but during this inspection, leak surveys were very difficult to follow because the area leak surveyed changed with each survey activity. If operator is going to change the leak survey areas, it must develop a method to present its works so inspectors can reasonably assess whether all areas have been leak surveyed. This is a repeat violation</p>	11/1/14	\$1689	\$100,000	None

	<p>the provisions of this chapter and the standards established under this chapter. Any such person shall, upon request of an employee or agent authorized by the commission, permit the employee or agent to inspect facilities, books, papers, records, and documents relevant to determining whether the person has complied with this chapter and the standards established pursuant to this chapter. Any employee or agent of the commission, upon presenting appropriate credentials to the individual in charge, may enter upon and inspect gas pipeline facilities at reasonable times and in a reasonable manner.</p>					
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Warnings

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§192.16 (b)	(5) the operator, plumbing contractors, and heating contractors can assist in locating, inspecting, and repairing the customer's buried piping	Included with bill stuffer sent 8/21/12. Not included with information given to new customers. Customer packets need to have this added.	Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	11/1/13
§192.383(b)	<p>Has the operator installed § 192.381 compliant EFV's on all new or replaced service line serving a single-family residence after February 12, 2010?</p> <p>Exceptions: (1) The service line does not operate at a pressure of 10 psig or greater throughout the year; (2) The operator has prior experience with contaminants in the gas stream that could interfere</p>	<p>EFV were not installed on the following addresses. There may be a good reason that the EFV was not installed. Research needs to be completed to ensure that EFV was not required on these addresses.</p> <p>431 Tranquility Lane, Spearfish 3075 Bruno Gulch Rd, Spearfish 3615 Forest Park Ln, Spearfish 3405 Maitland Rd, Spearfish</p>	Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	11/1/13

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	<p>with the EFV's operation or cause loss of service to a residence; (3) An EFV could interfere with necessary operation or maintenance activities, such as blowing liquids from the line; or (4) An EFV meeting performance standards in § 192.381 is not commercially available to the operator.</p>	<p>20795 Monte Carlo Rd, Central City 3608 Jefferson St, Rapid City</p>		
	<p>Did the operator use calibrated half cells?</p>	<p>Half cells are being calibrated. Voltmeters have not yet been calibrated. Have voltmeter calibration method but have not started using it. MDU will provide calibration records when calibration is completed.</p>	<p>Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	<p>11/1/13</p>
<p>§192.459</p>	<p>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?</p>	<p>CIS #s 294764-1-7, and 23338-28-26 do not have all the information completed on the form. Pipe type is missing on all of them. Coating condition is missing on one of them. Responsible CIS # 23965-27-49 has a positive voltage recorded on the pipe to soil read. CIS # 317045-1-1112, 317045-1-1114, 34330-24-32, and 317045-1-1111 have positive voltage reads. CSI # 381004-1-1 and 33831-32-19 are missing coating condition.</p> <p>Responsible corrosion person must be reviewing the exposed pipe reports to recognize potential corrosion issues. If these reports were reviewed the issues may have been resolved prior to inspection.</p> <p>MDU must issue memo or procedure to responsible corrosion person instructing them to review these reports and provide copy to SDPUC.</p>	<p>Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	<p>11/1/13</p>

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Appendix D	(1) a negative (cathodic) voltage of at least 0.85 volt (Cu-CuSO ₄ ½ cell) also need to consider IR drop	Deadwood DW4 Hwy 385 #2 had a reading of -0.755 in August 2012. Additional anodes were installed. Lead LD7 Dixon St had a reading of -0.66 in August 2012. Spearfish SP2 Jackson E of 7 th had a reading of -0.63 on 8/3/12. Spearfish SP8 100 St Joe Ave had a reading of -0.804 on 8/3/12. Subsequent read has not been taken. Follow up reads must be taken to ensure that cathodic protection levels are now met.	Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	11/1/13
§192 Appendix D. Part II	Does the operator criteria consider IR drop?	Areas using anode systems have not been evaluated for IR drop. MDU must determine IR drop in all galvanic systems using the Rizzo or another proven method by 11/1/13.	Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	11/1/13
§192.721(b)(1)	Does the operator patrol mains in business districts at intervals not exceeding 4-1/2 months, but at least 4 times each calendar year where anticipated physical movement or external loading could cause failure or leakage?	<ul style="list-style-type: none"> • Main & Dunlap in Deadwood done 1/6/13 and 5/24/13. Exceeds the 4 1/2 month interval required. • Houston St in Leak shows need wrap on 2/6/13 and 5/24/13. Follow-up needs to be completed. • Spearfish City Park Bridge shows that it has poor coating on 10/26/12 and that it needs paint on 2/6/13 and 5/24/13. Follow-up needs to be completed. • Rapid City patrols done on 1/10/12 and then on 6/5/12. Exceeds the 4 ½ month interval required. MDU must develop a scheduling method for patrolling to prevent missing deadlines in the future.	Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.	11/1/13
§192.723(b)(2) & SDCL 49-	Does the operator conduct leakage surveys (to include manholes/cracks in pavement/other	Although an extensive review was not conducted due to the complexity of review,	Montana – Dakota Utilities (MDU) may be	11/1/13

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34B-7	<p>pertinent locations) of the distribution system outside of the principal business areas at intervals not exceeding 63 months, but at least once every 5 calendar year?</p> <p>MDU has a waiver that requires leak survey intervals to be every 4 years not exceed 51 months.</p>	<p>one area was identified that missed the 51 month interval. Object ID 395 and 393 was done 6/24/08, object 243 was done 6/10/08 and object 3642 was done 9/25/12 resulting in a ½ block missing the deadline.</p> <p>It appears that leak history is missing on some farm taps or that only partial leak survey was completed for the farm tap.. One example is 11630 Hwy 34 at St Onge. Another example is the whitewood Pittman Tap at 11980 Pittman Lane, Apt 69, Whitewood.</p>	<p>in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	
§192.723	<p>Did the operator use calibrated leak detectors? What kind of equipment is used?</p>	<p>DPIII not calibrated in 2012. Last calibrated 6/27/11. Unable to tell if machine has been used in since 2012. Operator believes machine has not been used. Machines need to be calibrated annually. Operator needs to document when machines are used if all machines are not calibrated annually.</p>	<p>Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	11/1/13
§192.727(b)	<p>Is each pipeline that is abandoned in place, disconnected from all sources and supplies of gas, purged of gas, and sealed at both ends?</p>	<p>When a farm tap is abandoned and disconnected, the piping still is shown on maps and it is difficult to tell if the pipe is truly abandoned. If abandoned piping is maintained on the maps it should be noted that is not active and the date that it was abandoned identified.</p>	<p>Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	11/1/13
§192.723(b)(1), §192.723(b)(2) & SDCL 49-34B-7	<p>Does the operator conduct gas detector surveys in the business district at intervals not exceeding 15 months, but at least once each calendar year?</p> <p>Does the operator conduct leakage surveys (to include manholes/cracks in pavement/other pertinent locations) of the distribution system outside of the principal business areas at intervals not exceeding 63 months, but at least once every 5</p>	<p>Although an extensive review was not conducted due to the complexity of review, one area was identified that missed the 51 month interval. Object ID 395 and 393 was done 6/24/08, object 243 was done 6/10/08 and object 3642 was done 9/25/12 resulting in a ½ block missing the deadline.</p> <p>It appears that leak history is missing on some</p>	<p>Montana – Dakota Utilities (MDU) may be in violation of the code section in Column A. MDU is advised to correct this or be subject to enforcement action.</p>	11/1/13

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	<p>calendar year?</p> <p>MDU has a waiver that requires leak survey intervals to be every 4 years not exceed 51 months.</p> <p>Required records and information--Inspection by employee or agent of commission. Any person who engages in the intrastate transportation of gas or who owns or operates intrastate gas pipeline facilities shall establish, maintain, and provide such records, reports, and information as the commission may require to determine whether the person has complied with the provisions of this chapter and the standards established under this chapter. Any such person shall, upon request of an employee or agent authorized by the commission, permit the employee or agent to inspect facilities, books, papers, records, and documents relevant to determining whether the person has complied with this chapter and the standards established pursuant to this chapter. Any employee or agent of the commission, upon presenting appropriate credentials to the individual in charge, may enter upon and inspect gas pipeline facilities at reasonable times and in a reasonable manner.</p>	<p>farm taps or that only partial leak survey was completed for the farm tap.. One example is 11630 Hwy 34 at St Onge. Another example is the whitewood Pittman Tap at 11980 Pittman Lane, Apt 69, Whitewood.</p> <p>The SDPUC requires a new leak survey scheduling method be developed to prevent reoccurrence of missed deadlines.</p>		

Notices of Concern

Code Section	Code Description	Comment
		None