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South Dakota

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July 12, 2013

The Honorable Ritchy Griegg
Mayor, City of Humboldt
404 S. Madison
Humboldt, SD 57035

RE: 2013 Second Quarter Open Pipeline Inspection Item Report

Dear Mayor Griegg:

Attached please find our quarterly report on open pipeline inspection items. The intent is to help achieve timely compliance on all items.

In addition, a summary of the status of all 2010-2013 inspections is provided below.

Inspection	Status
2010 Standard Records Inspection	Closed
2010 Drug & Alcohol Inspection	Closed
2011 Standard Records Inspection	Closed
2011 Public Awareness Inspection	Closed
2011 DIMP Inspection	Closed
2012 Drug & Alcohol Inspection	Closed
2012 Standard Records Inspection	Closed
2013 Public Awareness Inspection	Closed
2013 Operator Qualification Plan Inspection	Closed
2013 DIMP Field Inspection	Open – due 8/1/13
2013 O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	Open – due 8/24/13
2013 Field Inspection – emergency valves	Open – due 8/24/13
2013 OQ Records Follow-up	Open – due 10/1/13

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

Sincerely,

A

Nathan Solem
Pipeline Safety Program Manager

Cc: Ms. Kristie Ellis, Finance Officer, City of Humboldt, finance@humboldtsd.com

Attachment

**Humboldt Municipal Gas Open Inspection Item Report
2nd Quarter 2013**

Inspection Date	Inspection Name	Code Section	Open Items	Open Item Compliance Date
4/30/13	DIMP Field Inspection	DIMP Records and Field Inspection Protocol Question 19 .1007 (d)	Annual review was not completed in 2012 as required by operator's DIMP plan. During the inspection process it was stated that it was decided to not do the review until the 2012 annual report information was available in 2013. It appears that it was a willful and intentional decision to not do the 2012 annual review as described in the 2012 edition of the DIMP plan.	8/1/13
4/30/13	DIMP Field Inspection	DIMP Records and Field Inspection Protocol Question 25 .1007 (f)		
4/30/13	DIMP Field Inspection	Records and Field Inspection Protocol Question 30 .1007 (f)		
4/30/13	DIMP Field Inspection	DIMP Records and Field Inspection Protocol Question 7 .1007 (a)	No qualification requirements in DIMP plan for SME's. Daryl Seiverding was not OQ qualified for system patrolling prior to 3/1/13. Daryl Seiverding did patrolling inspection in latter half of 2012 without being OQ qualified. Documentation was scattered and difficult to find. Marty Iozzo NACE certification and letter on sufficient CP test stations not in files. Kristie will provide and to send to Nathan.	8/1/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	192.625(f)	Odorometer has not been sent in since 8/29/11. Meter needs to be sent in ASAP. This is a repeat offense.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records	§192.707(a)	The following issues were identified regarding pipeline markers: 1. Marker at CP test station #7 needs a new	8/24/13

	Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)		<p>warning sign.</p> <ol style="list-style-type: none"> 2. Markers need to be installed at 259th St, where new road was put in. 3. Marker at CP test station #21 needs to have the phone number replaced. 4. Marker west of CP test station #21 needs to have phone number replaced. 5. Marker south of the intersection of 258th St and 462nd Ave needs to have phone number replaced. 6. Marker north of 25889 462nd St needs to have phone number replace. 	
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	OQ 192.801	<p>PEF192-1414.04 Pipe Shutdown/Startup/Pressure Change: Operating Identified Valve(s) was not completed until 5/23/13.</p> <p>This task should have been identified as a covered task and qualifications completed prior to 1/1/13 when Northwestern Energy discontinued their contract for emergency response.</p>	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.225(b).	NWE procedures are in the book but they are not authorized to use the NWE standards. They do not have the results of the qualifying test.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.283	Operator has continued to use NWE procedures but does not have the destructive testing documentation for the qualification. Revised joining procedures must be obtained and utilized.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.459	Bell Hole reports have not been done in the past. No history for any exposed piping.	8/24/13

May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§191.22(a) & §191.22(b)	Missed required date but has been completed. Operator needs to provide documentation.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.615(b)(2)	Emergency response training has not been documented.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.615(b)(3)	No simulations have been document.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	§192.225(b).	Welding procedures are not available.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	192.283	Operator has continued to use NWE procedures but does not have the destructive testing documentation for the qualification. Revised joining procedures must be obtained and utilized.	8/24/13
May 9 and May 21, 2013	O&M Plan Inspection, Records	OQ Field Inspection 9.01 <i>Covered Task</i>	Missing line marker at road crossings was not identified.	8/24/13

	Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	<i>Performance</i>		
May 9 and May 21, 2013	O&M Plan Inspection, Records Inspection, OQ Field Inspection, and Field Inspection (pipeline markers & cathodic protection)	OQ Field Inspection 9.02 <i>Qualification Status</i>	Qualification of operating identified valves should have been completed prior to 1/1/13.	8/24/13
		OQ Field Inspection 9.03 <i>Abnormal Operating Condition Recognition and Reaction</i>	Missing line marker at road crossings was not identified.	8/24/13
May 29, 2013	Field Inspection – emergency valves	192.747	Valve box is shifted and cannot operate valve. Needs to have box realigned.	8/24/13
7/1/13	OQ Records Follow-up	OQ Protocol 3.01	<p>Operator did not take all the necessary steps to ensure that all qualifications were completed prior to 1/1/13 as necessary. NorthWestern terminated the contract to perform emergency response and maintenance activities on 12/31/12. Operator had indicated that they would have the OQ tasks that may need to be performed covered by the transition date since no one else would be in place to perform these tasks.</p> <p>As of 7/1/13 there are 9 OQ identified tasks that do not have anyone qualified to perform. Other tasks were not completed as late as 5/23/13. The tasks not completed by the operator as of 7/1/13 include:</p> <ul style="list-style-type: none"> • KNT192-0702.00 Customer Pressure Regulating, Limiting, and Relief Devices - O&M • KNT192-0801.00 Locating Pipelines • KNT192-0803.00 Inspection for Damage • KNT192-1301.00 Leak & Strength Test - Service Lines, Mains, and Transmission 	10/1/13

			<p>Lines</p> <ul style="list-style-type: none"> • KNT192-1413.00 Line Markers • KNT192-2011.00 Prevention of Accidental Ignition • PEF192-0702.01 Customer Pressure Regulate/Limit/Relief - O&M: Residential/Small Comm • PEF192-0801.01 Locating Pipelines • PEF192-0803.01 Inspection For Damage • PEF192-1202.01 Outside Gas Leakage Investigation, Pinpointing, and Grading • PEF192-1301.04 Leak/Strength Test - Service/Main/Trans. Line: Op. Press. (soap test) • PEF192-1410.01 Cover - Service Lines, Mains, and Transmission Lines • PEF192-1418.02 Purging: Small Vol., e.g. Svc. Line, Short Pipe, Compressor, etc. 	
7/1/13	OQ Records Follow-up	OQ Protocol 3.02	<p>Daryl Severding performed the following tasks without having proper operator qualification. These tasks included:</p> <ul style="list-style-type: none"> • 192-Abnormal Operating Conditions - completed 3/11/13 • KNT192-0901.00 System Patrolling - completed 3/11/13 • PEF192-0901 System Patrolling - completed 5/2/13 • KNT192-0801.00 Locating Pipelines – not completed • PEF192-0801.01 Locating Pipelines – not completed 	10/1/13
7/1/13	OQ Records Follow-up	OQ Protocol 7.01	<p>The spreadsheet used to track qualifications of individuals was not accurate. A number of mistakes were found during the inspection showing a date for last qualification when there was no documentation showing those qualifications.</p>	10/1/13