



Dustin Johnson, Chair  
Steve Kolbeck, Vice Chair  
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## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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March 29, 2010

Ms. Patricia Van Gerpen  
SD PUC Executive Director  
500 E. Capitol Ave  
Pierre, SD 57501

Re: PS10-001

Dear Ms. Van Gerpen:

Enclosed for filing is Stacy Splittstoesser's review and recommendation regarding MDU's waiver request in the above referenced docket. Ms. Splittstoesser recommends approval with two specific conditions. Staff will place this item on a commission agenda at a future date after MDU has time to review this filing and the intervention time has passed. Thank you.

Sincerely,

Kara Semmler

cc. Mr. Dave Gerdes

STAFF RECOMMENDATION  
TO  
THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE FILING BY MONTANA-DAKOTA UTILITIES COMPANY,  
FOR APPROVAL OF WAIVER

DOCKET PS10 – 001

On March 23, 2010, Montana-Dakota Utilities (MDU) filed a request for a permanent waiver of 49 CFR, Part 192.285(c). Specifically, MDU requests a permanent waiver of 49 CFR, Part 192.285(c) to allow it to requalify persons making plastic joints at least once each calendar year at intervals not exceeding 15 months. Currently, 49 CFR, Part 192.285(c) requires all persons making plastic joints to be requalified during any 12 month period if that person does not make any joints under a specific joining procedure or has three joints or three percent of the field joints made (whichever is greater) that are found unacceptable during testing. The waiver would allow MDU an additional three months to requalify its employees that perform joining on its plastic pipelines.

MDU requests the waiver for the following reasons:

- MDU currently automatically requalifies all persons making plastic joints every year to ensure it is in compliance with 192.285(c). MDU argues it can not perform the requalification tests at the most advantageous time from a cost and quality perspective.
- The current 12 month retest requirement MDU utilizes requires it establish requalification testing schedules on an 11 month basis to account for scheduling conflicts due to travel, illness, vacations, and group size.
- As a result of the current 12 month retest requirement, MDU must test approximately every 11 months. Eventually, this schedule will result in testing performed during construction season.
- If that results, MDU would have to use several qualification teams and conduct several make-up sessions to accommodate for scheduling conflicts. MDU argues this will result in less consistency in requalification testing results and increased administrative costs.
- The granting of this waiver would be consistent with past waivers granted by the SD Public Utilities Commission for MidAmerican Energy (PS07-003) and NorthWestern Energy (PS08-002).

Based on a review of the pipeline safety regulations, I recommend the permanent waiver be approved with the following conditions:

1. If a person has one field joint found unacceptable during field testing required by 49 CFR, Part 192.513, that person must requalify under the specific procedure used to make the unacceptable field joint prior to performing that procedure again. MDU proposed this condition, which is more stringent than the current pipeline safety regulation that requires a person to be requalified if three joints or three percent of the field joints made (whichever is greater) are found unacceptable during testing.

2. These plastic joining requirements must be included within MDU's Operations and Maintenance (O&M) manual. I propose this condition to ensure current and future pipeline safety inspectors are aware of the change implemented for the plastic pipe joining requirements.

In my opinion the proposed permanent waiver request with the above conditions, is consistent with pipeline safety according to South Dakota Codified Law 49-34B-24.

Stacy Splittstoesser, P.E.  
Pipeline Safety Engineer/Utility Analyst  
South Dakota Public Utilities Commission

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