

# South Dakota Public Utilities Commission

State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070



November 28, 1995

Mr. Daniel J. Woehrle  
Manager, Engineering & Operations  
Northern States Power Company  
825 Rice Street  
Saint Paul, MN 55117

RE: AMPI Pipeline Project

Dear Mr. Woehrle:

You have requested a letter explaining why we believe the pipeline upstream of the regulator station located near Freeman, South Dakota, which is being constructed as a part of the above referenced project, is a "transmission line" as defined in 49 CFR Part 192.3.

You were correct in your opinion that the Associated Milk Producers, Inc. (AMPI) pipeline does not meet the criteria for a "transmission line" as defined in subsections (2) and (3) of Part 192.3. The pipeline as designed will not operate at a hoop stress of 20 percent or more of SMYS and will not transport gas within a storage field. That leaves the first criteria in Part 192.3. Under subsection (1) a "transmission line" is defined as a line that "Transports gas from a gathering line or storage facility to a distribution center or storage facility."

We believe that the attached Letter of Interpretation from Cesar DeLeon, Deputy Associate Administrator, Office of Pipeline Safety (OPS), to the Chief, Eastern Region, dated May 23, 1979, clearly supports our position that if a pipeline stems from an interstate transmission line and runs to a distribution center, it is a "transmission line" under the definition of that term in Section 192.3. The letter further states that the fact that the pipeline serves "farm tap" customers along the way to the distribution center does not affect their opinion since the primary function of the pipeline is to deliver gas to the distribution center. In your letter of November 6, 1995, you contend that the AMPI pipeline does not transport gas from a gathering line or storage facility and thus does not meet the criteria stated in subsection (1). The AMPI pipeline does however connect to an interstate transmission line and it does end at a distribution center.

The question of whether or not a regulator station is a "distribution center" was answered in another Letter of Interpretation (copy enclosed). In a letter dated May 8, 1974, from Joseph C. Caldwell, Director of OPS, to Delmarva Power and Light Company, Mr. Caldwell states that, "Under this definition (49 CFR 192.3), one

Capitol Office  
Telephone (605)773-3201  
FAX (605)773-3809

Transportation/  
Warehouse Division  
Telephone (605)773-5280  
FAX (605)773-3225

Consumer Hotline  
1-800-332-1782

TDY Through  
Relay South Dakota  
1-800-877-1113

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terminus of a transmission line is a distribution center. This terminus marks entry of gas into a distribution system." While at this time there is no "distribution system" to speak of other than the low pressure line that runs from the regulator station to the AMPI plant, the regulator station located just outside of Freeman is the point at which the low pressure portion of the pipeline system begins and would conceivably be the point where the proposed distribution system for the rest of the community would start. Therefore it is our opinion this regulator station marks the start of a "distribution center" and therefore the pipeline upstream of the regulator station is a transmission line.

Should you disagree with this opinion, please contact the Commission Executive Director, William Bullard, with a written request for a hearing on this matter.

Sincerely,



Martin C. Bettmann  
Staff Engineer/Chief of Pipeline Safety

CC: Commissioners  
Harvey Wollman, AMPI  
Jim Wilcox, NSP  
Gary O'Hara, NSP

Enclosures.



Northern States Power Company  
Gas Utility

825 Rice Street  
Saint Paul, Minnesota 55117-5459

November 6, 1995

Martin C. Bettmann  
Chief of Pipeline Safety  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RE: AMPI Pipeline Project

Dear Mr. Bettmann:

In response to your letter dated October 26, 1995, NSP Gas respectfully disagrees with your position that the portion of the AMPI pipeline upstream of the district regulator station is a "transmission line". As you know, we believe that this pipeline does not meet any of the three determining factors in the definition of a transmission line as stated in 49 CFR 192.3 and thus should rightfully be defined as a "distribution line".

The definition of transmission line as defined in Part 192.3 states that a pipeline is a "transmission line" if it is a line other than a gathering line that:

- (1) Transports gas from a gathering line or storage facility to a distribution center or storage facility;
- (2) Operates at a hoop stress of 20 percent or more of SMYS; or
- (3) Transports gas within a storage field.

The AMPI pipeline does not transport gas from a gathering line or storage facility and thus does not meet the criteria as stated in part (1). At the 720 psig MAOP the pipeline is operating at a hoop stress of 16.3 percent of SMYS and thus does not meet the criteria as stated in part (2); and clearly the pipeline is not transporting gas within a storage field and thus does not meet the criteria of part (3). As you can see from this explanation the pipeline clearly does not meet the federal definition of a "transmission line" as defined in part 192.3.

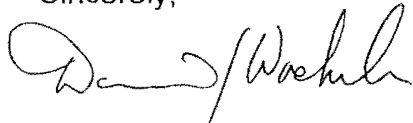
NSP and AMPI Pipeline Inc. (AMPIP) understand, however, that due to the elevated pressure and the length of the pipeline there is cause to operate and maintain the line at a level above the minimum requirements for distribution lines. NSP has done this successfully in other states by defining such lines as a "stress level B" line as defined in

our construction and O & M standards. Stress level B lines are constructed and operated in a manner that generally meets the DOT requirements for transmission lines but are reported as distribution lines. NSP and AMPIP would like to propose that the AMPIP line be treated in this manner by the Commission. Establishing standards for high pressure distribution lines in this manner clearly addresses the need to operate these lines at a safety level above the minimum requirements for distribution lines and also establishes a precedent for future high pressure distribution lines to be constructed within the State of South Dakota.

I have attached copies of NSP's construction and O&M standards for your review and have highlighted those areas where a stress level B line is treated differently from a federally reported transmission line. (Please note that construction standards pages T7 through T13 are crossed out only because they have been moved to another section of our standards relating to welding practices.)

I would like to discuss this proposal with you at your earliest convenience. Please contact me at 612/229-2211 with your questions or comments.

Sincerely;

A handwritten signature in cursive script, appearing to read "D. Woehrle".

Daniel J. Woehrle  
Manager, Engineering and Operations  
Natural Gas Services

cc: Gary O'Hara, NSP w/o attachments  
Jim Wilcox, NSP w/o attachments  
Harvey Wollman, AMPI w/o attachments

attachments