



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

FEB - 6 2008

Mr. Alan G. Moch
Director, Testing and Safety Division
Public Service Commission
State of North Dakota
600 E. Boulevard Ave. Dept 408
Bismarck, ND 58505-0480

Dear Mr. Moch:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has reviewed your letter notifying us that on December 14, 2007, the North Dakota Public Service Commission (Commission) granted the Montana Dakota Utilities Co. (MDU) and the Great Plains Natural Gas Co. (GPNG) a waiver of compliance from 49 CFR 192.481(a) as adopted by reference under the North Dakota Administrative Code section 69-09-03-02. The regulation in § 192.481(a) requires each operator of an onshore pipeline or portion of a pipeline that is exposed to the atmosphere to inspect the pipeline for evidence of atmospheric corrosion at least once every three calendar years but with intervals not exceeding 39 months.

To ensure that MDU and GPNG maintain an equivalent level of pipeline safety, the Commission added the following conditions to the waiver grant:

- “1. Atmospheric corrosion control monitoring will be conducted in conjunction with distribution system leakage surveys:
 - a. Outside of business districts, atmospheric corrosion control monitoring and leakage surveys must be conducted at least once every four calendar years at intervals not exceeding 51 months.*
 - b. Inside of business districts, atmospheric corrosion control monitoring and leakage surveys must be conducted at least once every calendar year at intervals not exceeding 15 months.**
- 2. The operator shall identify, inspect, and notify the Public Service Commission of those areas requiring atmospheric corrosion control monitoring more frequently than once every three calendar years. These areas include "hot spots" where there are greater atmospheric corrosion rates:
 - a. Above ground pipelines where there is a greater exposure to road salts and chemicals;*
 - b. Areas where pipelines could have accelerated atmospheric corrosion due to industrial chemicals in the atmosphere;*
 - c. Pipelines that may experience sweating due to pressure drop, such as regulator stations, and large customer meter/regulator settings;*
 - d. Inside regulator/meter sets that are subject to corrosive environments; and*
 - e. Other areas that show accelerated atmospheric corrosion**

3. *The operator shall train and qualify meter readers to report atmospheric corrosion as well as any abnormal operating conditions discovered when reading gas meters.*
4. *MDU shall file a report with the Public Service Commission by January 2, 2008, that includes all of the information required under conditions 2 and 3.*
5. *GPNG shall file a report with the Public Service Commission by January 2, 2008, that includes all of the information required under conditions 2 and 3."*

The PHMSA does not object to this grant of waiver. If you wish to discuss this waiver or any other pipeline safety matter, my staff would be pleased to assist you. Please call Barbara Betsock, Acting Director of Regulations at 202-366-4595 for regulatory matters, or Alan Mayberry, Acting Director of Engineering and Emergency Support at 202-366-5124 for technical matters.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese". The signature is stylized with a large, looping initial "J" and a cursive "Wiese".

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety