

2008 South Dakota Pipeline Safety Inspection

Summary of Deficiencies

Operator: SDIP

Inspection Types and Dates: Field Inspection at Regulator Station on 8/21/2008



Notices of Probable Violation

Code Section	Code Description	Deficiency Noted	Proposed Correction Due Date	Penalty Proposed	Maximum Allowable Penalty	Compliance Order Proposed

Warnings

Code Section	Code Description	Deficiency Noted	Warning	Proposed Correction Due Date
192.147 guide material 2.1 g	For all flange joints, the bolts or stud bolts used should extend completely through the nuts.	A couple of flange stud bolts at the regulator station EDS valve and on the back up regulator were less than flush with the nut and need to be fixed.	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	10/31/2008

Notices of Concern

	Best Industry Practice	Deficiency Noted	Deficiency Location
192.199 g guide material 3.3 c 4	Design considerations of above ground regulator stations should include the use of ventilated buildings made of noncombustible materials. The roof and sidewalls should be designed to relieve the force of an explosion.	Ventilation designed into the regulator station building may be inadequate.	Regulator Station in Mina
192.479 a, 192.479 c	a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph c of this section, c) Except portions of pipelines in off-shore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will- (1) Only by a light surface oxide; or (2) Not affect the safe operation of the pipeline before the next scheduled inspection.	Small amount of rust is occurring at some pipe soil/air interfaces and some chipping of paint and rust is occurring in certain areas of the pipeline and related appurtenances.	Regulator Station in Mina



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

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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May 4, 2009

Mr. Gordon Woods
South Dakota Intrastate Pipeline Company (SDIP)
1415 North Airport Road
Pierre, SD 57501

RE: Pipeline Safety Inspections of March 30, 2009 and April 2, 2009

Dear Gordie:

This letter and attachments summarize the findings of the pipeline safety inspection conducted in March and April 2009 of South Dakota Intrastate Pipeline's facilities.

The deficiencies noted in the attached inspection forms covering certain sections of 49 CFR 191 and 192 are summarized in the attached Summary of Deficiencies and placed into one of three categories: probable violation, warning or notice of concern. Probable violations are used for more serious deficiencies while warnings are used for first time or less serious deficiencies. Notices of concern are used to denote areas where best industry practices are not being followed but no direct code violation exists at this time. The notice of concern designation is used for informational purposes to aid the operator in managing as safe and effective a pipeline as possible. While you may have reason not to follow best industry practices, we recommend it and simply want to bring them to your attention.

You must respond to the inspection results within 30 days from the date this letter is received. Please indicate in your response either agreement with each probable violation and warning and the proposed correction date or whether the issue is disputed. Failure to respond is considered agreement.

Please note the inspection conducted is limited to the specified code sections in the attached inspection forms. The South Dakota Public Utilities Commission (SDPUC) did not examine overall system condition or operability and does not warrant the same under any condition. Other system or code compliance issues may exist. Failure to include such items in this report does not prohibit future SDPUC action nor limit applicability in future inspections.

A compliance follow-up inspection of issues found in 2008 was also conducted and is attached.
The outstanding issues from 2008 must be corrected by July 31, 2009.

Please do not hesitate to contact me with any questions or concerns regarding this inspection.

Sincerely,

Nathan D. Solem

Nathan Solem
Acting Pipeline Safety Program Manager
South Dakota Public Utilities Commission

attachments

2009 South Dakota Pipeline Safety Inspection

Summary of Deficiencies

Operator: SDIP

Inspection Types and Dates: Compliance Follow-Up Inspection of March 30, 2009 & April 2, 2009

Notices of Probable Violation

Code Section	Code Description	Deficiency Noted	Proposed Correction Due Date	Penalty Proposed	Maximum Allowable Penalty	Compliance Order Proposed

Warnings

Code Section	Code Description	Deficiency Noted	Warning	Proposed Correction Due Date	Follow-up Inspection Date	Compliance Achieved per Spot Check
192.309 b 1 a	(a) A dent that has a depth of more than 1/4 inch in pipe 12 3/4 inches or less in outer diameter	Procedure allows dents up to 8 % of diameter which is in excess of 1/4 inch. Second time this has been noted on inspection.	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	10/31/2008	03/30/2009	Not fixed correctly.
RP1162 - Sect 8.4	Does the program include an effectiveness evaluation methodology for percentage of each audience reached with desired messages?	Not included in plan	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	09/30/2008	03/30/2009	Not fixed yet.
RP1162 - Sect 8.4	Does the program include an effectiveness evaluation methodology for understandability of the content of the message?	Not included in plan	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	09/30/2008	03/30/2009	Not fixed yet.
RP1162 - Sect 8.4	Does the program include an effectiveness evaluation methodology for desired behaviors by stakeholder audience?	Not included in plan	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	09/30/2008	03/30/2009	Not fixed yet.
RP1162 - Sect 8.4	Does the program include an effectiveness evaluation methodology for achieving bottom-line results?	Not included in plan	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	09/30/2008	03/30/2009	Not fixed yet.
192.147 guide material 2.1 g	For all flange joints, the bolts or stud bolts used should extend completely through the nuts.	A couple of flange stud bolts at the regulator station EDS valve and on the back up regulator run were less than flush with the nut and need to be fixed.	SDIP may be in violation of the code section in Column A. SDIP is advised to correct this or be subject to enforcement action.	10/31/2008	04/02/2009	Not observed but SDIP said not fixed yet.