



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety  
Administration**

SEP 11 2009

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

Mr. Mark McCarver, Director  
Mississippi Public Service Commission  
Pipeline Safety Division  
501 N. West Street, Suite 201-A  
Jackson, Mississippi 39215-1174

Dear Mr. McCarver:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of August 4, 2009, notifying us that the Mississippi Public Service Commission (the Commission) is granting Atmos Energy (Atmos) a waiver to install up to ten miles of Polyamide 12 (PA12) pipe, modify the requirements of the design formula in 49 CFR § 192.121, and modify the design limitations detailed in 49 CFR § 192.123. These regulations were adopted by Mississippi pursuant to § 77-11-1 of the Mississippi Code. You also noted that the technical data relative to this grant was filed with PHMSA under Docket PHMSA-2007-28042. Your letter also included certain conditions that would be imposed by the Commission in granting the waiver.

PHMSA does not object to the waiver provided the Commission requires Atmos to meet the conditions set forth in the Commission's correspondence and the following additional conditions:

- Prior to installation of any PA12 pipe under this waiver, Atmos must provide the Commission with specific location(s) for review and approval. This includes whether all 10 miles will be installed at once in one continuous location, or whether it will be installed at different times and different locations within the Atmos natural gas system.
- Atmos must perform a leak survey on a detailed schedule as outlined below:
  - Within one month of operating the PA12 pipeline;
  - Within one month of adding additional appurtenances;
  - Within one month of making repairs to the PA12 pipeline;
  - Within six months following any conditions above; and then
  - Once each calendar year, not to exceed 15 months.
- In addition to the list of records in the Commission's order to be maintained regarding the use of these pipes (material, location, length, pressure, pipe size, wall thickness and class location), Atmos must collect and maintain marking and traceable information on appurtenances such as:
  - Part Model #;
  - Heat Lot #;
  - Date of Manufacture;
  - Name of Manufacturer;
  - Location of joints and appurtenances; and
  - Any other pertinent information deemed necessary by operator and vendor.

Mississippi Public Service Commission -- Atmos Energy

- Atmos must install a test leg for taking periodic samples.
- Atmos must retain a map that shows the location of all PA12 pipeline components. The map must be updated to identify where the PA12 pipe and appurtenances are utilized and include the pipe and appurtenances Atmos uses as a test leg. The map must be completely updated within one month of pipe or appurtenance installation or modification.
- Prior to removal of certain cross sections of pipe for testing and evaluation of the aging characteristics of the PA12 material at the end of both 12 month and 36 month periods, Atmos must provide the Commission with the specific list of test and evaluation to be performed for review and approval. Long term tests should be included in the list of test and evaluation to be performed. If questions arise, additional and longer term tests may be requested through the Commission.
- Atmos must perform a pressure test of the newly installed pipe at 150% of the maximum operating pressure for a minimum of 24 hours with a recording chart and provide the resulting data to the Commission.
- Atmos must file the following documentation with the Commission prior to the start of construction of the PA12 pipeline, and its operations and maintenance:
  - Qualified joining procedures with records documenting qualification test results;
  - PA12 joining procedure qualification records for each individual that will be joining sections of PA12; and
  - Records of personnel receiving training for visually inspecting PA12 joints.
- Atmos' Operations and Maintenance plan must explicitly state that polyethylene and PA12 are not compatible and cannot be used interchangeably.
- Regarding all joints made involving PA12 under this waiver, Atmos must retain the following records:
  - Date joint was made;
  - Type of joint;
  - Employee who made the joint;
  - Atmospheric temperature when the joint was made; and
  - GPS location or equivalent method determined appropriate by operator and Commission.

Mississippi Public Service Commission -- Atmos Energy

- Atmos must install line markers for the pipe under this waiver at road crossings on both sides of the road that are “line of sight” in a manner that ensures the next line marker can be seen with an unaided eye. These line marker requirements must be listed in Atmos’ procedures used for this installation. Further, the PA12 pipeline procedures section must be included in Atmos’ damage prevention program and included in Atmos’ one-call program.
- Atmos must reserve at least 80 feet of PA12 pipe for each pipe size utilized for future operating and maintenance. In the event the operating and maintenance of the PA12 pipeline results in Atmos being unable to maintain 80 feet of reserved PA12 pipe, within 30 days of Atmos not meeting the PA12 pipe reserve requirement, Atmos must submit an operating and maintenance plan to the Commission, detailing how future operating and maintenance to the PA12 pipeline will be done.
- Atmos must patrol the PA12 pipe twice each calendar year with intervals not to exceed 6 months. The patrols cannot be performed concurrently with the leak survey.
- Atmos must notify the Commission of any leaks on the PA12 pipeline within two (2) hours of discovery.
- Prior to installation, Atmos must provide the Commission with the specific pipe size(s) to be used for review and approval. Atmos is not authorized to utilize PA12 pipe with a nominal pipe size greater than that approved by the Commission. Atmos may not install PA12 pipe with a wall thickness less than 0.09 inches.
- Atmos must install an excess flow valve on all PA12 service lines.
- Atmos must not squeeze the PA12 pipe to control the flow of gas except on the test leg. However, after data has been submitted to the Commission indicating the pipe can be safely squeezed at the coldest anticipated atmospheric temperature, the PA12 pipe may be squeezed upon the Commission’s approval.
- Atmos must file with the Commission within 60 days of obtaining, all data or test results obtained from samples collected on any jurisdictional PA12 pipe.
- If during the special permit period the PA12 is found to be deficient, fails, or otherwise poses a risk to the public, Atmos must inform the Commission immediately, and take corrective action to ensure safety, up to and including replacement with pipe currently approved by 49 CFR Part 192.

In addition, the Commission should reserve the right to subject Atmos to additional safety requirements if the Commission determines alternate safety measures are necessary to ensure the safe operation of Atmos’ PA12 pipeline. The Commission may allow Atmos to petition for the termination of the conditions imposed by the waiver if and when PHMSA changes the regulations to allow PA12 pipe.

Page 4

Mr. Mark McCarver

Mississippi Public Service Commission -- Atmos Energy

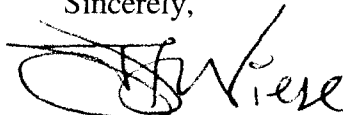
Except where more strict Commission imposed conditions apply, PHMSA recommends that the Commission require Atmos to follow construction standards for Polyethylene in installing its PA12 pipe (including use of locating wire, allowing for enough slack of thermal expansion/contraction and no angular rocks). If not already included in Atmos' construction procedures, the Commission should consider requiring Atmos to use warning tape or other procedures related to damage prevention.

Finally, the reference to 49 CFR § 192.191 on page 3 of the Commission order for thermoplastic fittings and ASTM D2513 are inappropriate references for the specific material in question, and should be removed or clarified. The following references to 49 CFR §§ 192.281, 192.285 and 192.287 regarding safety of joints by using approved procedures and qualified joiners and inspected by qualifying inspectors are appropriate and can remain.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please call John Gale, Director of Regulations at 202-366-0434, for regulatory matters, or Alan Mayberry, Director of Engineering and Emergency Support at 202-366-5124, for technical matters. If you wish to discuss this matter with personnel from our Southern Region Office, please contact Linda Daugherty, Director of the PHMSA Southern Region at 404-832-1147.

Thank you for your continued efforts in pipeline safety.

Sincerely,

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

Jeffrey D. Wiese

Associate Administrator for Pipeline Safety

Mississippi Public Service Commission

AUG 5 2009



**LEONARD I. BENTZ, Commissioner**  
BILOXI - SECOND DISTRICT  
**LYNN POSEY, Chairman**  
UNION CHURCH - FIRST DISTRICT  
**BRANDON PRESLEY, Vice Chairman**  
NETTLETON - THIRD DISTRICT

**BRIAN U. RAY**  
EXECUTIVE SECRETARY  
(601)961-5400

**LYNN CARLISLE**  
SENIOR ATTORNEY  
**JOEL BENNETT, DIR.**  
FINANCE & PERSONNEL  
**MARK McCARVER, DIR.**  
PIPELINE SAFETY

August 4, 2009

Mr. Jeff Wiese  
Associate Administrator for Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration  
U. S. Department of Transportation  
Pipeline Safety, PHP-1  
1200 New Jersey Avenue, SE  
Second Floor, E22-321  
Washington, DC 20590

Dear Mr. Wiese:

Enclosed for your review and consideration is an Approved Order issued by the Mississippi Public Service Commission on June 2, 2009. This Order grants a waiver to Atmos Energy Corporation-Mississippi to install up to ten miles of polyamide 12 pipe, modify the requirements of the design formula in 49 C.F.R. 192.121, and modify the design limitations detailed in 49 C.F.R. 192.123. Atmos Energy Corporation is a natural gas distribution company of which Mississippi is one of the twelve states that it operates. The following is Atmos Energy Corporation's contact information:

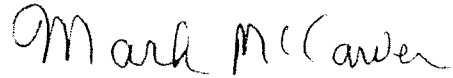
David H. Doggette  
Atmos Energy Corporation  
790 Liberty Road  
Flowood, MS 39232-9321

The Commission's justification for granting the waiver is detailed in the enclosed documents on the enclosed computer disk. Additionally, the pertinent technical data that was considered for granting the waiver is also contained on the enclosed disc. Atmos Energy Corporation, working with the Gas Technology Institute, has indicated portions of the technical data have already been filed with the Pipeline and Hazardous Materials Safety Administration under Docket PHMSA-2007-28042.

I understand that the Pipeline and Hazardous Materials Safety Administration has 60 days to consider this special waiver.

Your review and consideration is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Mark McCarver". The signature is written in a cursive, slightly slanted style.

Mark McCarver, Director  
Mississippi Public Service Commission  
Pipeline Safety Division

Enclosures

CC: David Doggette  
Jamie McKenzie

MM:iab

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSISSIPPI

AUG 5 2009

DOCKET NO. 09-UA-115

RE: APPLICATION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF A  
WAIVER TO ALLOW THE LIMITED USE  
OF POLYAMIDE 12 PIPING

ATMOS ENERGY CORPORATION  
UTILITY ID NO. GC-123-0081-00

DESIGNATION: MISCELLANEOUS APPLICATION  
RULE 10

---

ORDER

---

**THIS CAUSE** came on for consideration by the Mississippi Public Service Commission (Commission) on the request of Atmos Energy Corporation (Atmos) for approval of a waiver to allow the limited use of Polyamide 12 piping. The Commission being fully apprised in the premises and having considered the documents and the record before it, and upon the recommendation of the Mississippi Public Utilities Staff (Staff), finds as follows:

1.

Atmos is a natural gas distributing company operating as a public utility in the State of Mississippi as defined by Miss. Code Ann. §77-3-3(d)(ii).

2.

The Commission has jurisdiction of the parties and subject matter in this proceeding.

3.

In its Application Atmos requests approval of a waiver from both 49 C.F.R. §192.121 and 49 C.F.R. §192.123 to allow the installation of a maximum of ten (10) miles of PE piping, i.e., Polyamide 12 (PA12) piping, within the natural gas distribution system of Atmos. Specifically, Atmos will install PA12 piping systems at a maximum design pressure of up to 250 psig as limited by its PPI HDB rating

of 3150 psig at 73°F utilizing a design factor of 0.40 and the appropriate pipe size values in the formula contained within 49 C.F.R. §192.121.

4.

The technical basis for this waiver has been studied for several years and significant testing in both the laboratory (short term and long term) and different field settings has been conducted to verify that this waiver is justified. The supporting documents and the supplemental information with attachments demonstrate the veracity of the proposed waiver being requested. The cumulative body of technical information amply demonstrates that the proposed waiver will not compromise pipeline safety. This waiver will assure that the regulations are kept current with advancing pipeline technology and provide Atmos with proven materials to more effectively design and build systems to meet the need for additional capacity considerations.

5.

Atmos will use PA12 in accordance with Atmos approved installation and quality assurance procedures developed specifically for PA12. The following records will be maintained regarding the use of these pipes: type of material, location, length, pressure, pipe size, wall thickness, and class location. At the end of both 12-month and 36-month time periods, Atmos will remove certain cross sections of pipe for testing and evaluation of the aging characteristics of the PA12 pipe material. Atmos will provide the results of the testing and evaluation to the Commission and Department of Transportation Pipeline Hazardous Materials and Safety Administration (PHMSA) in order to assist the Commission and PHMSA in revising these regulations in accordance with the information gained from the use of PA12 pipe.

6.

In order to assure adequate safety of the application of this waiver, Atmos will pressure test the newly installed pipe at 150 percent of the maximum operating pressure under the requirements set forth



in 49 C.F.R. §192.513. Also Atmos shall conform to all other related requirements stated in 49 C.F.R. §192.191, which ensures that the thermoplastic fittings that are used conform to ASTM D2513; 49 C.F.R. §192.281, 49 C.F.R. §192.285, and 49 C.F.R. §192.287, which ensures the safety of joints by using approved procedures and qualified joiners and inspected by qualified inspectors. Atmos shall also maintain appropriate signage and line markers per approved Atmos procedures. In addition, Atmos will conduct a leak survey of the installed PA12 pipe twice during the first year and then on an annual basis.

**7.**

That the Application is in the public interest in that it will allow Atmos to provide natural gas service to its customers in a more efficient manner by utilizing innovative new technologies.

**8.**

Due and proper notice of Atmos' filing was published as required by law and the Rules of this Commission.

**9.**

Atmos has provided information sufficient for this Commission's and the Staff's consideration of this matter. The pleadings, documentation, data and exhibits in this docket comply with all applicable requirements of Mississippi statutes and the Commission's Public Utilities Rules of Practice and Procedure. Therefore, for good cause shown, this Commission waives any other filing requirements as prescribed by this Commission's Rules.

**10.**

This Commission finds that, based upon the substantial evidence in this record, including the filing in this docket, the thorough investigation by the Staff, and other documents on file with this Commission, that the Application of Atmos Energy Corporation for approval of a waiver to allow the limited use of Polyamide 12 piping should be approved.

**IT IS THEREFORE,**

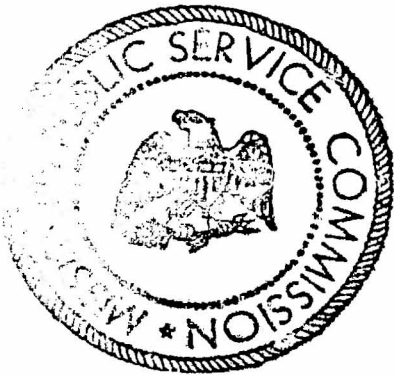
**ORDERED** that the application of Atmos to allow the limited use of Polyamide 12 piping is well taken and is hereby granted and approved.

**ORDERED**, that this Order shall be effective upon issuance and shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

Chairman Lynn Posey voted Agree, Vice Chairman Brandon Presley voted Agree, and Commissioner Leonard Bentz voted Agree.

**SO ORDERED** on this 2nd day of JUNE, 2009.



**MISSISSIPPI PUBLIC SERVICE COMMISSION**

[Signature]  
**LYNN POSEY, Chairman**

[Signature]  
**BRANDON PRESLEY, Vice Chairman**

[Signature]  
**LEONARD BENTZ, Commissioner**

**ATTEST: A TRUE COPY**

[Signature]  
**BRIAN G. RAY, Executive Secretary**

Effective this the 2nd day of JUNE, 2009.



**LEONARD I. BENTZ, Chairman**  
BILOXI - SECOND DISTRICT  
**LYNN POSEY, Vice Chairman**  
UNION CHURCH - FIRST DISTRICT  
**BRANDON PRESLEY, Commissioner**  
NETTLETON - THIRD DISTRICT

**BRIAN U. RAY**  
EXECUTIVE SECRETARY  
(601)961-5400

**LYNN CARLISLE**  
SENIOR ATTORNEY  
**JOEL BENNETT, DIR**  
FINANCE & PERSONNEL  
**MARK MCCARVER, DIR.**  
PIPELINE SAFETY

May 6, 2009

The Honorable Lynn Posey, Commissioner  
Mississippi Public Service Commission  
PO Box 1174  
Jackson, MS 39215

RE: 09-UA-115 Atmos Energy PA-12 Waiver

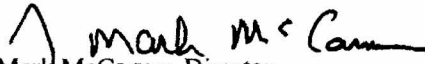
Dear Commissioner Posey:

A meeting was held in 2008 which included representatives from Atmos Energy, Gas Technology Institute (GTI), MPSC Pipeline Safety Division and Richard Sanders from the Pipeline and Hazardous Materials Safety Administration Dept of Training and Qualification (PHMSA). Atmos Energy, along with GTI requested that Mississippi consider allowing a waiver to test PA-12 pipe in our State. States are encouraged by PHMSA to participate in the waiver process. This allows new products to be tested for a period of 2 - 3 years and under various conditions with the goal that they eventually be adopted by statute.

If this pipe is tested in Mississippi, we can require the operator to adhere to any checks or requirements that we deem appropriate to maintain pipeline safety. If the Commission approves the waiver request, it must also be approved by the PHMSA Associate Administrator. In my experience, most waivers are approved, though PHMSA may make additional recommendations such as additional leak surveys, appurtenance requirements or time intervals for inspection.

Our Pipeline Safety Staff will closely monitor the test pipe along with officials and engineers from GTI, Atmos Energy and PHMSA. Other states will also be participating in this process. At this time, Montana has been approved to begin testing this pipe. I think it will be good for Mississippi to be on the front line for new technology and would request that the waiver be allowed. If you have any additional questions, please let me know.

Sincerely,

  
Mark McCarver, Director  
Pipeline Safety

Cc: Brandon Presley, Vice -- Chairman  
Leonard Bentz, Commissioner