

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION	:	Docket No.: HP 22-002
OF NAVIGATOR HEARTLAND	:	
GREENWAY, LLC FOR A PERMIT UNDER	:	
THE SOUTH DAKOTA ENERGY	:	DIRECT TESTIMONY OF
CONVERSION AND TRANSMISSION	:	MIKE MIKICH
FACILITIES ACT TO CONSTRUCT THE	:	
HEARTLAND GREENWAY PIPELINE IN	:	
SOUTH DAKOTA	:	

DIRECT TESTIMONY OF MIKE MIKICH

ON BEHALF OF

**UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE
PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND
CANADA, AFL-CIO**

MAY 25, 2023

1 **Q. State your name, job title, and business address.**

2
3 **A.** My name is Mike Mikich. I am a Special Representative assigned to the Pipeline and Gas
4 Distribution Department for the United Association of Journeymen and Apprentices of the
5 Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO (the
6 “United Association” or “UA”). My business address is Three Park Place, Annapolis, MD
7 21401, the general office of the UA.
8

9 **Q. Please describe the United Association and its membership.**

10
11 **A.** The United Association is an international labor organization representing approximately
12 365,000 plumbers, pipefitters, sprinkler fitters, service technicians, and welders – including
13 over 280 who reside in South Dakota.
14

15 The UA includes Pipeliners Local 798 (“Local 798”). Local 798 is comprised of
16 approximately 4,600 active UA members who are pipeline construction specialists.
17 Although called a “local,” Local 798 has a nationwide reach. The membership of Local
18 798 is comprised of highly specialized pipeline construction workers, the most skilled and
19 trained workers in their field, who construct large scale pipeline projects in the United
20 States, ranging from all forms of gas transport through crude oil and refined product
21 pipelines. These workers, commonly called “pipeliners,” will ensure that Navigator’s
22 Heartland Greenway Project (the “Project”) is constructed according to the highest
23 standards of craftsmanship, as they have on countless pipeline projects in the past.
24

25 **Q. Please briefly describe your background in pipeline work.**

26
27 **A.** I have been a UA member since I began my career in the field in 1986 as an apprentice.
28 After completing my apprenticeship in 1991, I graduated as a journeyman welder. I
29 worked in the field for the next 20+ years, in addition to serving as a local union officer,
30 before being appointed to my current position of Special Representative for the United
31 Association assigned to the Pipeline Department.
32

33 During my career in the field as a UA welder, I worked 60,000 man-hours in the trade,
34 most of which were spent constructing pipelines. I worked on the right-of-way on
35 transmission and distribution pipeline construction and maintenance, replacement projects
36 (where pipe is taken up and relaid), and emergency calls, as well as welding double joint
37 racks for pipelines on and off the jobsite. This work involved every form of welding that
38 falls under the UA’s scope of work, other than automatic, including a great deal of the exact
39 type of welding to be used in construction of this Project, on pipe ranging from 2 inches to
40 96 inches in diameter. During much of my career in the field, I served as a job steward or
41 welder foreman. I worked for most of my career on jobsites in California and also
42 performed off-site welding of pipe segments to be used in some of the largest diameter
43 pipelines in the U.S., including the Vector, Alliance, Mariner East, and both Kern River
44 pipelines.
45

46 In addition to my field experience as a pipeliner, I have obtained operator qualifications in
47 welding, hydrostatic testing, ditch and excavation safety, shoring, rail and traffic safety,
48 and general pipeline construction. I have conducted training in workplace safety and have
49 participated in many hours of safety and construction training on various pipeline-related
50 topics, as well as environmental response training.
51

52 **Q. Describe your role as a Special Representative in the Pipeline and Gas Distribution**
53 **Department at the United Association.**
54

55 **A.** In my current position of Special Representative assigned to the UA’s Pipeline and Gas
56 Distribution Department, I serve the pipeline industry on a national level by providing daily
57 oversight of pipeline projects throughout the United States with a goal of ensuring safe,
58 high-quality pipeline construction and operation through responsible construction practices
59 that utilize the most up-to-date techniques and safety measures. As part of my duties, I
60 also help UA local unions represent workers and interpret the UA’s National Pipe Line
61 Agreement (“NPLA”), a national collective bargaining agreement covering construction of
62 mainline pipeline projects. The Project at issue falls under the UA’s jurisdiction as set
63 forth in the NPLA.
64

65 **Q. Please describe the scope of the United Association’s past and current pipeline work.**
66

67 **A.** The United Association’s experience and expertise in pipeline work is unparalleled. Major
68 pipeline projects – such as the one being considered in this proceeding – fall under the
69 NPLA, a comprehensive collective bargaining agreement specifically covering mainline
70 pipeline work, which applies to over one hundred contractors throughout the United States.
71 UA members have been involved in the construction of most major pipeline projects in the
72 United States over time.
73

74 Major pipeline projects on which UA members have worked include the Alliance Energy,
75 Northern Border, Rockies Express, Vector, Trans Continental, Maritimes and Northeast,
76 Colonial, Natural Gas of America, Kern River, Trailblazer, Trans Alaska, the Great Lakes
77 Expansion, Florida Gas, the Enbridge Northern Lights Project, Patriot, Gulf Stream, Gulf
78 Coast Extension, Iroquois, Ruby, Bison, Flanagan South, Alberta Clipper, Keystone,
79 Dakota Access, and Enbridge Line 3 Replacement, among many others.
80

81 **Q. Are any of the projects in South Dakota?**
82

83 **A.** Keystone, Dakota Access and Northern Border pass through South Dakota, border to
84 border. Keystone and Dakota Access are large diameter crude oil pipelines. Northern
85 Border is a large diameter natural gas pipeline.
86

87 **Q. What is the purpose of your testimony?**
88

89 **A.** The purpose of my testimony is two-fold. First, my testimony will discuss the need for
90 and socioeconomic benefits of the Project from a labor organization, construction-oriented
91 viewpoint. I will discuss how the Project will provide not only vital jobs and income to

92 UA members as a part of a union workforce, but also associated socioeconomic benefits
93 for South Dakota residents and the State of South Dakota. My testimony will also provide
94 the Commission with information about the UA’s involvement in the pipeline construction
95 process and unparalleled skill and expertise in that regard, which would contribute to
96 ensuring that the Project is built to the highest standards of reliability, efficiency and
97 environmental safety.

98
99 **Q. What role would the UA have on the Project?**

100
101 **A.** In February 2022, Navigator CO2 Ventures LLC (the “Applicant”) executed a Letter of
102 Intent pledging that the Project would be constructed using workers represented by the UA
103 as part of a union workforce. Therefore, the UA anticipates that the Project would create
104 a significant number of construction jobs for its members. As discussed below, the UA
105 has tested and qualified the welding procedure specifications to be used on construction of
106 the Project. The UA members who would work on construction of the Project will possess
107 all of the skills and qualifications needed to perform the full scope of work to be carried
108 out by the UA, including welding the line together, testing the line once it is fully
109 constructed, and other tasks.

110
111 **Q. How much work do you estimate the Project would create for UA workers?**

112
113 **A.** Based on similar projects completed by Local 798 workers, I estimate that workers
114 represented by Local 798 would work a total of approximately 16,500 man-hours on
115 construction of the Project in South Dakota.

116
117 **Q. How would this work benefit UA workers?**

118
119 **A.** Workers represented by Local 798 would earn hourly wages and benefits commensurate
120 with their skill and expertise. Again based on past similar projects, I estimate that,
121 cumulatively, the Local 798 workers employed on construction of the Project would earn
122 over \$1 million in hourly wages, per diem, and fringe benefit contributions. Some of these
123 hourly fringe benefit contributions would go to workers’ retirement funds. Other fringe
124 benefit contributions would be remitted to jointly-sponsored union and employer health
125 plans providing health insurance and associated benefits for workers and their families. All
126 workers employed on the Project would receive health benefits for themselves and their
127 families for the duration of construction.

128
129 These are the kinds of highly-skilled, well-paying jobs that UA members and all
130 construction workers count on to provide for themselves and their families. These jobs
131 will not exist if the Project does not go forward, to the great detriment of many workers.
132 Although some might attempt to diminish construction jobs because they are “temporary,”
133 the temporary nature of construction jobs is exactly what makes them so important. Every
134 opportunity for construction work that is denied is devastating because construction
135 workers rely on a steady supply of “temporary” jobs to provide complete incomes for
136 themselves and their families.

138 The fringe benefits earned through this Project are a prime example of the value of steady
139 construction work. Workers must generally maintain a minimum number of hours worked
140 during set time periods to establish and maintain health coverage. Similarly, retirement
141 benefits are computed based on time worked and so workers who experience lapses in
142 employment risk not accumulating sufficient pension benefits to make ends meet during
143 retirement.

144
145 **Q. How would you expect construction of the Project to affect the surrounding**
146 **communities?**

147
148 **A.** The Project entails construction of approximately 112 miles of new 6-inch and 8-inch
149 diameter pipeline in South Dakota. In my experience, whenever a Project of this magnitude
150 occurs, the workers constructing it create increased demand along the right-of-way for
151 housing and services associated with the daily lives of the workers. Based on my past
152 observation and experience, I estimate that United Association workers working on the
153 Project would spend at least 25% - 35% of their wages in South Dakota for the necessities
154 of daily life.

155
156 The construction of the Project would also bring about many types of local economic
157 benefits for South Dakotans other than jobs. Approximately 280 United Association
158 members reside in South Dakota. These members and the rest of South Dakota would
159 benefit from the tens of millions of dollars in estimated real property, sales, use and
160 contractor's excise tax revenue to be generated by the Project. Increased local tax revenue
161 would enable local communities to hire more public employees like police, firefighters,
162 and teachers. The tax revenue would also help to fund public works projects for local
163 communities, providing more construction jobs unrelated to the pipeline. Finally, the
164 additional tax revenue reduces the tax burden on property owners and consumers.

165
166 **Q. Please describe the training that United Association members receive in pipeline**
167 **construction.**

168
169 **A.** The United Association's training efforts are second to none and produce workers who are
170 highly-skilled in all aspects of pipeline construction work.

171
172 United Association pipeline welders and pipefitters undergo rigorous and extensive
173 training prior to receiving journeyman accreditation as well as continuing training
174 thereafter to ensure they are up-to-date with the most recent and advanced construction
175 methods. These programs provide training and testing for welder and welding inspection
176 certification, plant and pipeline inspection, x-ray certification, and radiographic film
177 interpretation, among other skills. All training emphasizes safety and protection of the
178 environment. United Association Pipeliners Local 798 – an affiliate of the UA whose
179 members work on pipeline projects nationwide – maintains a 33,000 square foot, state-of-
180 the-art training and testing center in Tulsa, Oklahoma. Local 798's training center has been
181 designated as an "Education Institution Member" by the American Welding Society.

182

183 In addition to training at the Training Center, the United Association’s signatory
184 contractors provide job specific training regularly on jobsites. Training at job sites often
185 relates to local environmental issues and hazards so that construction is tailored to the
186 specifics of the local environment and is undertaken in the most responsible and thorough
187 manner.
188

189 All of these training efforts combine to produce prepared and highly trained pipeline
190 workers who would bring their considerable skills and experience to the Project. Their
191 expertise means that the pipeline would be constructed to the highest standards by workers
192 who know how to do the job right and who take great pride in their work.
193

194 **Q. Are there other pipelines transporting carbon dioxide in the United States?**
195

196 **A.** There are thousands of miles of pipelines transporting carbon dioxide in operation in the
197 United States, dating back many years. Most transport carbon dioxide from power plants
198 and other industrial carbon dioxide producers to oil fields. The carbon dioxide is used in
199 secondary oil recovery, a process in which carbon dioxide is injected into oil fields to
200 enhance oil production. While there are thousands of miles of carbon dioxide transport
201 pipelines in operation in this country, the number and mileage are relatively small
202 compared to the hundreds of thousands of miles of pipelines transporting natural gas,
203 refined petroleum products and crude oil.
204

205 **Q. Are carbon dioxide pipelines constructed the same way as natural gas and petroleum
206 pipelines?**
207

208 **A.** Fabrication and welding of carbon dioxide pipelines is not technically different from other
209 pipeline construction. In this case, the South Dakota segments of the pipeline will be six
210 and eight inches in diameter, depending on location. The pipe is high quality carbon steel.
211 While the Navigator pipeline is smaller in diameter than most crude oil and natural gas
212 pipelines, the welding techniques are fundamentally the same as employed in the
213 construction of the modern pipelines in South Dakota, like Dakota Access, Northern
214 Border and Keystone.
215

216 **Q. Is specialized training or knowledge required for UA workers to construct the
217 Navigator pipeline?**
218

219 **A.** UA members are fully trained and equipped in the construction techniques needed to
220 perform the UA’s full scope of work on the Project. In March 2023, welder-representatives
221 of Pipeliners Local 798 reviewed the Applicant’s welding procedure specifications
222 (“WPS”) at Local 798’s Tulsa training center. The WPS specify the exact welding tools,
223 techniques and procedures to be used on the welds that join the segments of pipe together.
224 The Project’s WPS are standard for UA pipeliners, who are fully trained and qualified to
225 perform the work according to those specifications.
226
227
228

229 **Q. Did Local 798 test the Applicant’s Welding Procedure Specifications?**
230

231 **A.** Two qualified welder training coordinators employed by Local 798 tested the WPS
232 according to the American Petroleum Institute (“API”) Standard 1104 at the Tulsa training
233 center. API Standard 1104 is the primary standard for welding steel piping and for testing
234 welds on steel pipelines. It has been incorporated by reference in regulations governing
235 federal safety standards applicable to transportation of natural and other gas by pipeline by
236 the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety
237 Administration (“PHMSA”). 49 C.F.R. § 192.7(b)(9).
238

239 In accordance with API Standard 1104, the Local 798 welders performed sample welds
240 using the same pipe to be used on the Project and exactly in conformance with the WPS
241 supplied by the Applicant. The sample welds were then x-rayed to ensure that they were
242 free of defects. After successful x-rays, the welds were subjected to technical tests to assess
243 their strength and integrity. The tests were performed as specified in API Standard 1104.
244 In these tests, the welds were stretched apart, broken open, and bent into a semi-circle shape
245 using a hydraulic press. The integrity of the welds was examined during and, where
246 applicable, after, each of these tests. Using the Applicant’s WPS, the welds performed at
247 Local 798’s training center passed these non-destructive tests and were therefore deemed
248 qualified under API Standard 1104. The Applicant’s WPS would be followed exactly
249 when it comes to construction of the Project.
250

251 **Q. Will UA members participate in the integrity testing of the finished pipeline before it
252 is put in service?**
253

254 **A.** Yes. UA pipeliners are also fully trained and qualified to perform other work involved in
255 construction of the Project, including performing hydrostatic testing, during which the
256 completed pipeline is filled with water, which is pressurized to mimic the pressure the
257 pipeline would be subjected to during operation. The Applicant has indicated that the
258 Project will be hydrotested continuously for eight hours at a pressure of 125% of the line’s
259 maximum operations pressure (“MOP”).
260

261 **Q. Is the United Association asking that the South Dakota Public Utilities Commission
262 approve the Project?**
263

264 **A.** Yes.
265

266 **Q. Does this conclude your testimony?**
267

268 **A.** Yes

Dated: May 25, 2023

/s/ Mike Mikich
Mike Mikich