



Gary Hanson, Chair
Dustin Johnson, Vice Chair
Steve Kolbeck, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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January 9, 2008

Office of Pipeline Safety
U.S. Department of Transportation
1200 New Jersey Avenue, SE East Building, 2nd Floor
Washington, DC 20590

Dear Office of Pipeline Safety:

The South Dakota Public Utilities Commission approved a permanent waiver of 49 CFR 192.285(c) for Mid American Energy's natural gas operations in South Dakota. This approval is noted in the attached order in Docket PS07-003. Please accept this letter as the required notification to PHMSA for its 60 day waiver review process.

The required information for a waiver notice is given below:

1. Name, address and telephone number of applicant.

Mid American Energy Company
106 East Second Street
P.O. Box 4350
Davenport, IA 52808
Robert P. Jared, Senior Attorney
Voice 563-333-8005
Fax 563-333-8021
rpjared@midamerican.com

2. Safety regulation involved: 49 CFR 192.285 (c)
3. Pipeline facilities involved: All of Mid American SD natural gas operations
4. Justification for the waiver: Please see attached SDPUC Staff Recommendation
5. PUC Order and incorporated Request for Waiver is attached.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Nathan D. Solem
Acting Pipeline Safety Program Manager
605-773-4210
Nathan.solem@state.sd.us

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

IN THE MATTER OF THE FILING BY) ORDER GRANTING WAIVER
MIDAMERICAN ENERGY COMPANY FOR)
APPROVAL OF A WAIVER OF 49 C.F.R. PART) PS07-003
192.285(a)(2) AND 49 C.F.R. PART 192.285(c))

On September 28, 2007, the Public Utilities Commission (Commission) received a filing from MidAmerican Energy Company (MidAmerican) for approval of a permanent waiver of 49 C.F.R. Part 192.285(a)(2) and 192.285(c). MidAmerican requested a waiver of Part 192.285(c) to allow it to re-qualify its employees by an alternate means of assuring qualifications for persons making joints.

At its regularly scheduled meeting on December 18, 2007, the Commission considered this matter. Commission Staff recommended approval of the waiver.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34B. The Commission further finds that the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request seeking approval of a waiver is hereby approved and that the waiver requested is granted and MidAmerican shall be required to follow the alternate qualification procedures and standards set forth in paragraph 4 of the Request for Waiver, which are incorporated herein by reference.

Dated at Pierre, South Dakota, this 7th day of January, 2008.

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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u> Melaine Kolbo </u>
Date: <u> 1/8/08 </u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

 Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman

 Gary Hanson
GARY HANSON, Commissioner

 Steve Kolbeck
STEVE KOLBECK, Commissioner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN RE:)
) Docket No. _____
MIDAMERICAN ENERGY COMPANY)

REQUEST FOR WAIVER

NOW COMES, MidAmerican Energy Company, hereinafter referred to as MidAmerican, and respectfully requests a permanent waiver of 49 C.F.R. §192.285(a)(2) and 49 C.F.R. §192.285(c). In support of its request, MidAmerican states as follows:

1. MidAmerican is a public utility serving approximately 80,000 gas customers in nine counties in southeastern South Dakota.
2. 49 C.F.R. Part 192 consisting of federal safety standards for the transportation of natural gas by pipeline.
3. 49 C.F.R. §192.285(a) requires that persons making plastic joints be qualified under the applicable joining procedures. 49 C.F.R. §192.285(c) further requires that:

“a person must be requalified under an applicable procedure, if during any 12-month period that person: (1) Does not make any joints under that procedure; or (2) has 3 joints or 3 percent of the joints made, whichever is greater, under that procedure that are found unacceptable by testing under 192.513.”
4. MidAmerican requests a waiver of 49 C.F.R. §192.285(c), to allow it to requalify its employees by an alternate means of assuring qualifications for persons making joints. MidAmerican proposes the following procedure:

- “A person must be requalified under an applicable procedure at least once each calendar year, but at intervals not exceeding 15 month.
- In addition, if a joiner has 1 joint madder 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.”

5. MidAmerican requests a permanent waiver since the requirements for testing will be required for the foreseeable future.

6. Application of this rule poses an undue hardship on MidAmerican. MidAmerican will not be able to perform tests at the most advantageous time from a cost and quality perspective. The current 12-month retest requirement will result in testing about every 11 months which will eventually result in testing being performed in the middle of the construction season or at the end of the construction season.

7. Approval of the waiver will not prejudice the legal rights of any person since employees making plastic pipe joints will continue to be tested prior to the start of each construction period. Approval of the waiver would still require ten qualifications of a person over ten years with the test occurring approximately every 12 months.

8. 49 C.F.R. 192 contains provisions for requesting a waiver of pipeline safety provisions. Therefore, the rule subject to the petition for waiver is not specifically mandated by statute or another provision of law.

9. Approval of this request for waiver will result in superior safety compared to what can be achieved under the current requirements of 49 C.F.R. 19.25(c).

10. MidAmerican believes that requalification of plastic joining personnel just prior to the construction season provides the highest quality workmanship. It is at the end

of the time period that the fewest plastic joints are made and the beginning of the time when the most plastic joints will be made.

11. Because of scheduling considerations, travel, illness, group size and vacations, qualification is approximately a one-month process. The existing 12-month provision requires MidAmerican to establish evaluation schedules on an 11-month basis to account for these scheduling conflicts. Completing requalifications on an 11-month schedule ratchets back the requalification date, putting the requalifications into the end of the construction season and eventually during the construction season.

12. MidAmerican submits that annual testing provides the most accurate and consistent means of promoting joint quality. To comply with the current 12-month requirement and be able to continue testing just prior to the construction season, MidAmerican could no longer use a small group of testers but would have to use several qualification teams and conduct several make-up sessions to accommodate for vacation and illnesses. This would result in purchasing more test equipment, more travel time, less consistency in evaluation, and more administrative cost.

13. The U.S. Department of Transportation has already recognized the negative implication of following a "not to exceed 12 month" requirement. Other similar joining qualification requirements have established schedules that allow the operator more flexibility in establishing schedules that don't ratchet schedules into the construction season. As an example, 192.229(d)(1) sets the qualification of welders to "within the preceding 15 calendar months, but at least once each calendar year."

14. By testing plastic joints using the same group of testers in the same time frame, there is less chance that a records error would result in a joint being made by a

non-qualified person. In this proposal, there is general knowledge of when qualification is required as well as knowledge obtained by a records review. This redundancy of knowledge will result in less opportunity for error.

15. The granting of this request for waiver would be consistent with other waivers of the 49 C.F.R. §192.285(c) scheduling requirements that have been granted by other state regulatory commissions in other jurisdictions after appropriate state and federal reviews of safety impacts. Copies of approved waivers from The State Corporation Commission of the State of Kansas, The Public Utilities Commission of the State of Colorado, the Nebraska State Fire Marshal, the Iowa Utilities Board (MidAmerican and other utilities) and the concurrences of the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration, are attached as Attachments A through D, respectively.

16. Approval of this request for waiver will enable MidAmerican to implement the same testing schedule in all of its operating areas, thereby promoting administrative efficiency and a proper allocation of resources.

17. MidAmerican is not aware of any persons who may be adversely impacted by the granting of this request for waiver.

MidAmerican welcomes the opportunity to respond to any questions concerning this Request.

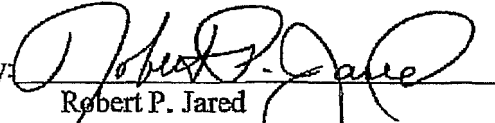
WHEREFORE, MidAmerican Energy Company respectfully requests the South Dakota Public Utilities Commission grant a permanent waiver of 49 C.F.R. §192.285(a)(2) and 49 C.F.R. §192.285(c).

Dated this 28th day of September, 2007.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By:



Robert P. Jared
Senior Attorney
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(563) 333-8005 (voice)
(563) 333-8021 (facsimile)
rpjared@midamerican.com

STAFF RECOMMENDATION
TO
THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE FILING BY MIDAMERICAN ENERGY COMPANY FOR
APPROVAL OF A WAIVER OF
49 C.F.R., SECTION 192.285(c)

DOCKET PS07-003

On September 28, 2007, MidAmerican Energy Company (MidAmerican) filed a request for waiver of a portion of 49 C.F.R., Part 192.285(a)(2) and 192.285(c). (On October 18, 2007, Staff received an email from Robert P. Jared , Senior Attorney for MidAmerican Energy, that the request for waiver should only apply to 49 C.F.R. Part 192.285(c)).

The specific request is for a Waiver 49 C.F.R. Part 192.285(c) to allow MidAmerican to requalify persons making plastic joints under an applicable procedure at least once each calendar year not to exceed 15 months. Currently operators are required under 49 C.F.R., Part 192(c), to either requalify a person every 12 months or monitor that person to verify by test that they have not had 3 joints or 3 percent of the joints made, whichever is greater, under that procedure that are found unacceptable.

MidAmerican, like many other operators, has chosen to requalify their employees every 12 months. As stated in the filing, to comply with this requirement and at the same time have no lapses in the qualification of an individual, the person must be requalified within 12 months of their prior qualification.

The arguments set forth supporting the waiver request are the same arguments used by MidAmerican and other operators in Iowa, and Aquilla, Inc. in Colorado, Kansas and Nebraska. The request for waiver was approved in each of those cases.

To be granted a waiver an operator must show that the waiver is consistent with pipeline safety and is justified. MidAmerican proposes that they be allowed to requalify its employees by an alternate means of assuring qualifications for person making plastic joints. MidAmerican proposes the following procedure;

1. A person must be requalified under an applicable procedure at least once each calendar year, but at intervals not exceeding 15 months. And;
2. In addition, if a joiner has one joint made under the procedure that is found to be unacceptable by testing und 49 C.F.R. Part 192.513, that person must requalify under that procedure as an initial qualification.

It is my opinion that the proposed waiver request would not be inconsistent with pipeline safety, if MidAmerican is ordered to comply with the afore-mentioned procedures.

Martin C. Bettmann
SDPUC
Pipeline Safety Program Manager