

South Dakota Gas Pipeline Safety Program

2010 Summary



Program Operational Overview

- 2 inspectors: Josh + 75 %, Nathan 50 % inspector, 50 % PM
- 85 inspection days per year required, 123 in 2010
- Complete regulation review once every two years
- Year 1: corrosion, patrolling, leak surveys, OQ, TIMP
- Year 2: welding, fusion, drug and alcohol, DIMP, PA

Covered Operators (14)

Master Meter

- Namanny's Subdivision

Municipals

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

Private Distribution

- Mid-American Energy
- Montana-Dakota Utilities
- NorthWestern Energy

Transmission

- Basin Groton CT Pipeline
- Basin Deer Creek (pending)
- Black Hills Power
- South Dakota Intrastate Pipeline
- Sioux Falls Sanitary Landfill Gas Pipeline
- Xcel Angus Anson Pipeline

2009 Year End Gas Statistics for South Dakota

- Gas transmission mileage 217
- Gas distribution mileage 4,478
- Number of gas services 197,558

SD Gas Distribution Federal Reportable Incident Summary 1998 – 2010

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

Enforcement Statistics 2010

NPV & Warnings Cited	113
NPV & Warnings Corrected	92
NPV & Warnings Outstanding at Year End	21
Number fines levied	1
Amount of Fine	\$600.00

2010 Waivers Granted

- Operator: Montana – Dakota Utilities
- Waiver: Permanent waiver of 49 CFR § 192.285 c which states that joiner requalification is required if:
 - Joiner has not made joints in any 12 months
 - Joiner has 3 joints or 3 % fail testing in any 12 months
- Alternate requalification approved in waiver:
 - A person can be requalified under an applicable procedure at least once per calendar year, but at intervals not exceeding 15 months.
 - In addition, if a joiner has 1 joint under the procedure that is found to be unacceptable by testing under 49 C.F.R. 192.513, that person must requalify under that procedure as an initial qualification.

Inspector Training To Date

- Nathan: all 6 required courses plus 8 electives
- Josh: 2 required courses plus 3 electives

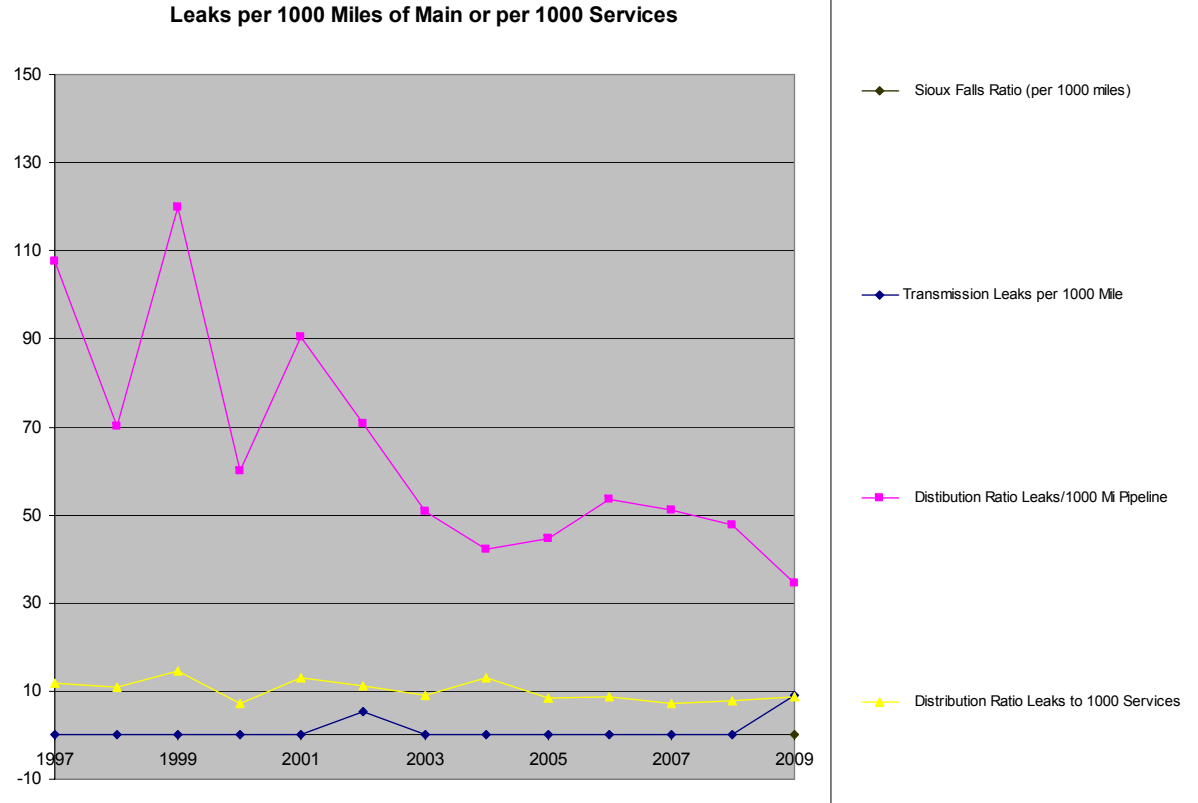
2010 Highlights

- Completed drug and alcohol inspections on all but one operator
- Conducted drug and alcohol service provider site inspections
- Implemented risk based inspection program
- Hired and began training new inspector
- Switched to records based inspection
- Conducted one major construction inspection

2010 Highlights Continued

- Implemented damage prevention improvement program
- NorthStar Energy/town of Pollock propane pipeline shutdown
- Participated in federal/state DIMP implementation task force
- Inspected all operators in following areas:
 - Welding
 - Fusion
 - Regulators
 - Damage prevention

Pipeline Program Metrics 2009



2011 Outlook

- New regulations
 - DIMP
 - Control Room Management
- Inspection plan
 - Corrosion
 - Patrolling and leak survey
 - Odorization
 - OQ
 - TIMP
 - Emergency valves and markers
 - DIMP – 2 inspections
- Training
 - Josh 13 week long classes in first half of 2011