

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

<b>IN THE MATTER OF THE FILING BY )</b>	<b>MOTION TO AMEND THE</b>
<b>MONTANA-DAKOTA UTILITIES CO., A )</b>	<b>COMMISSION ORDER</b>
<b>DIVISION OF MDU RESOURCES GROUP, )</b>	
<b>INC. FOR APPROVAL OF A WAIVER )</b>	<b>PS07-001</b>

COMES NOW, Commission Staff through its attorney, Kara Semmler, to request the Commission amend its order.

On January 18, 2007, the Public Utilities Commission (Commission) received a filing from Montana-Dakota Utilities Company (MDU) for approval of a waiver of a portion of 49 C.F.R. Part 192.479 and 192.481(a). MDU requests a specific waiver of Part 192.481(a) to allow atmospheric corrosion inspection frequency at least once every four calendar years, but with intervals not to exceed 51 months. Section 192.481 subsection (a) requires inspection of onshore pipe exposed to atmosphere for evidence of corrosion at least once every three calendar years, but with intervals not exceeding 39 months. This waiver would apply to exposed natural gas pipelines according to Part 192.479.

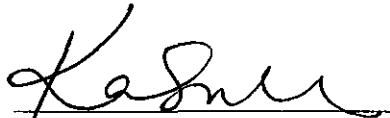
At its regularly scheduled meeting on November 12, 2008, the Commission considered this matter. The Commission Ordered, "a partial waiver of SDCL 49-34B-3, adopting 49 CFR 192.481(a), regarding the frequency of atmospheric corrosion inspection, is hereby approved to allow atmospheric corrosion inspection frequency of at least once every four calendar years, but with intervals not to exceed 51 months, conditioned upon PHMSA's review and consent. This waiver is further conditioned upon the following: (1) that the four year interval be applied outside of business districts while a one year interval apply inside business districts; (2) that regulator stations and emergency valves be monitored for atmospheric corrosion when maintained or patrolled; and (3) that the operator notify the Commission of hot spots where there are greater corrosion rates requiring monitoring more frequently than once every three years."

On March 13, 2009, Commission Staff received correspondence from PHMSA regarding final approval of the Commission's Order. PHMSA is concerned regarding the qualification of the leak survey technicians. See the attached letter from PHMSA.

Staff respectfully requests the Commission add the following condition to the current Commission Order:

“MDU shall incorporate additional training relative to atmospheric corrosion evaluation for leak survey technicians responsible for functions of its requested waiver.”

Dated this 17<sup>th</sup> day of March, 2009

A handwritten signature in black ink, appearing to read "Kara Semmler", written over a horizontal line.

Kara Semmler, PUC Staff Attorney



Mr. Nathan D. Solem  
(South Dakota Order PS07-001)

- 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.

Based on these conditions, PHMSA has no objections to the waiver. However, PHMSA does have one concern regarding the qualifications of the technicians who conduct leak surveys relative to the waiver. MDU did not specify the credentials of those conducting the atmospheric corrosion check. This issue is important as many of the atmospheric corrosion checks are performed by personnel who conduct surveys in addition to their daily work, such as reading meters. In general, these personnel are not focused on looking for ground transitions and piping conditions, which can be used as indicators of atmospheric corrosion. PHMSA would like to see the incorporation of a condition that requires additional training relative to atmospheric corrosion evaluation, for leak survey technicians who perform functions covered by the waiver.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please call John Gale, Director of Regulations at 202-366-0434, for regulatory matters, or Alan Mayberry, Director of Engineering and Emergency Support at 202-366-5124, for technical matters. If you wish to discuss with personnel from our Western Region, please contact Ivan Huntoon, Director of the PHMSA Central Region at 816-329-3800.

Thank you for your continued efforts in pipeline safety.

Sincerely,



*for*  
Jeffrey D. Wiese  
Associate Administrator for Pipeline Safety