BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY FOR A WAIVER OF 49 CFR § 192.481(a)	))))	**ORDER GRANTING WAIVER** **PS18-002**

On November 21, 2018, the South Dakota Public Utilities Commission (Commission) received a filing from NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for a waiver of 49 CFR § 192.481(a), a federal code governing the inspection of natural gas pipelines for atmospheric corrosion. The federal standard has been adopted by the State of South Dakota pursuant to SDCL 49-34B-3. NorthWestern requests the ability to decrease inspection for atmospheric corrosion from once every three calendar years, with intervals not exceeding 39 months, to every four years, with intervals not exceeding 51 months. In support of its request, NorthWestern asserts that over the past eight years, atmospheric corrosion leaks accounted for less than one percent of its total leaks.

The Commission has jurisdiction in this matter pursuant to SDCL 49-34B. At its regularly scheduled meeting on January 8, 2019, the Commission considered this matter. The Commission voted unanimously to grant a waiver of 49 CFR 192.481(a) subject to PHMSA approval and the following conditions:

1. Outside of business districts, conducting leak surveying and atmospheric corrosion inspection concurrently at least every four calendar years at intervals not exceeding 51 months;

2. Inside of business districts, conducting leak surveying and atmospheric corrosion inspection concurrently at least every calendar year at intervals not exceeding 15 months;

3. Atmospheric corrosion control monitoring of regulator stations, critical and emergency valves, and any other above ground piping that may be monitored pursuant to 49 CPR 192. 721, will continue to be conducted at the same time the above facilities are maintained; and

4. Identify, inspect and notify SDPUC of those areas requiring atmospheric corrosion control monitoring more frequently than once every three calendar years. These areas include the following "hot spots" where there are greater atmospheric corrosion rates:

    a. Above ground pipelines where there is a greater exposure to road salts and chemicals;

    b. Areas where pipelines could have accelerated corrosion due to industrial chemicals in the atmosphere;

    c. Pipelines that may experience sweating due to pressure drop, such as regulator stations, metering correctors, and large customers' regulator/meter sets;

    d. Inside regulator/meter sets that are subject to corrosive environments; and

    e. Other areas that show accelerated atmospheric corrosion.

5. Personnel performing the tasks of leak survey and inspection for atmospheric corrosion must have the required operator qualifications to perform the associated tasks.

It is therefore

ORDERED, that NorthWestern is granted a waiver of 49 CFR 192.481(a), subject to PHMSA approval and to the conditions above.

Dated at Pierre, South Dakota, this 10th day of January 2019.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: Adam De Hueck

Date: 1/10/19

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

GARY HANSON, Chairman

CHRIS NELSON, Commissioner

KRISTIE FIEGEN, Commissioner