

South Dakota Public Utilities Commission



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

December 30, 1997

Mr. Robert Magstadt
Gas Superintendent
Municipal Utilities Department
901 Fourth Avenue Southwest
Watertown, SD 57201-4107

RE: Proposed Natural Gas Pipeline from Northern Border Pipeline to Watertown, SD.

Dear Mr. Magstadt:

I am responding to your letter of October 28, 1997. In that letter you requested a written opinion if the above referenced line would be considered a transmission or distribution line under 49 CFR 192.

The proposed pipeline, as it is described in your letter, 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."

In a Letter of Interpretation from Cesar DeLeon, Deputy Associate Administrator, Office of Pipeline Safety (OPS), to the Pipeline Safety Chief of the Arizona Corporation Commission, dated May 30, 1991, he states that "(C)omprehension of the term, 'distribution center,' is essential to use of the transmission line definition. As we apply the term, it is the point where gas enters piping used primarily to deliver gas to customers who purchase it for consumption as opposed to customers who purchase it for resale."

Your proposed line will begin at a pressure limiting and metering station on an interstate natural gas transmission line. It also appears that the primary use of the line will be to distribute gas to consumers and not to transport gas for others or transfer gas to customers for resale beyond the pressure limiting and metering station. Therefore, this station marks a distribution center under Mr. DeLeon's description and therefore the line downstream of that station would be classified as a distribution line or main.

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
Chief of Pipeline Safety

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

Transportation/
Warehouse Division
Telephone (605)773-5280
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MUNICIPAL UTILITIES DEPARTMENT

901 Fourth Avenue Southwest

WATERTOWN, SOUTH DAKOTA 57201-4107

PHONE (605) 882-6233

FAX (605) 882-6238

October 28, 1997

Mr. Martin Bettmann
Pipeline Safety Program Manager
State Capitol Building
500 East Capitol Ave.
Pierre, SD 57501-5070

Dear Mr. Bettmann:

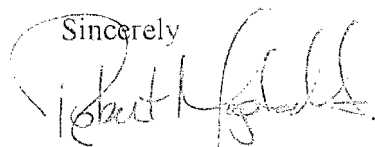
Per our conversation on October 9th, 1997, I am writing this letter for your consideration. Watertown Municipal Utilities may be constructing and operating a natural gas line from Northern Border Pipeline to Watertown, SD. This line would be approximately 5-1/4 miles long and would be used to serve the community of Watertown.

The natural gas line would consist of 10" API5L, X42, .365 wall steel pipe and operate with an MAOP of 130 PSIG, or 4.56% SMYS. The line would be odorized and metered at the Northern Border Pipeline take off point.

Watertown Municipal Utilities is requesting a written opinion if this line would be considered a transmission or distribution line. We understand your concerns that with other high pressure lines constructed in the past in South Dakota, but we feel that this line has some unique design considerations. First, the wall thickness is .365 or schedule 40, unlike .188 wall pipe that is currently favored with other local utilities. Second, the MAOP of 130 PSIG produces a SMYS of 4.56%, unlike other lines with a MAOP that represents a SMYS of 19.99%.

Please contact me if you have any questions on this requested written opinion at (605) 882-6233. Thank you.

Sincerely



Robert Magstadt
Gas Superintendent

Bettmann, Martin

To: Bert Magstadt

Subject: RE: Transmission Line definition for Watertown, SD

-----Original Message-----

From: Bert Magstadt [mailto:bmagstadt@watertownmu.com]

Sent: Thursday, April 08, 2004 2:39 PM

To: Martin Bettmann (Martin.Bettmann@state.sd.us); 'lmiller@tsi.jccbi.gov'

Cc: Rich Schmidt

Subject: Transmission Line definition for Watertown, SD

Gentlemen

Attached are two letters that might help define what a transmission line is. The first letter (word document) was my request to Martin for a written explanation if Watertown's proposed pipeline would be a transmission line and the second letter (adobe file) is his response.

A little history on our pipeline. The first letter explains that we have a 10" at 130#. That is not true, we instead built a 8", grade X60, .322 wall. The line is good for 895# (19.98% SMYS), but the fittings limit this to 810# (8", Grade B, .500 wall or 19.96% SMYS). It is 100% x-rayed, all welds surveyed in and a depth of 48" minimum. It is odorized at the beginning of the line. Northern Border Pipeline owns and operates the metering, line heater, check valve and regulators that cut from 1200# to 300# currently. We have a relief valve that is sized properly for the event of a wide-open failure.

We do have a large customer, an ethanol plant, but they purchase all of their gas from Watertown Municipal Utilities. We do not transport any gas for re-sale or such on our system.

I'm not holding this over Martin's head, but I do want to bring this letter out to help define this problem. The thing that I like about Martin's letter is that he used a previous Letter of Interpretation from Cesar DeLeon from 1991 to come to this conclusion...which I believe is the proper interpretation.

Please read and supply me with any feed back that you may have.

Thanks for putting on the seminar this week...I always appreciate these.

Bert Magstadt
Assistant General Manager
Watertown Municipal Utilities
901 4th Ave SW
Watertown, SD 57201
(605) 882-6233
(605) 882-6238 FAX

04/23/2004