

**Before the Public Utilities Commission
of the State of South Dakota**

**In the Matter of Commission Staff's
Request for Release of Segment of Pipe
Involved in February 6, 2018 Incident**

Docket No. PS18-001

**NorthWestern Energy's
Request to Destroy Pipe Involved in
February 6, 2018 Incident**

NorthWestern Corporation d/b/a NorthWestern Energy (*NorthWestern*) requests approval from the South Dakota Public Utilities Commission (*Commission*), pursuant to SDCL 49-34B-26, to destroy a segment of pipe (*Pipe*) involved in a February 6, 2018, incident in Aberdeen, South Dakota.

NorthWestern, South Dakota Public Utilities Commission Staff (*Staff*) and Liberty Mutual Insurance Company (*Liberty*) have agreed upon a destructive testing protocol concerning the Pipe, and the parties believe that destructive testing may assist in resolving the underlying dispute between Liberty and NorthWestern concerning the incident. Accordingly, NorthWestern submits there is adequate justification to destroy the Pipe through destructive testing and the Commission should approve such destruction pursuant to SDCL 49-34B-26.

Background

On February 6, 2018, an explosion and subsequent fire occurred at a house located at 507 North Second Street in Aberdeen, South Dakota. The house was vacant. While no fatalities or injuries occurred, the incident destroyed the house. The pipeline failure investigation report (prepared by Ms. Mary Zanter, Pipeline Safety Program Manager for the Commission, and filed in this docket) noted outside force damage to the pipe as a result of structural movement of a

wall of the house and identified a single break of the threads of the pipe at the elbow fitting to the riser pipe connection.

NorthWestern is the owner of the pipe involved in the incident. Liberty insured the house on behalf of the owner and has made claims against NorthWestern for the resulting damages. NorthWestern and Liberty disagree regarding responsibility for the incident.

In September 2018, Staff requested the Commission to release the pipe to Liberty for destructive testing. NorthWestern objected to that request as being premature because the Pipe is NorthWestern's property and the parties had not agreed upon a destructive testing protocol at such time.

The parties subsequently have negotiated and agreed upon a destructive testing protocol, and NorthWestern now seeks Commission approval to proceed with destructive testing of the Pipe.

Commission approval is required to destroy the Pipe.

South Dakota statute requires Commission's approval before a "pipeline operator, or its employee or agent, may dispose of, destroy, or alter the part of a pipeline that was involved in the emergency release." SDCL 49-34B-26. At the time of Staff's earlier request for Commission approval to destroy the Pipe, NorthWestern objected because the parties had not agreed upon a destructive testing protocol.

However, now the parties have agreed to a mutually acceptable destructive testing protocol, with the assistance from each party's experts and advisors. NorthWestern submits that the agreed upon protocol will appropriately create and preserve the evidentiary record in the underlying dispute. Importantly, the agreed upon protocol also maintains NorthWestern's ownership of the Pipe at all times and does not release the Pipe to any other party. Accordingly,

NorthWestern supports destruction of the Pipe pursuant to the agreed upon destructive testing protocol and requests the Commission's approval to destroy the Pipe pursuant to that protocol.

Conclusion

For the reasons stated in this request, NorthWestern requests, pursuant to SDCL 49-34B-26, Commission approval to destroy the Pipe in accordance with the mutually agreed upon destructive testing protocol.

Dated at Sioux Falls, South Dakota, November 20, 2018.

**NORTHWESTERN CORPORATION,
d/b/a NORTHWESTERN ENERGY**




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Certificate of Service

I hereby certify that on November 20, 2018, a true and correct copy of *NorthWestern Energy's Request to Destroy Pipe Involved in February 6, 2018 Incident*, was served upon the service list on the following page.

**NORTHWESTERN CORPORATION,
d/b/a NORTHWESTERN ENERGY**



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