

# DIVIDER

STATE OF NORTH DAKOTA

□ INFORMATION TECHNOLOGY DEPARTMENT

SFN 2053 (4-2002)

**GS-07-24**

**Montana-Dakota Utilities Co./Great Plains Natural  
Request for Waiver**

**Approval**

**07**

**Filed 1/16/2007**

**Closed 2/15/2008**

36 GS-07-24 Filed 02/13/2014 Pages: 90  
Archived File - Roll No. 648  
Public Service Commission



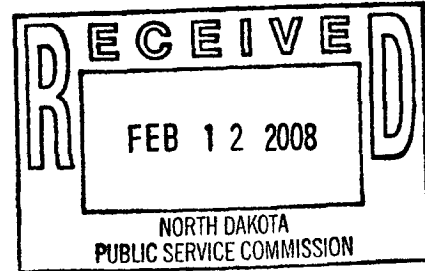
U.S. Department  
of Transportation

Pipeline and Hazardous  
Materials Safety  
Administration

FEB - 6 2008

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

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.

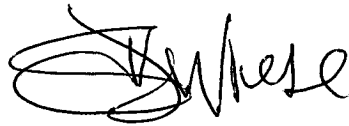
To ensure that MDU and GPNG maintain an equivalent level of pipeline safety, the Commission added the following conditions to the waiver grant:

- 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, circular flourish on the left side.

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety



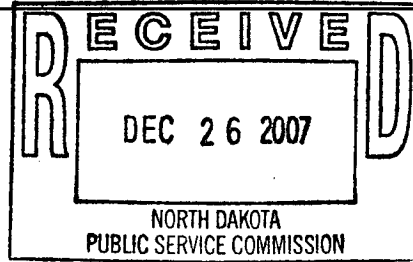
# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

December 21, 2007



Mr. Al Moch  
State of North Dakota  
Public Service Commission  
600 E. Boulevard Ave. Dept. 408  
Bismarck, ND 58505-0480

RE: Case No. GS-07-24: Montana-Dakota Utilities Co. / Great Plains Natural Gas Co.  
Request for partial waiver for atmospheric corrosion.

Dear Mr. Moch:

As required in order for Case No. GS-07-24 Montana-Dakota Utilities Co. / Great Plains Natural Gas Co. reviewed district regulator stations, farm tap, and all above ground facility pipe records for atmospheric corrosion. Results are that since Montana-Dakota / Great Plains does regular maintenance as required by CFR 49 Part 191-192, in addition to routine tasks performed, we maintain above ground facilities such to prevent atmospheric corrosion. Our records do not indicate evidence of atmospheric corrosion on Company above ground facilities.

Should the Company discover atmospheric corrosion "hot spots" these will be reported to the North Dakota Public Service Commission as required in the Commission Orders for Case No. GS-07-24.

If there are any questions, please feel free to contact me at 701-222-7924.

Sincerely,

LaDonna Emineth  
Gas Engineer Associate

34 GS-07-24

Pages: 1

Letter Requesting Partial Waiver for  
Atmospheric Corrosion  
by Montana-Dakota Utilities Co., a Division of MDU Resou  
12/26/2007

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval

Case No. GS-07-24

The Amended Order dated December 14, 2007 was mailed/emailed to the attached list on December 20, 2007.



Shelly Bauske

James Roache

P O Box 564  
Crosby ND 58730

Will Kaul  
Cooperative Power Association  
P O Box 800  
Elk River MN 55330-0800

Laurie Baranko  
Dakota Resource Council  
PO Box 1095  
Dickinson ND 58602-1095

News Director  
KHND AM Radio  
PO Box 6  
Harvey ND 58341-0006

Bruce Imsdahl  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

Robert Burns  
National Regulatory Research Inst  
406 Bevis Hall 1080 Carmack  
Columbus OH 43210

James Irwin  
Natural Gas Week  
1411 K Street Suite 602  
Washington DC 20005-3404

Public Utilities Reports Inc  
Law Dept 8229 Boone Blvd Ste 401  
Vienna VA 22182

Paul Lehman  
Xcel Energy  
414 Nicollet Mall  
Minneapolis MN 55401-1993

Steven Tomac

2498 59th St  
St Anthony ND 58566-9640

Patricia Estes  
Daily News  
PO Box 760  
Wahpeton ND 58074-0760

Jay Casler  
INDEPTH DATA INC  
44 S Bdwy 18th Fl  
White Plains NY 10601-4425

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King Publishing Co  
PO Box 52210  
Knoxville TN 37950-2210

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1101 Vermont Avenue NW Ste 200  
Washington DC 20005

Dennis Lavallee  
Nat'l Assoc Plumbing-Htng-Cooling  
PO Box 6808  
Falls Church VA 22046-6808

Everett Morris  
NJ Public Service Electric & Gas  
80 Park Pl  
Newark NJ 07101

John Kapsner  
The Vogel Law Firm  
P O Box 2097  
Bismarck ND 58502-2097

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St Paul MN 55101-2147

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Netscan

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Bismarck ND 58505

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Melroe Company  
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Gwinner ND 58040-0128

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Montana-Dakota Utilities Co  
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Carla Deutsch  
Netscan

mdickerson@nd.gov  
Marcy Dickerson  
State Tax Department  
State Capitol  
Bismarck ND 58505

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**AFFIDAVIT OF SERVICE BY CERTIFIED MAIL AND ORDINARY MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Shelly A. Bauske** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **20th day of December, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

**Amended Order**

The envelope was addressed as follows:

Scott Besmer  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501  
**Cert. No. 7007 0710 0003 6056 8532**

**Shelly A. Bauske** further deposes and says that on the **20th day of December, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **six** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Doug Lee  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Dave Goodin  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Tamie Aberle  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Pat Darras  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Ed Williams  
Montana-Dakota Utilities Co  
Box 1497  
Dickinson ND 58602-1497

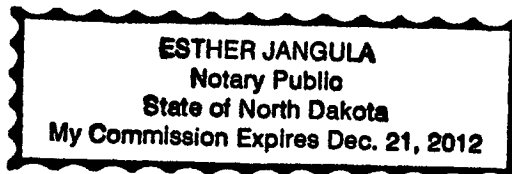
Cris Styve  
Great Plains Natural Gas Co  
Box 176  
Fergus Falls MN 56538-0176

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Shelly A Barsh

Subscribed and sworn to before me  
this **20th day of December, 2007.**

SEAL



Esther Jangula  
Notary Public



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

Susan E. Wefald, President  
Kevin Cramer  
Tony Clark

Executive Director  
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
web: [www.nd.gov/psc](http://www.nd.gov/psc)  
e-mail: [ndpsc@nd.gov](mailto:ndpsc@nd.gov)  
TTY 800-366-6888 or 711  
Fax 701-328-2410  
Phone 701-328-2400

December 14, 2007

Mr. Jeffrey D. Wiese, Associate Administrator of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration, PHP-01  
U.S. Department of Transportation  
1200 New Jersey Ave SE, Room E22-330  
Washington, D.C. 20590

Dear Mr. Wiese:

Enclosed for your consideration is one executed copy of the Amended Waiver Order approved by the North Dakota Public Service Commission on today's date and issued to Montana Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG).

MDU operates both an intrastate distribution system and an intrastate transmission system in North Dakota. GPNG operates distribution and transmission systems primarily in Minnesota but operates an intrastate distribution system in Wahpeton North Dakota. Both companies are subsidiaries of MDU Resources Group., and may be contacted through Mr. Scott Besmer, Senior Engineer, 400 North 4<sup>th</sup> Street, Bismarck ND 58501.

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481(a), relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of informal Hearing setting September 18, 2007, as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On October 3, 2007, the Commission issued an Order approving the waiver request and submitted the Order to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), for approval.



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

Susan E. Wefald, President  
Kevin Cramer  
Tony Clark

Executive Director  
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
web: [www.nd.gov/psc](http://www.nd.gov/psc)  
e-mail: [ndpsc@nd.gov](mailto:ndpsc@nd.gov)  
TTY 800-366-6888 or 711  
Fax 701-328-2410  
Phone 701-328-2400

On November 2, 2007, PHMSA staff contacted Commission staff requesting that specific revisions be made to the Order and asking that the Order then be resubmitted for approval. PHMSA asked that some of the citations be more specific, and that the terminology describing leak surveys in "residential" areas be revised to read "areas outside of business districts."

On November 7, 2007, the Commission issued a second Notice of Opportunity for Hearing setting November 12, 2007, as the deadline for filing comments on the Amended Waiver Order and requests for hearing. No comments or requests for hearing were received.

On December 14, 2007, the Commission issued an Amended Order approving the waiver request. That Amended Order is attached for your approval.

MDU and GPNG propose to extend their required three year atmospheric corrosion survey to four years so that both the four year leak survey conducted outside business districts and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their federally required leak surveys conducted outside business districts within four years, instead of five years not to exceed 63 months as set forth under 49 CFR Part 192.723(b)(2).

Both operators currently accomplish their federally required business district leak surveys within one year not to exceed 15 months, as set forth under 49 CFR Part 192.723(b)(1). The operators propose to perform their required three year atmospheric corrosion survey once per year not to exceed 15 months so that both the annual business district leak survey and the business district atmospheric corrosion survey may be accomplished concurrently.

The Waiver Order is similar to Orders approved by the State of Illinois and the State of Minnesota. The Commission found that MDU/GPNG's joint request for waivers should be approved and that the operators' proposals should be implemented, subject to the operators' compliance with the conditions recommended by staff in the Order and required for like waivers in other jurisdictions.

Under current federal/state guidelines PHMSA has 60 days from today's date to respond.



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

Susan E. Wefald, President  
Kevin Cramer  
Tony Clark

Executive Director  
Illona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
web: [www.nd.gov/psc](http://www.nd.gov/psc)  
e-mail: [ndpsc@nd.gov](mailto:ndpsc@nd.gov)  
TTY 800-366-6888 or 711  
Fax 701-328-2410  
Phone 701-328-2400

If you have any questions or comments, please contact me at 701-328-2413.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alan G. Moch".

Alan G. Moch, Director  
Testing and Safety Division

c: Commissioners Wefald, Cramer, and Clark  
Illona A. Jeffcoat-Sacco, Executive Secretary  
Kevin Hanson  
Scott Besmer, MDU  
file

Enclosure

**APPROVED**

**DATE:** 12-14-07  
ED

**MOTION**

**December 14, 2007**

**Montana-Dakota Utilities Co.  
Great Plains Natural Gas Co.  
Request for Waiver**

**Case No. GS-07-24**

I move the Commission adopt the Amended Order granting the request of Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. for a waiver of 49 CFR Part 192.481(a) changing the times to complete atmospheric corrosion surveys in both their residential areas and business districts to coincide with the required leak surveys in those areas.

agm

07024/2.doc

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**AMENDED ORDER**

**December 14, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481(a), adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1. Operators may request a waiver when it is not practical to comply with a regulation of general applicability.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing setting September 18, 2007, as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On September 19, 2007 the Commission discussed the proposal and Commission staff's recommendation with representatives of MDU and staff during the informal hearing.

On October 3, 2007, the Commission issued an Order and subsequently submitted it to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), for approval.

On November 2, 2007, PHMSA staff contacted Commission staff and requested specific revisions to the Order and that the Order then be re-submitted after the revisions are made. This Amended Order includes the requested revisions.

On November 7, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of informal Hearing setting December 12, 2007, as the deadline for filing comments and requests for hearing, and noting that if deemed appropriate, the Commission can determine this matter without a formal hearing. No comments or requests for a hearing were received.

The operators propose to extend their required three year atmospheric corrosion survey to four years so that both the four year leak survey conducted outside business

districts and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their federally required leak surveys conducted outside business districts within four years, instead of five years not to exceed 63 months as set forth under 49 CFR Part 192.723(b)(2).

Both operators currently accomplish their federally required business district leak surveys within one year not to exceed 15 months, as set forth under 49 CFR Part 192.723(b)(1). The operators propose to perform their required three year atmospheric corrosion survey once per year not to exceed 15 months so that both the annual business district leak survey and the business district atmospheric corrosion survey may be accomplished concurrently.

The operators assert that this proposal would allow them to save maintenance time and utilize higher skilled leak survey technicians to conduct the atmospheric corrosion surveys.

Commission staff found that a review conducted of both Commission inspection records and company corrosion records concerning both MDU and GPNG showed no history of atmospheric corrosion violations or issues. In addition, Commission staff found that in similar cases in both Illinois and Minnesota, research conducted showed that corrosion rates in the Midwest are low relative to other areas of the country.

Commission staff found that both the research conducted locally and the research conducted in conjunction with similar waiver cases in Illinois and Minnesota showed that due to the low incidence of corrosion, extending the atmospheric corrosion survey requirement from three years to four years would not jeopardize the integrity of the pipeline. In addition, Commission staff found that in waiver cases in Illinois and Minnesota the federal government approved the request for waivers only after requiring the operators to meet the following conditions:

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 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.

Staff recommended approval of the waiver request so long as the operators complied with the same conditions imposed in the other jurisdictions on similar requests. The Commission finds that MDU's and GPNG's requests for waivers in this case should be approved and that the operators' proposals should be implemented, subject to the operators' compliance with the conditions recommended by staff and required for like waivers in other jurisdictions.

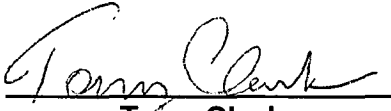
#### **Amended Order**

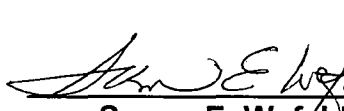
The Commission Orders:

1. MDU's request for a waiver of the requirement of 49 CFR Part 192.481(a), adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to MDU complying with the conditions recommended by staff and set out previously in this Order
2. GPNG's request for a waiver of the requirement of 49 CFR Part 192.481(a), adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to GPNG complying with the conditions recommended by staff and set out previously in this Order.
3. 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.

4. 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.

**PUBLIC SERVICE COMMISSION**

  
\_\_\_\_\_  
**Tony Clark**  
**Commissioner**

  
\_\_\_\_\_  
**Susan E. Wefald**  
**President**

  
\_\_\_\_\_  
**Kevin Cramer**  
**Commissioner**



# North Dakota Newspaper Association

1435 Interstate Loop  
Bismarck, ND 58503-0567  
Ph (701) 223-6397 • Fax (701) 223-8185

## INVOICE

Order 24244-07112PP0

Invoice # 96986

November 20, 2007

Attn: ILLONAA. JEFFCOAT-SACCO  
PUBLIC SERVICE COMMISSION  
600 E. BOULEVARD AVE.  
STATE CAPITOL  
BISMARCK, ND 58505

Voice: 701-328-4076

Advertiser: Public Service Commission

P.O.#: GS-07-24

Amount Due **\$449.67**

Amount Paid

Please detach and return this portion with your payment

Public Service Commission Invoice # 24244-07112PP0-96986 PO# GS-07-24

*OK* *gg*

Ad Size	Rate Type	Rate	Total	Discount (%)	Caption	Page	Run Date
✓ Bismarck Tribune (Bismarck ND)	83.00 SPR2	0.69	57.27	0.00	MDU Great Plains		11/13/07
✓ Devils Lake Daily Journal (Devils Lake ND)	81.00 SPR2	0.70	56.70	0.00	MDU Great Plains		11/13/07
✓ Dickinson Press (Dickinson ND)	76.00 SPR2	0.71	53.96	0.00	MDU Great Plains		11/13/07
✓ Jamestown Sun (Jamestown ND)	90.00 SPR2	0.66	59.40	0.00	MDU Great Plains		11/13/07
✓ Minot Daily News (Minot ND)	105.00 SPR2	0.53	55.65	0.00	MDU Great Plains		11/13/07
✓ Valley City Times-Record (Valley City ND)	1.00 SPR2	0.64	Did Not Run	0.00	MDU Great Plains		11/13/07
Valley City Times-Record (Valley City ND)	83.00 SPR2	0.64	53.12	0.00	MDU Great Plains		11/15/07
✓ Wahpeton Daily News (Wahpeton ND)	117.00 SPR2	0.49	57.33	0.00	MDU Great Plains		11/13/07
✓ Williston Herald (Williston ND)	76.00 SPR2	0.74	56.24	0.00	MDU Great Plains		11/13/07

Gross Advertising	449.67	Total Misc	0.00	Amount Paid	0.00
Agency Discount		Tax	0.00	Adjustments	0.00
Other Discount	0.00	Total Billed	449.67	Payment Date	
Service Charge	0.00	Unbilled	0.00	Balance Due	449.67

7200

Your payment is due upon receipt. Thank you in advance for your prompt payment!

28 GS-07-24

Pages: 10

Invoice 96986 \$449.67

by Public Service Commission  
11/20/2007

# Affidavit of Publication

Colleen Park

, being duly sworn, state as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.

2. The newspapers listed on the exhibits published the advertisement of:

Public Service Commission, MDEU/Great Plains, 65-07-24

1 time(s) as required by law or ordinance.

3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

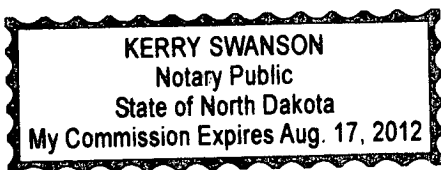
Signed: Colleen Park

State of ND

County of Burleigh

Subscribed and sworn to before me this 19<sup>th</sup> day of November 20 07.

Kerry Swanson



Case No: GS-07-24

Notice of opportunity for hearing

Published in:

11/13 – Williston

11/13 – Bismarck

11/13 – Devils Lake

11/13 – Dickinson

11/13 – Jamestown

11/13 – Minot

11/15 – Valley City

11/13 – Wahpeton

**Bauske, Shelly A.**

---

**From:** Colleen Park [colleenp@ndna.com]  
**Sent:** Thursday, November 08, 2007 1:53 PM  
**To:** Bauske, Shelly A.  
**Subject:** RE: Notice of Opportunity for Hearing - Case No. GS-07-24

Received. I will schedule the notice for Tuesday the 13th.

Colleen

Colleen Park  
North Dakota Newspaper Association  
Advertising Coordinator / Public Notice Coordinator  
1435 Interstate Loop • Bismarck ND 58503  
Phone 701.223.6397 • Fax 701.223.8185

*Every job is a self-portrait of the person who did it ... autograph yours with excellence.*

---

**From:** Bauske, Shelly A. [mailto:sbauske@nd.gov]  
**Sent:** Wednesday, November 07, 2007 5:04 PM  
**To:** Colleen Park  
**Subject:** Notice of Opportunity for Hearing - Case No. GS-07-24

Colleen  
North Dakota Newspaper Association

Please have the attached Notice of Opportunity for Hearing published as a legal publication in the next issue of the following newspapers. Do not publish in the classifieds.

Bismarck Tribune  
Devils Lake Journal  
Minot Daily News  
The Daily News, Wahpeton  
Dickinson Press  
The Jamestown Sun  
Valley City Times-Record  
Williston Herald

Please run it as a "News Item Only" article as well, and send the bill to the Public Service Commission along with a tear sheet for billing purposes.

Please confirm via e-mail that you received this request.

If you have any questions or need a PDF version of the notice, please call me at 328-4070 or email.

Thank you.

Shelly Bauske  
Administrative Officer

27 GS-07-24

Pages: 3

Email Receipt for Publication of Notice of  
Opportunity for Hearing  
by Public Service Commission by ND Newspaper Assn  
11/08/2007 CC: Comm Legal Ilona Al Kevin

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request For Waiver  
Approval**

**Case No. GS-07-24**

**NOTICE OF OPPORTUNITY FOR HEARING**

**November 7, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing setting September 18, 2007 as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On September 19, 2007 the Commission discussed the proposal and Commission staff's recommendation with representatives of MDU and staff during the informal hearing.

On October 3, 2007, the Commission issued an Order approving the waiver request and submitted the Order to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), for approval.

On November 2, 2007, PHMSA staff contacted Commission staff requesting that specific revisions be made to the Order and asking that the Order then be resubmitted for approval. PHMSA asked that some of the citations be more specific, and that the terminology describing leak surveys in "residential" areas be revised to read "areas outside of business districts." The Commission intends to amend the Order to incorporate the changes requested by PHMSA.

Those interested are invited to comment on the proposed amendments in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding(s) and the reasons for requesting a hearing. **Comments and requests for hearings must be received by December 12, 2007.** If deemed appropriate, the Commission can determine this matter without a formal hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify Illona A. Jeffcoat-Sacco, Executive Director, at least 24 hours in advance.

**PUBLIC SERVICE COMMISSION**

---

**Tony Clark  
Commissioner**

---

**Susan E. Wefald  
President**

---

**Kevin Cramer  
Commissioner**

**Bauske, Shelly A.**

---

**From:** System Administrator  
**To:** cwalz@kxnet.com; kxma@kxnet.com  
**Sent:** Thursday, November 08, 2007 10:14 AM  
**Subject:** Undeliverable: Notice of Opportunity for Hearing - Case No. GS-07-24

Your message did not reach some or all of the intended recipients.

**Subject:** Notice of Opportunity for Hearing - Case No. GS-07-24  
**Sent:** 11/8/2007 10:10 AM

The following recipient(s) cannot be reached:

[cwalz@kxnet.com](mailto:cwalz@kxnet.com) on 11/8/2007 10:18 AM

The e-mail system was unable to deliver the message, but did not report a specific reason. Check the address and try again. If it still fails, contact your system administrator.

<MailServer.kxnet.com #5.0.0>

[kxma@kxnet.com](mailto:kxma@kxnet.com) on 11/8/2007 10:18 AM

The e-mail system was unable to deliver the message, but did not report a specific reason. Check the address and try again. If it still fails, contact your system administrator.

<MailServer.kxnet.com #5.0.0>

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**AFFIDAVIT OF SERVICE BY ORDINARY MAIL AND EMAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Shelly A. Bauske** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **8th day of November, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, 15 envelopes by first class mail, fully prepaid, securely sealed and 27 emails containing a copy of:

**Notice of Opportunity for Hearing**

The envelopes and emails were addressed as follows:

See Attached List

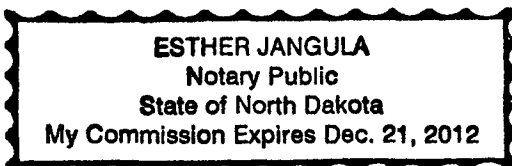
Each address shown is the respective addressee's last reasonably ascertainable post office address.

*Shelly A Bauske*  
\_\_\_\_\_

Subscribed and sworn to before me  
this **8th day of November, 2007**.

*Esther Jangula*  
\_\_\_\_\_  
Notary Public

SEAL



James Roache

P O Box 564  
Crosby ND 58730

Will Kaul  
Cooperative Power Association  
P O Box 800  
Elk River MN 55330-0800

Jay Casler  
INDEPTH DATA INC  
44 S Bdwy 18th Fl  
White Plains NY 10601-4425

KOVC AM and KQDJ FM Radio  
136 North Central Avenue P O Box 994  
Valley City ND 58072-0994

Mike Foley  
NARUC  
1101 Vermont Avenue NW Ste 200  
Washington DC 20005

James Irwin  
Natural Gas Week  
1411 K Street Suite 602  
Washington DC 20005-3404

Everett Morris  
NJ Public Service Electric & Gas  
80 Park Pl  
Newark NJ 07101

John Kapsner  
The Vogel Law Firm  
P O Box 2097  
Bismarck ND 58502-2097

Steven Tomac

2498 59th St  
St Anthony ND 58566-9640

Laurie Baranko  
Dakota Resource Council  
PO Box 1095  
Dickinson ND 58602-1095

KHRT AM  
PO Box 1210  
Minot ND 58702-1210

Bruce Imsdahl  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

Dennis Lavallee  
Nat'l Assoc Plumbing-Htng-Cooling  
PO Box 6808  
Falls Church VA 22046-6808

Harlan Fuglesten  
ND Association of RECs  
PO Box 727  
Mandan ND 58554-0727

Public Utilities Reports Inc  
Law Dept 8229 Boone Blvd Ste 401  
Vienna VA 22182

akemp@tminc.com  
Ann-Marie Kemp

jmittleider@nd.gov  
John Mittleider  
Department of Commerce  
600 East Blvd  
Bismarck ND 58505

frank.morehouse@mdu.com  
Frank Morehouse  
Great Plains Natural Gas Co  
PO Box 176  
Fergus Falls MN 56548-0176

bdenver@btinet.net  
News Director  
KBMR AM-KQDY FM  
3500 E Rosser Ave  
Bismarck ND 58501

kdakam@daktel.com  
News Director  
KDAK AM  
Box 50  
Carrington ND 58421-0050

kzzynews@stellarnet.com  
News Director  
KDLR AM and KDVL, KQZZ FM Radio  
Box 190  
Devils Lake ND 58301-0190

mlyman@kmot.com  
KMOT TV  
Box 1120  
Minot ND 58702-1120

news@ksjbam.com  
News Director  
KSJB AM and KSJZ FM Radio  
PO Box 5180  
Jamestown ND 58402-5180

kumv@kumv.com  
KUMV-TV  
PO Box 1287  
Williston ND 58802-1287

treiten@kxnet.com  
KXMB TV  
Box 1617  
Bismarck ND 58502-1617

bnicholls@dadco.com  
Bryan Nicholls  
D A Davidson & Co

Mark.Hanson@grandforks.af.mil  
Mark Hanson  
Grand Forks Air Force Base  
319 ARW/JA 460 Steen Blvd Ste 201  
Grand Forks ND 58205

arsmith@invisimax.com  
KAO, KAUJ, KYTZ FM and KXPO AM radio  
856 W 12 St  
Grafton ND 58237

gary.rogers@kbmwam.com  
KBMW-AM  
PO Box 1115  
Wahpeton ND 58074-1115

kdix@kdix.net  
News Director  
KDIX AM Radio  
119 2nd Ave W  
Dickinson ND 58601-5115

earlg@nccray.net  
News Director  
KEYZ AM, KHTC FM and KYYZ FM Radio  
PO Box 2048  
Williston ND 58802-2048

kndk1080@utma.com  
KNDK-AM  
HCR 5 Box 9  
Langdon ND 58249

ktgo@nccray.com  
KTGO-AM  
Box 457  
Tioga ND 58852-0457

kxma@kxnet.com  
News Director  
KXMA-TV  
Drawer B  
Dickinson ND 58601

jolson@kxmcnews.com  
KXMC TV  
Box 1686  
Minot ND 58701-1686

cwalz@kxnet.com

KXMD-TV  
PO Box 790  
Williston ND 58802-0790

karen.collins@mdu.com; tamie.aberle@mdu.com  
Karen Collins  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

wpp@pearce-durick.com  
William Pearce  
Pearce & Durick Attorneys  
PO Box 400  
Bismarck ND 58502-0400

dave.sederquist@xcelenergy.com  
Dave Sederquist  
Xcel Energy  
PO Box 2747  
Fargo ND 58108-2747

craig.scott@bobcat.com  
Craig Scott  
Melroe Company  
P O Box 128  
Gwinner ND 58040-0128

don.ball@mdu.com  
Don Ball  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

mdickerson@nd.gov  
Marcy Dickerson  
State Tax Department  
State Capitol  
Bismarck ND 58505

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**AFFIDAVIT OF SERVICE BY CERTIFIED MAIL AND ORDINARY MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Shelly A. Bauske** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **8th day of November, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

**Notice of Opportunity for Hearing**

The envelope was addressed as follows:

Scott Besmer  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501  
**Cert. No. 7007 0710 0003 6056 8433**

**Shelly A. Bauske** further deposes and says that on the **8th day of November, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **six** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Doug Lee  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Dave Goodin  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Tamie Aberle  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Pat Darras  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Ed Williams  
Montana-Dakota Utilities Co  
Box 1497  
Dickinson ND 58602-1497

Cris Styve  
Great Plains Natural Gas Co  
Box 176  
Fergus Falls MN 56538-0176

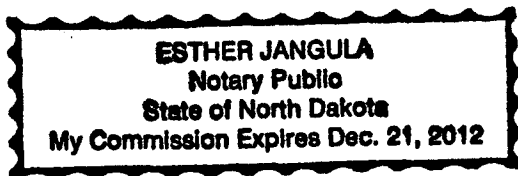
Each address shown is the respective addressee's last reasonably ascertainable post office address.

*Shelly A Bausk*

Subscribed and sworn to before me  
this 8th day of November, 2007.

*Esther Jangula*  
Notary Public

SEAL



**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request For Waiver  
Approval**

**Case No. GS-07-24**

**NOTICE OF OPPORTUNITY FOR HEARING**

**November 7, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing setting September 18, 2007 as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On September 19, 2007 the Commission discussed the proposal and Commission staff's recommendation with representatives of MDU and staff during the informal hearing.


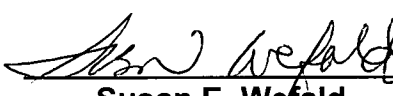

On October 3, 2007, the Commission issued an Order approving the waiver request and submitted the Order to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), for approval.

On November 2, 2007, PHMSA staff contacted Commission staff requesting that specific revisions be made to the Order and asking that the Order then be resubmitted for approval. PHMSA asked that some of the citations be more specific, and that the terminology describing leak surveys in "residential" areas be revised to read "areas outside of business districts." The Commission intends to amend the Order to incorporate the changes requested by PHMSA.

Those interested are invited to comment on the proposed amendments in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding(s) and the reasons for requesting a hearing. **Comments and requests for hearings must be received by December 12, 2007.** If deemed appropriate, the Commission can determine this matter without a formal hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify Ilona A. Jeffcoat-Sacco, Executive Director, at least 24 hours in advance.

**PUBLIC SERVICE COMMISSION**

		
<b>Tony Clark</b> Commissioner	<b>Susan E. Wefald</b> President	<b>Kevin Cramer</b> Commissioner

**APPROVED**

DATE: 11-07-07  
EQ

**MOTION**

**November 7, 2007**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

I move the Commission issue a Notice of Opportunity for Hearing in Montana-Dakota Utilities Co./Great Plains Natural Gas Co.'s Request for Waiver Approval, Case No. GS-07-24.

**Bauske, Shelly A.**

---

**From:** System Administrator  
**To:** janet.gonzales@state.mn.us  
**Sent:** Thursday, October 04, 2007 3:10 PM  
**Subject:** Undeliverable: ND Public Service Commission Order in Case No. GS-07-24

Your message did not reach some or all of the intended recipients.

Subject: ND Public Service Commission Order in Case No. GS-07-24  
Sent: 10/4/2007 3:07 PM

The following recipient(s) cannot be reached:

janet.gonzales@state.mn.us on 10/4/2007 3:09 PM

The e-mail account does not exist at the organization this message was sent to.  
Check the e-mail address, or contact the recipient directly to find out the correct address.  
<mail.state.mn.us #5.1.1>



# Public Service Commission

## State of North Dakota

### COMMISSIONERS

Susan E. Wefald, President  
Kevin Cramer  
Tony Clark

Executive Director  
Ilona A. Jeffcoat-Sacco

600 E. Boulevard Ave. Dept 408  
Bismarck, North Dakota 58505-0480  
web: [www.nd.gov/psc](http://www.nd.gov/psc)  
e-mail: [ndpsc@nd.gov](mailto:ndpsc@nd.gov)  
TTY 800-366-6888 or 711  
Fax 701-328-2410  
Phone 701-328-2400

October 3, 2007

Ms. Florence Hamn  
Pipeline and Hazardous Materials Safety Administration, PHP-30  
U.S. Department of Transportation  
1200 New Jersey Ave SE, Room E24-312  
Washington, DC 20590

Dear Ms. Hamn:

Enclosed for your consideration is one executed copy of the Waiver Order approved by the North Dakota Public Service Commission on today's date and issued to Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG).

MDU operates both an intrastate distribution system and an intrastate transmission system in North Dakota. GPNG operates distribution and transmission systems primarily in Minnesota but operates an intrastate distribution system in Wahpeton, North Dakota. Both companies are subsidiaries of MDU Resources Group and may be contacted through Mr. Scott Besmer, Senior Engineer, 400 North 4<sup>th</sup> Street, Bismarck, ND 58501.

On January 12, 2007, MDU and GPNG filed a joint application for a waiver of 49 CFR Part 192.481, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing setting September 18, 2007, as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

MDU and GPNG proposed to extend their required three year atmospheric corrosion survey to four years so that both the four year residential leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their five year not to exceed 39 months federally required

MDU/GPNG Waiver  
October 3, 2007  
Page 2

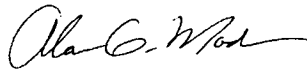
residential leak surveys as set forth under 49 CFR Part 192.723(2) within four years. MDU and GPNG also propose to perform their required three year atmospheric corrosion survey once per year not to exceed 15 months so that both the annual business district leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their annual federally required business district leak surveys as set forth under 49 CFR Part 192.723(1) within one year not to exceed 15 months.

The Waiver Order is similar to orders approved by the State of Illinois and the State of Minnesota. The Commission found that MDU/GPNG's joint request for waivers should be approved and that the operators' proposals should be implemented, subject to the operators' compliance with the conditions recommended by staff in the Order and required for like waivers in other jurisdictions.

Under current federal/state guidelines PHMSA has 60 days from today's date to respond.

If you have any questions or comments, please contact me at 701-328-2413.

Sincerely,



Alan G. Moch, Director  
Testing and Safety Division

c: Commissioners Wefald, Cramer, and Clark  
Illona A. Jeffcoat-Sacco, Executive Secretary  
Kevin Hanson  
Scott Besmer, MDU  
Leonard Steiner, State Liaison  
file

Enclosure

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**ORDER**

**October 3, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1. Operators may request a waiver when it is not practical to comply with a regulation of general applicability.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of informal Hearing setting September 18, 2007, as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On September 19, 2007 the Commission discussed the proposal and Commission staff's recommendation with representatives of MDU and staff during the informal hearing.

The operators propose to extend their required three year atmospheric corrosion survey to four years so that both the four year residential leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their five year not to exceed 39 months federally required residential leak surveys as set forth under 49 CFR Part 192.723(2) within four years.

The operators also propose to perform their required three year atmospheric corrosion survey once per year not to exceed 15 months so that both the annual business district leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their annual federally required business district leak surveys as set forth under 49 CFR Part 192.723(1) within one year not to exceed 15 months.

The operators assert that this proposal would allow them to save maintenance time and utilize higher skilled leak survey technicians to conduct the atmospheric corrosion surveys.

Commission staff found that a review conducted of both Commission inspection records and company corrosion records concerning both MDU and GPNG showed no history of atmospheric corrosion violations or issues. In addition, Commission staff found that in similar cases in both Illinois and Minnesota, research conducted showed that corrosion rates in the Midwest are low relative to other areas of the country.

Commission staff found that both the research conducted locally and the research conducted in conjunction with similar waiver cases in Illinois and Minnesota showed that due to the low incidence of corrosion, extending the atmospheric corrosion survey requirement from three years to four years would not jeopardize the integrity of the pipeline. In addition, Commission staff found that in waiver cases in Illinois and Minnesota the federal government approved the request for waivers only after requiring the operators to meet the following conditions:

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 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.

Staff recommended approval of the waiver request so long as the operators complied with the same conditions imposed in the other jurisdictions on similar requests. The Commission finds that MDU's and GPNG's requests for waivers in this case should be approved and that the operators' proposals should be implemented, subject to the operators' compliance with the conditions recommended by staff and required for like waivers in other jurisdictions.

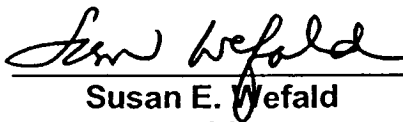
### Order

#### The Commission Orders:

1. MDU's request for a waiver of the requirement of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to MDU complying with the conditions recommended by staff and set out previously in this Order.
2. GPNG's request for a waiver of the requirement of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to GPNG complying with the conditions recommended by staff and set out previously in this Order.
3. 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.
4. 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.

### PUBLIC SERVICE COMMISSION

  
Tony Clark  
Commissioner

  
Susan E. Wefald  
President

  
Kevin Cramer  
Commissioner

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval

Case No. GS-07-24

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL AND ORDINARY MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Shelly A. Bauske** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **4th day of October, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

**Order**

The envelope was addressed as follows:

Scott Besmer  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501  
**Cert. No. 7007 0710 0001 5987 7784**

**Shelly A. Bauske** further deposes and says that on the **4th day of October, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **six** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Doug Lee  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Dave Goodin  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Tamie Aberle  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Pat Darras  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Ed Williams  
Montana-Dakota Utilities Co  
Box 1497  
Dickinson ND 58602-1497

Cris Styve  
Great Plains Natural Gas Co  
Box 176  
Fergus Falls MN 56538-0176

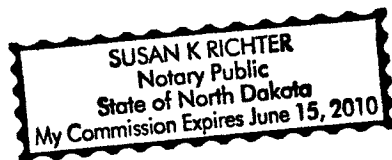
Each address shown is the respective addressee's last reasonably ascertainable post office address.

*Shelly A Bausk*

---

Subscribed and sworn to before me  
this **4th day of October, 2007.**

SEAL



*Susan K Richter*

---

Notary Public

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval

Case No. GS-07-24

AFFIDAVIT OF SERVICE BY ORDINARY MAIL AND EMAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Shelly A. Bauske deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **4th day of October, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, 17 envelopes by first class mail, fully prepaid, securely sealed and 12 emails containing a photocopy of:

**Order**

The envelopes and emails were addressed as follows:

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address.

*Shelly A Bauske*

Subscribed and sworn to before me  
this **4th day of October, 2007**.

*Sheila Hibl*  
Notary Public

SEAL

SHEILA HIBL  
Notary Public  
State of North Dakota  
My Commission Expires April 4, 2012

James Roache

P O Box 564  
Crosby ND 58730

Will Kaul  
Cooperative Power Association  
P O Box 800  
Elk River MN 55330-0800

Laurie Baranko  
Dakota Resource Council  
PO Box 1095  
Dickinson ND 58602-1095

News Director  
KHND AM Radio  
PO Box 6  
Harvey ND 58341-0006

Bruce Imsdahl  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

Robert Burns  
National Regulatory Research Inst  
406 Bevis Hall 1080 Carmack  
Columbus OH 43210

James Irwin  
Natural Gas Week  
1411 K Street Suite 602  
Washington DC 20005-3404

Public Utilities Reports Inc  
Law Dept 8229 Boone Blvd Ste 401  
Vienna VA 22182

Paul Lehman  
Xcel Energy  
414 Nicollet Mall  
Minneapolis MN 55401-1993

Steven Tomac

2498 59th St  
St Anthony ND 58566-9640

Patricia Estes  
Daily News  
PO Box 760  
Wahpeton ND 58074-0760

Jay Casler  
INDEPTH DATA INC  
44 S Bdwy 18th Fl  
White Plains NY 10601-4425

Kelley Richardson  
King Publishing Co  
PO Box 52210  
Knoxville TN 37950-2210

Mike Foley  
NARUC  
1101 Vermont Avenue NW Ste 200  
Washington DC 20005

Dennis Lavallee  
Nat'l Assoc Plumbing-Htng-Cooling  
PO Box 6808  
Falls Church VA 22046-6808

Everett Morris  
NJ Public Service Electric & Gas  
80 Park Pl  
Newark NJ 07101

John Kapsner  
The Vogel Law Firm  
P O Box 2097  
Bismarck ND 58502-2097

bnicholls@dadco.com  
Bryan Nicholls  
D A Davidson & Co

frank.morehouse@mdu.com  
Frank Morehouse  
Great Plains Natural Gas Co  
PO Box 176  
Fergus Falls MN 56548-0176

janet.gonzales@state.mn.us  
Janet Gonzales  
Minnesota PUC  
121 E 7th Pl Ste 350  
St Paul MN 55101-2147

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Don Ball  
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400 N 4th St  
Bismarck ND 58501

julie.tessier@thomson.com  
Julie Tessier  
Netscan

dave.sederquist@xcelenergy.com  
Dave Sederquist  
Xcel Energy  
PO Box 2747  
Fargo ND 58108-2747

jmittleider@nd.gov  
John Mittleider  
Department of Commerce  
600 East Blvd  
Bismarck ND 58505

craig\_scott@bobcat.com  
Craig Scott  
Melroe Company  
P O Box 128  
Gwinner ND 58040-0128

karen.collins@mdu.com; tamie.aberle@mdu.com  
Karen Collins  
Montana-Dakota Utilities Co  
400 N 4th St  
Bismarck ND 58501

carla.deutsch@thomson.com  
Carla Deutsch  
Netscan

mdickerson@nd.gov  
Marcy Dickerson  
State Tax Department  
State Capitol  
Bismarck ND 58505

**APPROVED**

DATE: 10-3-07  
PPS

**MOTION**

**October 3, 2007**

**Montana-Dakota Utilities Co.  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

I move the Commission adopt the Order granting the request of Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. for a waiver of 49 CFR Part 192.481 changing the times to complete atmospheric corrosion surveys in both their residential areas and business districts to coincide with the required leak surveys in those areas.

agm

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**ORDER**

**October 3, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1. Operators may request a waiver when it is not practical to comply with a regulation of general applicability.

On August 22, 2007, the Commission issued a Notice of Opportunity for Hearing and Notice of informal Hearing setting September 18, 2007, as the deadline for filing comments and requests for hearing, and noting that the matter would be discussed at an informal hearing on September 19, 2007. No comments or requests for hearing were received.

On September 19, 2007 the Commission discussed the proposal and Commission staff's recommendation with representatives of MDU and staff during the informal hearing.

The operators propose to extend their required three year atmospheric corrosion survey to four years so that both the four year residential leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their five year not to exceed 39 months federally required residential leak surveys as set forth under 49 CFR Part 192.723(2) within four years.

The operators also propose to perform their required three year atmospheric corrosion survey once per year not to exceed 15 months so that both the annual business district leak survey and the corrosion survey may be accomplished concurrently. Both operators currently accomplish their annual federally required business district leak surveys as set forth under 49 CFR Part 192.723(1) within one year not to exceed 15 months.

The operators assert that this proposal would allow them to save maintenance time and utilize higher skilled leak survey technicians to conduct the atmospheric corrosion surveys.

Commission staff found that a review conducted of both Commission inspection records and company corrosion records concerning both MDU and GPNG showed no history of atmospheric corrosion violations or issues. In addition, Commission staff found that in similar cases in both Illinois and Minnesota, research conducted showed that corrosion rates in the Midwest are low relative to other areas of the country.

Commission staff found that both the research conducted locally and the research conducted in conjunction with similar waiver cases in Illinois and Minnesota showed that due to the low incidence of corrosion, extending the atmospheric corrosion survey requirement from three years to four years would not jeopardize the integrity of the pipeline. In addition, Commission staff found that in waiver cases in Illinois and Minnesota the federal government approved the request for waivers only after requiring the operators to meet the following conditions:

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 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.

Staff recommended approval of the waiver request so long as the operators complied with the same conditions imposed in the other jurisdictions on similar requests. The Commission finds that MDU's and GPNG's requests for waivers in this case should be approved and that the operators' proposals should be implemented, subject to the operators' compliance with the conditions recommended by staff and required for like waivers in other jurisdictions.

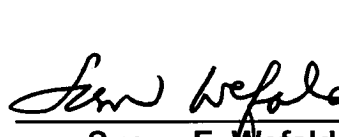
### Order

The Commission Orders:

1. MDU's request for a waiver of the requirement of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to MDU complying with the conditions recommended by staff and set out previously in this Order.
2. GPNG's request for a waiver of the requirement of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02, relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months is GRANTED, subject to GPNG complying with the conditions recommended by staff and set out previously in this Order.
3. 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.
4. 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.

### PUBLIC SERVICE COMMISSION

  
Tony Clark  
Commissioner

  
Susan E. Wefald  
President

  
Kevin Cramer  
Commissioner

**North Dakota Public Service Commission**  
**INFORMAL HEARING**  
**September 19, 2007**

**Montana-Dakota Utilities Co./**  
**Great Plains Natural Gas Co.**  
**Request for Waiver**

**GS-07-24**  
**Filed on 1/16/07**

**Summary of Waiver Request:** On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, Page 3-1.

Operators may request a waiver when it is not practical to comply with a regulation of general applicability. The operators propose to extend their required three year atmospheric corrosion survey to four years so that both the four year leak survey and the corrosion survey may be accomplished concurrently. The operators assert that this proposal would allow them to save maintenance time and utilize higher skilled leak survey technicians to conduct the atmospheric corrosion surveys. Both operators currently accomplish their five year federally required residential leak surveys as set forth under 49 CFR Part 192.723(2) within four years.

The issues to be considered in this matter are:

1. Whether it is practical for one or both of the operators to comply with 49 CFR Part 192.481.
2. Whether a waiver of 49 CFR Part 192.481 should be granted for one or both of the operators.

**Recommendation:** Staff recommends the Commission approve the request for waiver with the following stipulations (these stipulations were added to a similar waiver request in the State of Illinois by PHMSA as a requirement for federal approval):

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 must 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 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.

**Discussion:** Currently, to insure pipeline integrity and public safety, both companies leak survey their residential areas once every four years. This interval exceeds the five year limit as required under 49 CFR Part 192.723(2). This waiver would allow the required atmospheric corrosion survey to be conducted concurrent with each company's four year residential leak survey by utilizing higher skilled leak survey technicians, rather than as a separate survey conducted once every three years utilizing meter readers.

Staff conducted a review of both Commission inspection records and company corrosion records concerning both MDU and GPNG to determine if either record showed a history of atmospheric corrosion violations or issues. In addition, it was stated in similar cases in both Illinois and Minnesota that research conducted showed that corrosion rates in the Midwest are low relative to other areas of the country.

Both the research conducted by Commission staff and the research conducted in conjunction with a similar waiver case in Illinois and Minnesota shows that due to the low incidence of corrosion, extending the atmospheric corrosion survey requirement from three years to four years would not jeopardize the integrity of the pipeline. Although it may be practical to continue the current three year atmospheric corrosion survey separate from the four year leak survey, conducting the atmospheric corrosion survey in conjunction with the residential leak survey applies a sound economic risk management approach that benefits rate payers without diminishing public safety.

**Prepared by:** Alan Moch



# North Dakota Newspaper Association

1435 Interstate Loop  
Bismarck, ND 58503-0567  
Ph (701) 223-6397 • Fax (701) 223-8185

## INVOICE

Order **23922-07084PP0**

Invoice # **93014**

September 11, 2007

Attn: ILLONAA. JEFFCOAT-SACCO  
PUBLIC SERVICE COMMISSION  
600 E. BOULEVARD AVE.  
STATE CAPITOL  
BISMARCK, ND 58505

Advertiser: **Public Service Commission**

P.O.#: **GS-07-24**

Amount Due **\$431.11**

Amount Paid

Voice: 701-328-4076

Please detach and return this portion with your payment

Public Service Commission Invoice # 23922-07084PP0-93014 PO# GS-07-24

*OK get 9-14-07*

Ad Size	Rate Type	Rate	Total	Discount (%)	Caption	Page	Run Date
<b>Bismarck Tribune (Bismarck ND)</b>							
79.00	SPR2	0.69	54.51	0.00	Notice of Opportunity		08/28/07
<b>Devils Lake Daily Journal (Devils Lake ND)</b>							
78.00	SPR2	0.70	54.60	0.00	Notice of Opportunity		08/28/07
<b>Dickinson Press (Dickinson ND)</b>							
73.00	SPR2	0.71	51.83	0.00	Notice of Opportunity		08/28/07
<b>Jamestown Sun (Jamestown ND)</b>							
86.00	SPR2	0.66	56.76	0.00	Notice of Opportunity		08/28/07
<b>Minot Daily News (Minot ND)</b>							
99.00	SPR2	0.53	52.47	0.00	Notice of Opportunity		08/28/07
<b>Valley City Times-Record (Valley City ND)</b>							
79.00	SPR2	0.64	50.56	0.00	Notice of Opportunity		08/28/07
<b>Wahpeton Daily News (Wahpeton ND)</b>							
112.00	SPR2	0.49	54.88	0.00	Notice of Opportunity		08/28/07
<b>Williston Herald (Williston ND)</b>							
75.00	SPR2	0.74	55.50	0.00	Notice of Opportunity		08/28/07

Gross Advertising	431.11	Total Misc	0.00	Amount Paid	0.00
Agency Discount		Tax	0.00	Adjustments	0.00
Other Discount	0.00	Total Billed	431.11	Payment Date	
Service Charge	0.00	Unbilled	0.00	Balance Due	431.11

Your payment is due upon receipt. Thank you in advance for your prompt payment!

*7200  
PS R030-07-  
R0307*

14 **GS-07-24**

Pages: 2

Invoice # 93014 for \$431.11 and affidavit of publication by North Dakota Advertising Service, Inc.

09/14/2007

CC: Comm Legal Illona Al Kevin

# Affidavit of Publication

Colleen Park

, being duly sworn, state as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.

2. The newspapers listed on the exhibits published the advertisement of:

Public Service Commission, MDA - Great Plains

1 time(s) as required by law or ordinance.

3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

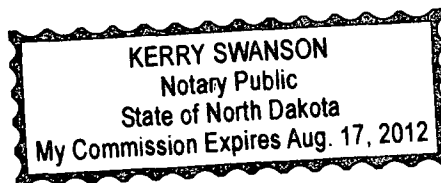
Signed: Colleen Park

State of ND

County of Burleigh

Subscribed and sworn to before me this 10<sup>th</sup> day of September 2007.

Kerry Swanson



Case No: GS-07-24

Notice of opportunity for hearing and notice of informal hearing

Published in:

8/28 – Bismarck

8/27 – Devils Lake

8/28 – Dickinson

8/28 – Jamestown

8/28 – Minot

8/28 – Valley City

8/28 – Wahpeton

8/28 – Williston

**Bauske, Shelly A.**

---

**From:** System Administrator  
**To:** cwalz@kxnet.com; kxma@kxnet.com  
**Sent:** Wednesday, August 22, 2007 1:56 PM  
**Subject:** Undeliverable: News Item Only - Notice of Opportunity for Hearing and Notice of Informal Hearing - Case No. GS-07-24

Your message did not reach some or all of the intended recipients.

**Subject:** News Item Only - Notice of Opportunity for Hearing and Notice of Informal Hearing - Case No. GS-07-24  
**Sent:** 8/22/2007 1:53 PM

The following recipient(s) cannot be reached:

cwalz@kxnet.com on 8/22/2007 2:17 PM

The e-mail system was unable to deliver the message, but did not report a specific reason. Check the address and try again. If it still fails, contact your system administrator.

<MailServer.kxnet.com #5.0.0>

kxma@kxnet.com on 8/22/2007 2:17 PM

The e-mail system was unable to deliver the message, but did not report a specific reason. Check the address and try again. If it still fails, contact your system administrator.

<MailServer.kxnet.com #5.0.0>

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval

Case No. GS-07-24

AFFIDAVIT OF SERVICE BY ORDINARY MAIL AND EMAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Shelly A. Bauske deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **22nd day of August, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, 15 envelopes by first class mail, fully prepaid, securely sealed and 27 emails containing a photocopy of:

**Notice of Opportunity for Hearing and Notice of Informal Hearing**

The envelopes and emails were addressed as follows:

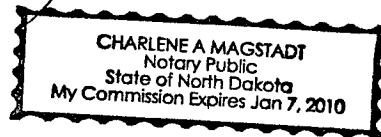
See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me  
this **22nd day of August, 2007**.

SEAL

*Shelly A Bauske*  
\_\_\_\_\_  
*Charlene A Magstadt*  
\_\_\_\_\_  
Notary Public



akemp@tminc.com  
Ann-Marie Kemp

bnicholls@daaco.com  
Bryan Nicholls  
D A Davidson & Co

jmittleider@nd.gov  
John Mittleider  
Department of Commerce  
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Bismarck ND 58505

Mark.Hanson@grandforks.af.mil  
Mark Hanson  
Grand Forks Air Force Base  
319 ARW/JA 460 Steen Blvd Ste 201  
Grand Forks ND 58205

frank.morehouse@mdu.com  
Frank Morehouse  
Great Plains Natural Gas Co  
PO Box 176  
Fergus Falls MN 56548-0176

arsmith@invisimax.com  
KAOC, KAUJ, KYTZ FM and KXPO AM radio  
856 W 12th St  
Grafton ND 58237

bdenver@btinet.net  
News Director  
KBMR AM-KQDY FM  
3500 E Rosser Ave  
Bismarck ND 58501

gary.rogers@kbmwam.com  
News  
KBMW-AM  
PO Box 1115  
Wahpeton ND 58074-1115

kdakam@daktel.com  
News Director  
KDAK AM  
Box 50  
Carrington ND 58421-0050

kdix@kdix.net  
News Director  
KDIX AM Radio  
119 2nd Ave W  
Dickinson ND 58601-5115

kzzynews@stellarnet.com  
News Director  
KDLR AM and KDVL, KQZZ FM Radio  
Box 190  
Devils Lake ND 58301-0190

earlg@nccray.net  
News Director  
KEYZ AM, KHTC FM and KYYZ FM Radio  
PO Box 2048  
Williston ND 58802-2048

mlyman@kmot.com  
KMOT TV  
Box 1120  
Minot ND 58702-1120

kndk1080@utma.com  
KNDK-AM  
HCR 5 Box 9  
Langdon ND 58249

news@ksjbam.com  
News Director  
KSJB AM and KSJZ FM Radio  
PO Box 5180  
Jamestown ND 58402-5180

ktgo@nccray.com  
KTGO-AM  
Box 457  
Tioga ND 58852-0457

kumv@kumv.com  
KUMV-TV  
PO Box 1287  
Williston ND 58802-1287

kxma@kxnet.com  
News Director  
KXMA-TV  
Drawer B  
Dickinson ND 58601

treiten@kxnet.com  
KXMB TV  
Box 1617  
Bismarck ND 58502-1617

jolson@kxmcnews.com  
KXMC TV  
Box 1686  
Minot ND 58701-1686

cwalz@kxnet.com

KXMD-TV

PO Box 790

Williston ND 58802-0790

karen.collins@mdu.com; tamie.aberle@mdu.com

Karen Collins

Montana-Dakota Utilities Co

400 N 4th St

Bismarck ND 58501

wpp@pearce-durick.com

William Pearce

Pearce & Durick Attorneys

PO Box 400

Bismarck ND 58502-0400

dave.sederquist@xcelenergy.com

Dave Sederquist

Xcel Energy

PO Box 2747

Fargo ND 58108-2747

craig\_scott@bobcat.com

Craig Scott

Melroe Company

P O Box 128

Gwinner ND 58040-0128

don.ball@mdu.com

Don Ball

Montana-Dakota Utilities Co

400 N 4th St

Bismarck ND 58501

mdickerson@nd.gov

Marcy Dickerson

State Tax Department

State Capitol

Bismarck ND 58505

James Roache

P O Box 564  
Crosby ND 58730

Will Kaul  
Cooperative Power Association  
P O Box 800  
Elk River MN 55330-0800

Jay Casler  
INDEPTH DATA INC  
44 S Bdwy 18th Fl  
White Plains NY 10601-4425

KOVC AM and KQDJ FM Radio  
136 North Central Avenue P O Box 994  
Valley City ND 58072-0994

Mike Foley  
NARUC  
1101 Vermont Avenue NW Ste 200  
Washington DC 20005

James Irwin  
Natural Gas Week  
1411 K Street Suite 602  
Washington DC 20005-3404

Everett Morris  
NJ Public Service Electric & Gas  
80 Park Pl  
Newark NJ 07101

John Kapsner  
The Vogel Law Firm  
P O Box 2097  
Bismarck ND 58502-2097

Steven Tomac

2498 59th St  
St Anthony ND 58566-9640

Laurie Baranko  
Dakota Resource Council  
PO Box 1095  
Dickinson ND 58602-1095

KHRT AM  
PO Box 1210  
Minot ND 58702-1210

Bruce Imsdahl  
Montana-Dakota Utilities Co Radio  
400 N 4th St  
Bismarck ND 58501

Dennis Lavallee  
Nat'l Assoc Plumbing-Htng-Cooling  
PO Box 6808  
Falls Church VA 22046-6808

Harlan Fuglesten  
ND Association of RECs  
PO Box 727  
Mandan ND 58554-0727

Public Utilities Reports Inc  
Law Dept 8229 Boone Blvd Ste 401  
Vienna VA 22182

**Case No. GS-07-24  
Notice of Opportunity for Hearing and  
Notice of Informal Hearing**

**Inside Mail To:**

**State Library (8 copies)  
Historical Society  
Associated Press (News Item Only)**

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

**AFFIDAVIT OF SERVICE BY CERTIFIED MAIL AND ORDINARY MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Shelly A. Bauske** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **22nd day of August, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

**Notice of Opportunity for Hearing and Notice of Informal Hearing**

The envelope was addressed as follows:

Scott Besmer  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501  
**Cert. No. 7007 0710 0001 5988 2078**

**Shelly A. Bauske** further deposes and says that on the **22nd day of August, 2007**, she deposited in the United States Mail, Bismarck, North Dakota, **six** envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Doug Lee  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Dave Goodin  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Tamie Aberle  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

Pat Darras  
Montana-Dakota Utilities Co  
400 N 4<sup>th</sup> St  
Bismarck ND 58501

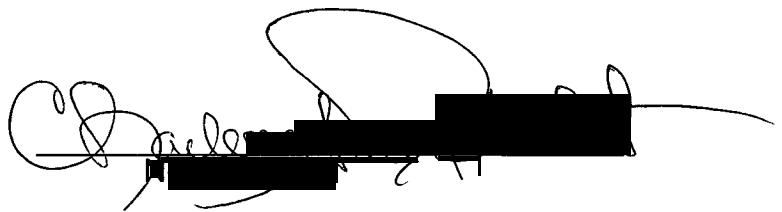
Ed Williams  
Montana-Dakota Utilities Co  
Box 1497  
Dickinson ND 58602-1497

Cris Styve  
Great Plains Natural Gas Co  
Box 176  
Fergus Falls MN 56538-0176

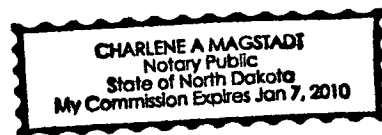
Each address shown is the respective addressee's last reasonably ascertainable post office address.

Shelly A Bausk

Subscribed and sworn to before me  
this **22nd day of August, 2007.**

A handwritten signature in black ink, appearing to read "Charlene A Magstad", is written over a horizontal line. The signature is somewhat stylized and cursive.

SEAL



**APPROVED**

DATE: 8-22-07  
896

**MOTION**

**August 22, 2007**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request for Waiver  
Approval**

**Case No. GS-07-24**

I move the Commission issue a Notice of Opportunity for Hearing and Notice of Informal Hearing in Montana-Dakota Utilities Co./Great Plains Natural Gas Co.'s Request for Waiver Approval, Case No. GS-07-24.

**Bauske, Shelly A.**

---

**From:** Bauske, Shelly A.  
**Sent:** Wednesday, August 22, 2007 4:26 PM  
**To:** 'Colleen Park'  
**Cc:** Rafferty, Tom D.; Jeffcoat-Sacco, Illona  
**Subject:** RE: Publication Request for August 28 - Case No. GS-07-24

Hi Rhonda

"News item only" is similar to a news release – the paper can do a story if they want to at no charge to us.

If you have any other questions, please let me know. Thank you.

---

**From:** Colleen Park [mailto:colleenp@ndna.com]  
**Sent:** Wednesday, August 22, 2007 2:45 PM  
**To:** Bauske, Shelly A.  
**Subject:** RE: Publication Request for August 28 - Case No. GS-07-24

Received.

Quick question - by "news item only," do you mean a News Release?

Thanks,

Rhonda

---

**From:** Bauske, Shelly A. [mailto:sbauske@nd.gov]  
**Sent:** Wednesday, August 22, 2007 1:32 PM  
**To:** Colleen Park  
**Subject:** Publication Request for August 28 - Case No. GS-07-24

Rhonda  
North Dakota Newspaper Association

Please have the attached Notice of Opportunity for Hearing and Notice of Informal Hearing published as a legal publication in the August 28 issue of the following newspapers. Do not publish in the classifieds.

Bismarck Tribune  
Devils Lake Journal  
Minot Daily News  
The Daily News, Wahpeton  
Dickinson Press  
The Jamestown Sun  
Valley City Times-Record  
Williston Herald

9 GS-07-24

Pages: 2

E-mail to NDNA to publish notice

by Public Service Commission

08/22/2007

CC: Comm Legal Illona Al Kevin

Please run it as a "News Item Only" article as well, and send the bill to the Public Service Commission along with a tear sheet for billing purposes.

Please confirm via e-mail that you received this request.

If you have any questions or need a PDF version of the notice, please call me at 328-4070 or email.

Thank you.

Shelly Bauske  
Administrative Assistant

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co./  
Great Plains Natural Gas Co.  
Request For Waiver  
Approval**

**Case No. GS-07-24**

**NOTICE OF OPPORTUNITY FOR HEARING AND  
NOTICE OF INFORMAL HEARING**

**August 22, 2007**

On January 12, 2007, Montana-Dakota Utilities Co. (MDU) and Great Plains Natural Gas Co. (GPNG) filed a joint application for a waiver of 49 CFR Part 192.481, adopted by reference under North Dakota Administrative Code section 69-09-03-02 relating to the requirement that operators inspect onshore natural gas pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three years, not to exceed every 39 months. Intrastate pipeline waivers may be granted by the state authority subject to federal concurrence as provided for in the United States Department of Transportation's Guideline for States Participating in the Gas Pipeline Safety Program, Chapter 3, page 3-1.

Operators may request a waiver when it is not practical to comply with a regulation of general applicability. The operators propose to extend their required three year atmospheric corrosion survey to four years so that both the four year leak survey and the corrosion survey may be accomplished concurrently. The operators assert that this proposal would allow them to save maintenance time and utilize higher skilled leak survey technicians to conduct the atmospheric corrosion surveys. Both operators currently accomplish their five year federally required residential leak surveys as set forth under 49 CFR Part 192.723(2) within four years.

The issues to be considered in this matter are:

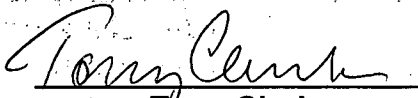
1. Whether it is practical for one or both of the operators to comply with 49 CFR Part 192.481.
2. Whether a waiver of 49 CFR Part 192.481 should be granted for one or both of the operators.

Those interested are invited to comment on the application in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding(s) and the reasons for requesting a hearing. **Comments and requests for hearings must be received by September 18, 2007.** If deemed appropriate, the Commission can determine this matter without a formal hearing.

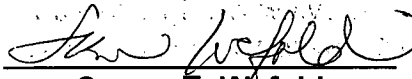
An **informal hearing** on this matter has been scheduled for **September 19, 2007** at **1:30 p.m. CDT** in the Commission Hearing Room on the 12<sup>th</sup> Floor of the State Capitol in Bismarck.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify Ilona A. Jeffcoat-Sacco, Executive Director, at least 24 hours in advance.

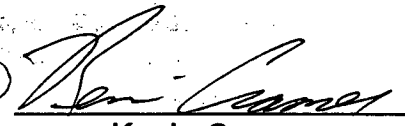
**PUBLIC SERVICE COMMISSION**



**Tony Clark**  
**Commissioner**



**Susan E. Wefald**  
**President**



**Kevin Cramer**  
**Commissioner**



# State Fire Marshal and Pipeline Safety

444 Cedar Street • Suite 147 • Saint Paul, Minnesota 55101-5147

Phone: 651.201.7230 • Fax: 651.296.9641 • TTY: 651.282.6555

www.dps.state.mn.us

March 7, 2007

Case No. 007133-1

Ms. Florence Hamm, Director - Regulations  
Office of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
400 7th Street SW, Room 2103  
Washington DC 20590

Alcohol  
and Gambling  
Enforcement

ARMER/911  
Program

Bureau of  
Criminal  
Apprehension

Driver  
and Vehicle  
Services

Homeland  
Security and  
Emergency  
Management

Minnesota  
State Patrol

Office of  
Communications

Office of  
Justice Programs

Office of  
Traffic Safety

State Fire  
Marshal and  
Pipeline Safety

## Notice of Intent to Grant Waiver Request

Subject: Great Plains Natural Gas – Atmospheric Corrosion Control Monitoring

Dear Ms. Hamm:

The Minnesota Office of Pipeline Safety (MNOPS) has received and evaluated a waiver request from Great Plains Natural Gas, concerning atmospheric corrosion control monitoring. Their request essentially amounts to increasing the interval for atmospheric corrosion monitoring from three to four years, while reducing the interval for distribution system leakage surveys from five years to four years. In this manner they propose to conduct the required surveys in conjunction with each other, making more effective use of available resources. It is our intent to grant the waiver. Accordingly, we are submitting Notice to PHMSA, as required.

Enclosed is a copy of the waiver notice that will be published in the State Register on March 12, 2007, to open a 30 day comment period. We understand that PHMSA has 60 days in which to comment.

We believe the proposed waiver provides an equivalent or enhanced level of public safety, in that the atmospheric corrosion monitoring will be more effective utilizing generally higher skilled technicians, and that any higher risk areas will be more specifically targeted. Placing distribution system leakage surveys and atmospheric corrosion monitoring within the same time interval requirements increases both efficiency and effectiveness.

If you have any questions or need further information, please contact Brian Pierzina, Senior Engineer, at (218) 327-4218.

Prepared by,

Brian E. Pierzina, Senior Engineer

For the Minnesota Office of Pipeline Safety,

Jerry Rosendahl, Director/State Fire Marshal

CC: Ivan Huntoon, Central Region Director  
email: Leonard Steiner



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Pages: 3

EQUAL OPPORTUNITY EMPL

Letter from MN Dept of Public Safety, State Fire Marshall re: waiver request by Public Service Commission

03/07/2007

CC: Comm Legal Ilona Al Kevin

**Department of Public Safety – Office of Pipeline Safety  
Notice of Intent to Grant Waiver Request: Great Plains Natural  
Gas – Atmospheric Corrosion Surveys**

**NOTICE IS HEREBY GIVEN** that the Minnesota Office of Pipeline Safety (MNOPS), pursuant to MN Stat. 299F.57, Subd. 5, intends to grant a waiver request concerning the frequency of atmospheric corrosion surveys conducted by Great Plains Natural Gas (GPN) on facilities jurisdictional to 49 CFR Part 192.

The governing standard for monitoring atmospheric corrosion of natural gas pipeline facilities is 49 CFR Part 192.481, which requires onshore pipelines that are exposed to the atmosphere to be inspected for evidence of atmospheric corrosion at least once every three years, but with intervals not exceeding 39 months. Distribution leakage surveys are required by Part 192.723 to be conducted once every five years outside of business districts.

GPN formally requests a partial waiver from compliance with 192.481, proposing alternatively to conduct atmospheric corrosion surveys every four years, but with intervals not exceeding 51 months. GPN proposes to conduct distribution leakage surveys in conjunction with the atmospheric corrosion surveys, effectively increasing the required frequency of leakage surveys from five years to four years. Efficiency and effectiveness are increased by performing the tasks at the same time, and utilizing generally higher skilled leak survey technicians to perform visual examinations of above ground facilities.

Based on a similar proceeding in the State of Illinois, the following conditions will be imposed:

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 must identify, inspect, and notify MNOPS 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.

MNOPS finds that the proposed alternative measures provide an equivalent or enhanced level of safety, and that granting the waiver request would not be inconsistent with pipeline safety. The proposed effective date of the waiver is May 15, 2007. The waiver is proposed to remain in effect until such time that circumstances indicate alternative safety measures are warranted. The waiver status will be reviewed with the operator on an annual basis, as part of routine MNOPS inspections.

Written comments or requests for a public hearing will be accepted at the below address until 12:00 noon on Friday, April 13, 2007.

Minnesota Office of Pipeline Safety  
444 Cedar Street, Suite 147  
St. Paul, MN 55101-5147  
Phone: (651) 201-7230  
Fax: (651) 296-9641  
e-mail: [dps.mnops.response@state.mn.us](mailto:dps.mnops.response@state.mn.us)

Dated this 12<sup>th</sup> day of March, 2007.

Jerry Rosendahl, Director MNOPS/  
State Fire Marshal



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety Administration**

400 Seventh Street, S.W.  
Washington, D.C. 20590

OCT 3 2006

Chairman Edward C. Hurley  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

Dear Chairman Hurley:

Thank you for your continued interest in pipeline safety. In your July 14, 2005 letter you notified our office that the Illinois Commerce Commission (Commission) granted an Interim Order in the form of a partial waiver of 49 CFR 192.481(a), to the Union Electric Company d/b/a AmerenUE, Central Illinois Public Service Company d/b/a AmerenCIPS, Central Illinois Light Company d/b/a AmerenCILCO, and Illinois Power Company d/b/a AmerenIP (collectively Petitioners).

The Interim Order which became effective September 21, 2005 also required the Petitioners to increase the frequency of their distribution leakage surveys governed by § 192.723(b)(2). On September 19, 2005 the Pipeline and Hazardous Materials Safety Administration (PHMSA) notified your office of its objection to the waiver and your Interim Order was stayed.

On February 26, the Commission appealed PHMSA's decision and submitted a second Interim Order containing new information from the Petitioners to show that granting a partial waiver of § 192.481(a) provides an equivalent level of safety. PHMSA re-evaluated the Commission's Interim Order as well as the new information provided by the Commission. Based on this new information as well as sound engineering and industry best practices, PHMSA imposes the following conditions in granting this waiver:

1. Outside of business districts, atmospheric corrosion control monitoring must be conducted at least once every four calendar years at intervals not exceeding 51 months.
2. Inside of business districts, atmospheric corrosion control monitoring must be conducted at least once every calendar year at intervals not exceeding 15 months.
3. Operators must identify, inspect, and notify the 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.

6 GS-07-24 Pages: 2

Letter re: Interim order in form of partial  
waiver  
by U S Dept of Transportation, Office of Pipeline Safety  
10/03/2006 CC: Comm Legal !!lona Al Kevin

- a. Above ground pipelines where there is 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, metering correctors, and large customer's regulator/meter sets;
- d. Inside regulator/meter sets that are subject to corrosive environments; and
- e. Other areas that show accelerated atmospheric corrosion.

PHMSA does not object to the Commission's Interim Order provided the above conditions are agreed upon and made part of the waiver. If you have any questions, concerns, or comments, please feel free to contact me or James Reynolds, General Engineer at 202-366-2786.

Sincerely,



Theodore L. Willke  
Acting Associate Administrator  
for Pipeline Safety

**Moch, Alan G.**

---

**From:** Moch, Alan G.  
**Sent:** Wednesday, January 31, 2007 8:43 AM  
**To:** ladonna.emineth@mdu.com  
**Cc:** doug.lee@MDU.com  
**Subject:** MDU Waiver Request - Case No. GS-07-024: Request for Information

**Importance:** High

Good Morning LaDonna:

As per our telephone conversation this morning: in order for me to prepare a recommendation to the Commission concerning MDU's request for waiver on portions of 49 CFR Part 192.479 and 192.481, please provide me with a written report of all atmospheric corrosion discovered by various MDU personnel within North Dakota for the last ten years (1997 to 2006).

The report should be in Word format and contain the following information: Date Discovered - Location (town only) - Discovered By (title only) - Date Repaired - Comments.

Please provide me with this information by no later than March 15, 2007.

Thank you for your cooperation in this matter.

**Alan G. Moch, Director**  
Testing & Safety Division  
ND PSC  
701-328-2413  
[amoch@nd.gov](mailto:amoch@nd.gov)

5 **GS-07-24**

Pages: 1

E-mail re: MDU Waiver Request

by Public Service Commission

01/31/2007

CC: Comm Legal Ilona Al Kevin

## Interpretation 192.481 3

Jan 12 2006



U.S. Department of Transportation  
Pipeline and  
Hazardous materials Safety Administration

400 Seventh Street, S.W.  
Washington, D.C. 20590

Mr. Ron Law  
Executive Administrator  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Dear Mr. Law:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has considered your letter dated November 7, 2005, notifying us that the Idaho Public Utilities Commission (Commission) reviewed and approved a request by Intermountain Gas Company (Intermountain) for a waiver of compliance with 49 CFR 192.481(a).

The waiver would apply only to residential meters and allow Intermountain to perform atmospheric corrosion inspections at least once every 4 years with intervals not to exceed 51 months.

Section 192.481(a), *Atmospheric corrosion control: Monitoring*, states that each operator must inspect each onshore pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

Although Intermountain is performing leak surveys of its non-business district at least once every 5 calendar years instead of once every 4 calendar years as required by the regulations, and although Intermountain has implemented an automated meter reading (AMR) system for its residential and commercial meters, the Commission has not provided adequate justification as to why Intermountain should not perform its atmospheric corrosion inspections at least once every 3 calendar years, but with intervals not exceeding 39 months. It is PHMSA's judgment that operators should maintain their preventive measures to identify potential leaks by conducting visual inspections for atmospheric corrosion and find problem areas before leaks occur, rather than rely on discovering leaks after they occur.

Based on the above information and PHMSA's evaluation of the facts presented by the Commission, PHMSA objects to the waiver, and the Commission's order is stayed. The Commission may appeal this matter by providing any new information from Intermountain that would justify granting this waiver.

Sincerely,

Theodore L. Willke  
Deputy Associate Administrator for Pipeline Safety

4 GS-07-24

Pages: 1

Letter rejecting Idaho order approving waiver

by U S Dept of Transportation, Office of Pipeline Safety  
03/21/2007 CC: Comm Legal Illona Al Kevin

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE PETITION OF )  
INTERMOUNTAIN GAS COMPANY FOR ) CASE NO. INT-P-05-1  
WAIVER OF THE ATMOSPHERIC )  
CORROSION INSPECTION RULE (IDAPA ) ORDER NO. 29906  
31.11.01.201; 49 C.F.R. § 192.481(a))**

On September 14, 2005, Intermountain Gas Company (Intermountain Gas, Company) filed a Petition for Waiver of a pipeline safety rule regarding atmospheric corrosion inspection with the Idaho Public Utilities Commission (Commission). On October 4, 2005, the Commission issued Order No. 29885, Notice of Petition and Modified Procedure, establishing a deadline for the submission of comments and/or objections. The only comments filed were those of Commission Staff. With this Order the Commission approves the Company's Petition as more fully set forth below.

**THE COMPANY'S PETITION**

Intermountain Gas seeks a waiver of the federal pipeline safety rule that requires each operator to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of corrosion at least once every three years. This requirement is set forth in 49 C.F.R. § 192.481(a). The Commission adopted this federal regulation with IDAPA 31.11.01.201.

The Company states it is requesting the waiver only for residential meters. Separate code requires yearly routine maintenance on its commercial and large volume meters, and consequently the atmospheric corrosion inspections are done along with the required yearly maintenance. The Petition states that in July 2003, the Company installed automated meter reading (AMR) systems for residential and commercial meters. Prior to July 2003, meter readers, on foot, would perform a visual inspection of the above ground facilities in conjunction with their meter reads. With the Company's implementation of AMR there is no longer any regular maintenance need or requirement to visit each residential meter on an annual basis.

Intermountain Gas states it has never experienced atmospheric corrosion or safety-related conditions resulting from atmospheric corrosion on its residential or commercial meters in the entire history of its operations, dating back to 1955. The Company states that the dry, arid environment in which it operates as well as the fact that the entire steel pipeline is cathodically protected is the reason it has not experienced any corrosion in the last 50 years.

As a condition of the waiver, Intermountain Gas proposes to perform the atmospheric corrosion inspection of residential meters and associated piping in conjunction with the appropriate business district or non-business district leak survey schedule. The Company states that non-business district leak surveys are performed every four years, and business district leak surveys are conducted annually. The Company states that approval of the waiver to allow the atmospheric corrosion inspections to coincide with the annual business district and four-year non-business district leak survey schedules will help the Company to maximize operating efficiencies without jeopardizing corrosion safety requirements.

#### **STAFF COMMENTS**

Commission Staff reviewed the Petition for Waiver filed by Intermountain Gas and recommended approving the Company's request. Current regulations require the Company to inspect residential meters and associated piping for evidence of atmospheric corrosion at least once every 3 years, but with intervals not exceeding 39 months. As a condition of the waiver, the Company proposes to perform the atmospheric corrosion inspection of residential meters in conjunction with the appropriate business district or non-business district leak survey schedule. Regulations require business district leak surveys be performed once each calendar year with intervals not exceeding 15 months, and that non-business district leak surveys be performed at least once every 5 years, with intervals not exceeding 63 months. It is Intermountain Gas Company's current practice to conduct the non-business district leak surveys every four years, which more than meets the requirement in the rule.

Commission Staff has been inspecting Intermountain Gas Company's facilities since 2001 and has not found any incidents of atmospheric corrosion on residential meters or associated piping. The Staff has only inspected a small portion of the Company's meters in comparison to their total number, but has looked at meters across their entire distribution system.

Intermountain Gas Company states in its waiver request that it has never experienced atmospheric corrosion or safety-related conditions resulting from atmospheric corrosion on any of its residential or commercial meters during the history of its operation dating back to 1955. The Company credits this as a direct result of the dry and arid environment in which it operates, and the fact that its entire steel pipeline system has been cathodically protected. The Staff's inspection experience would support the Company's assessment. Staff believes that enlarging

the inspection frequency from once every three years to once every four years, as the Company has requested, does not pose a significant threat to the safety of the pipelines.

Staff recommended approval of Intermountain Gas Company's request to couple atmospheric corrosion inspections of residential meters and associated exposed piping with the Company's annual business district and four-year non-business district leak survey schedule. Staff recommended that the Commission authorize the Company to deviate from the requirement of once every 3 years, with intervals not to exceed 39 months, and order the Company to perform the atmospheric corrosion inspection, at a minimum, once every 4 years, with intervals not to exceed 51 months, for its residential meters.

### **DISCUSSION AND FINDINGS**

Intermountain Gas petitioned for a waiver of the atmospheric corrosion inspection requirements set forth by 49 C.F.R. § 192.481(a). The Commission adopted this federal regulation with Safety Rule 201, IDAPA 31.11.01.201. The Commission's Safety Rule 3, IDAPA 31.11.01.003, provides that any person requesting a waiver of any safety rule may petition for a waiver pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.* A waiver request must describe the specific waiver sought, refer to the particular rule or Order that is controlling, and state the facts to support the waiver. IDAPA 31.01.01.053.

The Commission may waive compliance with federal pipeline safety standards because it operates a pipeline safety program certified pursuant to 49 U.S.C. § 60105. 49 U.S.C. § 60118(d). If the Commission grants a waiver request, it must give the Secretary of Transportation written notice of such waiver at least 60 days before the waiver's effective date. 49 U.S.C. § 60118(d).

After reviewing the waiver request and Staff comments we find it reasonable to grant Intermountain Gas Company's request for a waiver of Safety Rule 201, and more specifically our adoption of 49 C.F.R. § 192.481(a). We find, given the facts of this specific case, that a waiver from the requirements set forth in 49 C.F.R. § 192.481(a), under the terms proposed by the Company and recommended by Staff, is appropriate and consistent with pipeline safety. We note that our granting of this request is not a complete waiver from compliance with the provisions of § 192.481(a), but in effect extends the time period in which the Company must conduct atmospheric corrosion inspections for residential customers from once every three years to once every four years. We also note that the Company states it has never experienced

atmospheric corrosion or safety-related conditions resulting from atmospheric corrosion on any of its residential or commercial meters during the history of its operation dating back to 1955 due to the dry and arid environment in which the Company operates, and the fact that its entire steel pipeline system has been cathodically protected. Staff's inspection experience supports the Company's assessment. The Company is required to perform residential leak surveys every five years, and it chooses to do these every four years. We find the request to perform the corrosion inspections along with the leak surveys, once every four years, to be reasonable.

### **ORDER**

IT IS HEREBY ORDERED that Intermountain Gas Company's Petition for a waiver of Safety Rule 201, and more specifically the adoption of 49 C.F.R. § 192.481(a) regarding the frequency of atmospheric corrosion inspection of residential meters and associated exposed piping is granted.

IT IS FURTHER ORDERED that the waiver applies only to residential customers and applies only to the required frequency of inspections. The Company shall inspect all residential meters and associated exposed piping for evidence of atmospheric corrosion at least once every 4 calendar years, but with intervals not exceeding 51 months. Associated exposed piping includes any above ground piping, fittings, regulators, reliefs, or any other above ground appurtenance designed to carry natural gas that is located between the origin of the service line and the connection to customer residence piping. This inspection may occur with the Company's annual business district and four-year non-business district leak survey schedule.

IT IS FURTHER ORDERED that Intermountain Gas shall in all other respects comply with 49 C.F.R. § 192.481(a) and all other applicable safety rules and regulations.


IT IS FURTHER ORDERED that the Commission's Executive Administrator forward a copy of Intermountain Gas Company's request and this Order to the Office of Pipeline Safety (OPS) for its review.

IT IS FURTHER ORDERED that this Order granting the Company a waiver shall not become effective until January 7, 2006, unless the OPS authorizes this waiver to become effective sooner.

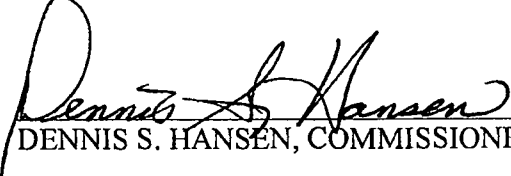
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for

reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7<sup>th</sup> day of November 2005.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:INT-P-05-01\_dw2

March 9, 2007

Mr. Alan Moch  
Public Service Commission  
State of North Dakota  
State Capitol Building  
Bismarck, ND 58505

Dear Mr. Moch:

The following report lists the results of Montana-Dakota Utilities Co.'s Atmospheric Corrosion inspections as requested in your E-Mail dated 1/31/07.

As outlined in the data request E-mail this report covers North Dakota Atmospheric Corrosion leaks found in the last 3 Survey Cycles (10 Years) and includes Discovery and Repair Dates, Location, and title of who discovered.

We reviewed atmospheric corrosion records reported in the following inspections:

- 1) Exposed Mains and mains subject to movement
- 2) District Regulator Station, Farm Tap, and Large Meter Set inspections
- 3) Sectionalizing Valve inspections
- 4) Residential and Business District Flame Ionization Surveys
- 5) Meter Set inspections.
- 6) Miscellaneous inspections of exposed piping.

The records for most of these inspections are a part of Engineering Record of Pipeline inspections, i.e. station and exposed mains inspections and as such are readily accessible. The three year inspection of Customer Meter Sets is recorded on the ITRON Gateway to Mobile UP and is documented on CIS. Reports are either coded as a leak or needs paint. As per instructions we did not include orders described as "Needs Paint". Therefore all we have to report for the Meter Set inspection is Jurisdictional Atmospheric Corrosion Leaks.

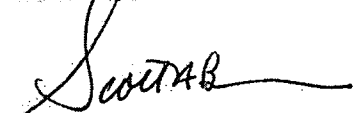
The following table lists all sources of records we reviewed and the jurisdictional atmospheric corrosion leaks found in these records.

Facility inspection	Inspection Frequency	Inspector	# of Corrosion Reports 01/01/97 Thru 01/01/07
1 Bridges / Exposed Mains	Quarterly	Corrosion Tech	0
2 District Station Inspections	Annual	Regulator Tech	0
3 Farm Tap Dist Sta Inspections	Annual	Regulator Tech	0
4 Isolation Valve Inspections	Annual	Construction Crew	0
5 Misc Customer / Employee Inspect	Random	Employee / Customer	0
6 FI Leak Survey - Residential	4 Year	Leak Surveyor	0
7 FI Leak Survey - Business District	Annual	Leak Surveyor	0

In conclusion – Montana-Dakota Utilities Co. atmospheric corrosion inspection program includes several different inspections and surveys ranging from quarterly to a 3 year interval. We experience very little corrosion and no atmospheric corrosion. Therefore the result of reviewing our records indicates very little data to try to predict trends or risks rather it shows a lack of atmospheric corrosion.

If you would like more information or clarification of this data please let me know.

Sincerely,



Scott Besmer  
Senior Staff Engineer

C: Doug Lee

ACW  
1/16/07

**MP** **MONTANA-DAKOTA**  
**UTILITIES CO.**  
*A Division of MDU Resources Group, Inc.*

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

January 12, 2007

Mr. Alan Moch  
Public Service Commission  
State of North Dakota  
State Capitol Building  
Bismarck, ND 58505

Re: Request for Waiver of a portion of 49 CFR, Part 192.479, 192.4.81(a)

Dear Mr. Moch:

This letter defines certain existing conditions as they relate to the gas pipeline safety regulations, and requests a specific Waiver of Part 192.481 to allow atmospheric corrosion inspection frequency at least once every 4 calendar years, but with intervals not to exceed 51 months. Section 192.481 subsection (a) requires inspection of onshore pipe exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years not to exceed 39 months. This waiver would allow for the atmospheric corrosion survey to be conducted concurrent with our current 4 year leak survey interval without jeopardizing the integrity of the pipeline or public safety.

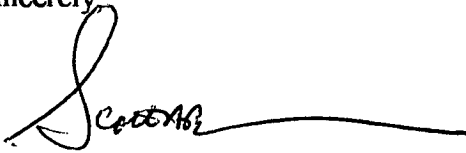
This waiver will apply to exposed natural gas pipelines according to Part 192.479 for Montana-Dakota Utilities; operating in North Dakota, South Dakota, Montana, and Wyoming, and Great Plains Natural Gas Co.; operating in Minnesota and North Dakota.

As stated in the attached, Illinois Commerce Commission Order, Docket 05-0113, Corrosion rates in the Midwest are low relative to other areas of the country. Research shows extending the atmospheric corrosion survey requirements to four years does not jeopardize the integrity of the pipeline nor public safety. In 2005 Montana-Dakota's corrosion leaks accounted for less than four percents of all jurisdictional leaks whereas Great Plains' corrosion leaks accounted for less than three percent of all jurisdictional leaks. Historically Montana-Dakota corrosion leak frequency is four percent or less for years 2003 and 2004. Great Plains' historical corrosion leak frequency for years 2003 and 2004 is less than two percent.

To insure pipeline integrity and public safety, Montana-Dakota and Great Plains current leak survey frequency is conducted once every four years exceeding the frequency interval requirement as stated in Part 192.723 (2). Accordingly, conducting the atmospheric corrosion survey in conjunction with the leak survey, benefits pipeline integrity and public safety due to increased leak survey frequency and locates potential leaks by conducting visual inspections to identify problem areas before leaks occur. Additionally, by using a leak survey technician, the operator qualification program requirements focus on below ground facilities in addition to visual inspections of above ground facilities.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Besmer", with a long horizontal flourish extending to the right.

Scott Besmer  
Sr. Staff Engineer

C: Doug Lee – General Office  
Dave Goodin – General Office  
Tamie Aberle – General Office

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Central Illinois Public Service Company :  
d/b/a AmerenCIPS, :  
Central Illinois Light Company :  
d/b/a AmerenCILCO and : 05-0113  
Illinois Power Company :  
d/b/a AmerenIP :  
: :  
: :  
Application for a Partial Waiver of 49 :  
CFR Sections 192.481 and 192.723. :

ORDER

By the Commission:

On February 24, 2005, Union Electric Company d/b/a AmerenUE,<sup>1</sup> Central Illinois Public Service Company d/b/a AmerenCIPS, Central Illinois Light Company d/b/a AmerenCILCO, and Illinois Power Company d/b/a AmerenIP (collectively "Petitioners") filed with the Illinois Commerce Commission ("Commission") an Application for Waiver ("Application") seeking approval of a partial waiver of Sections 192.481 and 192.723 of Title 49 of the Code of Federal Regulations ("CFR"). Section 192.481 concerns atmospheric corrosion control and monitoring. Subsection (a) provides that each natural gas pipeline operator must inspect each onshore pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years, but with intervals not exceeding 39 months. Petitioners propose to extend the frequency of atmospheric corrosion inspections to at least once every four calendar years, but with intervals not exceeding 51 months. Section 192.723 pertains to a leakage survey with leak detector equipment in areas outside of business districts as frequently as necessary, but at least once every five calendar years at intervals not exceeding 63 months. If a partial waiver of Section 192.481 is granted, Petitioners will increase the frequency of leak survey inspections to at least once every four calendar years at intervals not exceeding 51 months.

After considering evidence offered by Petitioners and Commission Staff ("Staff"), on July 13, 2005, the Commission entered an Interim Order granting Petitioners the requested relief subject to the requested concurrence as discussed below. Enforcement of these and other minimum federal safety standards is granted to the Commission under an agreement with the Office of Pipeline Safety within the United States Department of Transportation ("DOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA"), entered into pursuant to Section 60106 of Title 49 of the United States Code ("USC"). The Commission may grant waivers of the safety

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<sup>1</sup> On or about May 2, 2005, the AmerenUE Illinois service territory was transferred to AmerenCIPS in accordance with the Commission's Order on Reopening in Docket No. 03-0657. As such, AmerenUE is no longer a party to this docket.

standards in accordance with 49 USC 60118(d). The federal standards codified under 49 CFR Sections 191.23, 192, 193, and 199 have been adopted by the Commission in 83 Ill. Adm. Code 590, "Minimum Safety Standards for Transportation of Gas and for Gas Pipeline Facilities."

In the Interim Order the Commission found that any impact associated with the lessened frequencies of the atmospheric corrosion inspections is outweighed by the benefits associated with the increased distribution leakage surveys. The Commission made other related findings which supported its conclusion that the request for the partial waiver should be granted, subject to the condition that Petitioners continue to train qualified meter readers to report atmospheric corrosion as well as any abnormal operating conditions discovered when reading gas meters.

The Commission directed the Office of the Clerk to forward the Interim Order to DOT, specifically PHMSA, as this agency has enforcement authority with regard to the subject rules. In a letter dated September 19, 2005, DOT notified the Commission that PHMSA objected to the waiver, staying the waiver pursuant to 49 USC 60118(d). The September 19, 2005 letter, however, also informed the Commission that it may appeal the matter by providing any new information from the Petitioners as justification to show granting the partial waiver provided an equivalent level of safety.

Thereafter, a status hearing was convened on October 27, 2005, whereupon a schedule was developed for the submission of additional testimony and evidence by Petitioners in support of the partial waiver. A second evidentiary hearing was held on January 18, 2006. Jerome Themig, Manager of Gas Compliance and Training, Gas Operations Support, Ken Davis, Pipeline Integrity Coordinator, and Scott Black, Gas Engineer, Gas Operations Support, offered additional testimony on behalf of Petitioners. Rex Evans, Program Manager of the Pipeline Safety Program within the Energy Division of the Commission's Public Utilities Bureau, offered additional testimony on behalf of Staff.

Mr. Davis' testimony provided additional justification as to why the waiver should be granted to extend the atmospheric corrosion survey. He explained that the rate of atmospheric corrosion in the Midwest is extremely low and extending the survey beyond three calendar years will not impact the integrity of the above ground facilities. Mr. Davis added that the rate of atmospheric corrosion in the Midwest is low relative to other areas in the country, particularly the coastal areas. He relied upon studies performed by the American Society for Testing Materials in support for his position. He also provided other support for the low Midwest corrosion rate, relying upon information provided by the National Association of Corrosion Engineers. Mr. Davis testified that by utilizing the most aggressive corrosion rates in the Midwest for each study cited, projections can be made to determine the number of years until there is a 70% wall loss, if pipeline steel becomes exposed to atmosphere, which then requires remediation actions per the CFR. Using this information, he concluded the minimum life expectancy of distribution pipe, if left uncoated, is 24 years before replacement is required. Therefore, Petitioners assert, extending the frequency of the atmospheric corrosion study beyond three years will provide sufficient opportunity to ensure that the integrity of the above ground facilities remains in tact.

Mr. Black testified that the atmospheric corrosion survey will benefit from the use of leak survey technicians due to Petitioner's operator qualification programs, quality assurance program, and a focus on the inspection of above ground facilities. In this regard, Mr. Black explained the operator qualification program and the oversight provided for contract leak survey technicians. He stated that a benefit of using leak survey technicians to perform the atmospheric corrosion survey is that they primarily focus not only on the survey of below ground facilities, but also conduct a detailed visual inspection of above ground facilities while performing the survey. The leak survey technicians' training enables them to pay particular attention to the above ground piping at the soil-to-air interfaces, in splash zones, at deck penetrations, under disbanded coatings, and around pipe supports or any other location where atmospheric corrosion may occur.

Mr. Themig testified that if PHMSA has any reservation about the partial waiver of Section 192.481, Petitioners are agreeable to inspect for atmospheric corrosion on a four year interval and in each of the fifth, sixth, seventh, and eighth years, report the results of inspections to PHMSA and Staff, with a comparison to the previous survey. He indicated that this would allow PHMSA to evaluate the effectiveness of the atmospheric corrosion survey and improve the remediation program during the second cycle of the survey. If the results are not favorable to the second cycle, then PHMSA may call into question the waiver to extend atmospheric corrosion inspections beyond the present three year requirement. Mr. Themig noted further that the request to move the atmospheric corrosion inspection to four years does not provide a positive cash benefit to Petitioners. He stated that moving to a four year leak survey will increase operation and maintenance costs. However, the importance of having a more effective atmospheric corrosion survey and remediation program outweighs the increased cost. Finally, Mr. Themig addressed a concern he learned from PHMSA regarding the inspection of facilities that may experience sweating due to pressure drop. He stated that such facilities are normally the large customer metering facilities and pressure control stations of which all are visited at least once annually for calibration or inspection, which includes inspection for atmospheric corrosion. In addition, Mr. Themig stated that Petitioners would continue their practice of atmospheric corrosion monitoring as part of the annual inspections of regulator stations, metering correctors, and above ground emergency drops.

In response to the additional evidence offered by Petitioners, Mr. Evans agreed that atmospheric corrosion surveys can be extended beyond the current three year requirement without jeopardizing the integrity of the pipeline. He also agreed with Mr. Black that the leak survey technician is the best individual to conduct a detailed visual inspection of above ground piping without the distraction of completing other duties, such as meter reading. Mr. Evans was also of the opinion that if PHMSA reviews the previously filed testimony, along with the supplemental testimony provided by Petitioners, it should find the partial waiver consistent with pipeline safety and, in fact, enhances the safety of Petitioners' natural gas distribution pipeline system. With regard to the September 19, 2005 PHMSA letter, specifically the statement therein that operators should maintain their preventive measures to identify potential leaks by conducting visual inspections for atmospheric corrosion and find problem areas before

leaks occur, rather than rely on discovering leaks after they occur, Mr. Evans offered that the statement should not be construed to imply that Petitioners are abandoning their visual inspections. He noted that meter readers will continue to be trained and qualified to recognize and report atmospheric corrosion abnormalities when found.

On February 23, 2006, the Commission entered a Second Interim Order finding that in light of the additional evidence, any negative impact associated with the lessened frequencies of the atmospheric corrosion inspections is outweighed by the benefits associated with increased distribution surveys. The supplemental testimony offered by Petitioners and Staff support the conclusion in the Second Interim Order that extending the atmospheric corrosion inspections from three years to four years will not affect the integrity of Petitioners' natural gas distribution system. The Commission further found convincing the studies and other evidence put forth by Petitioners indicating that corrosion rates in the Midwest are low relative to other areas of the country and given even the most aggressive corrosion rate, a four year inspection period is adequate to ensure detection of any abnormalities in above ground gas pipelines. Additionally, the Commission supported the use of the more qualified leak survey technicians as the appropriate personnel to not only confirm the leak survey but also to provide detailed inspections of above ground facilities for atmospheric corrosion. This is due to the training and qualification testing they receive, the quality assurance inspections administered by Ameren Services Company, and the other monitoring activities performed by Ameren Services Company as detailed in this record.

With regard to Petitioners' offer to inspect for atmospheric corrosion on a four year interval and in each of the fifth, sixth, seventh, and eighth years, as explained by Mr. Themig and supported by Mr. Evans, the Commission concluded in the Second Interim Order that implementing this proposal will provide valuable information on the effectiveness of Petitioners' alternative inspection program. In the event that any unanticipated results are observed, Staff can recommend to the Commission that it reconsider the partial waiver of Section 192.481(a).

As required by 49 USC 60118(d), the Commission directed the Office of the Clerk to forward the Second Interim Order to the PHMSA. PHMSA advised via letter dated October 3, 2006, that after evaluation of the Commission's Second Interim Order, it does not object to the waiver with the following conditions imposed:

1. Outside of business districts, atmospheric corrosion control monitoring must be conducted at least once every four calendar years at intervals not exceeding 51 months.
2. Inside of business districts, atmospheric corrosion control monitoring must be conducted at least once every calendar year at intervals not exceeding 15 months.
3. Operators must identify, inspect, and notify the 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 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, metering correctors, and large customer's regulator/meter sets;
- d. Inside regulator/meter sets that are subject to corrosive environments; and
- e. Other areas that show accelerated atmospheric corrosion.

Upon review of PHMSA's October 3, 2006 letter, Petitioners agreed to abide by the conditions as stated therein and enumerated herein. Such agreement was reflected on the record by counsel for Petitioners at a hearing held on October 26, 2006. Staff affirmed its agreement with the aforesaid conditions at that same hearing.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Petitioners are engaged in the transmission, distribution, transportation, and sale of natural gas to customers at retail in Illinois, and as such are public utilities within the meaning of the Public Utilities Act, 220 ILCS 5/1-101, et seq.;
- (2) the Commission has jurisdiction over Petitioners and the subject matter herein;
- (3) the recitals of facts and conclusions reached in the prefatory portion of this Order are supported by the evidence of record and are hereby adopted as findings of facts;
- (4) the request for a partial waiver of 49 CFR 192.481(a) should be granted subject to the conditions that (1) Petitioners continue to train and qualify Meter Readers to report atmospheric corrosion as well as any abnormal operating conditions discovered when reading gas meters, (2) Petitioners increase the frequency by which they conduct distribution leakage surveys governed by Section 192.723(b)(2) as described in the prefatory portion of this Order, and (3) Petitioners conduct the inspections and report the results to Staff as described by Mr. Themig in his supplemental testimony and at the hearing;

- (5) the request for partial waiver of 49 CFR 192.481(a) should be granted subject to the conditions set forth in PHMSA's October 3, 2006 letter, and enumerated herein;
- (6) this partial waiver of 49 CFR 192.481(a) does not lengthen or change any other required leak survey interval; e.g., for business districts or cathodically unprotected service lines;
- (7) the partial waiver of 49 CFR 192.481(a) should become effective upon entry of this Order;
- (8) the Office of the Clerk should be directed to serve this Order on the Secretary of DOT, the Regional Director of the Central Region of the PHMSA, and the Associate Administrator of the Office of Pipeline Safety within the PHMSA.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the partial waiver of 49 CFR 192.481(a) requested by Central Illinois Public Service Company d/b/a AmerenCIPS, Central Illinois Light Company d/b/a AmerenCILCO, and Illinois Power d/b/a AmerenIP is hereby granted; said waiver to be effective upon entry of this Order.

IT IS FURTHER ORDERED that the partial waiver of 49 CFR 192.481(a) is subject to the conditions identified in Findings (4) and (5).

IT IS FURTHER ORDERED that the Office of the Clerk shall serve this Order on those individuals identified in Finding (8).

IT IS FURTHER ORDERED that subject to the provisions of 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 29<sup>th</sup> day of November, 2006.

(SIGNED) CHARLES E. BOX

Chairman

11/11/04 65-07-24

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Scott Besmer  
 Montana - Dakota Utilities Co  
 400 N 4th St  
 Bismarck ND 58501

A. Signature

X 

Agent

Addressee

B. Received by (Printed Name)

Patelaba

C. Date of Delivery

10-5-04

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number

(Transfer from service label)

7007 0710 0001 5987 7784

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

65-07-24

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Scott Besmer  
 MDU  
 400 N 4th St  
 Bismarck ND 58501

A. Signature

X 

Agent

Addressee

B. Received by (Printed Name)

Patelaba

C. Date of Delivery

12-2-04

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number

(Transfer from service label)

7007 0710 0003 6056 8532

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

65-07-24

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Scott Besmer  
 MDU  
 400 N 4th St  
 Bismarck ND 58501

A. Signature

X 

Agent

Addressee

B. Received by (Printed Name)

Patelaba

C. Date of Delivery

11-9-04

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number

(Transfer from service label)

7007 0710 0003 6056 8433

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

65-07-24

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Scott Besmer  
 MDU  
 400 N 4th St  
 Bismarck ND 58501

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery  
 8-23-07

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label) 7067 0710 0601 5988 2078

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Mr. Jeffrey D. Wiese  
 U.S. Department of Transportation  
 1200 New Jersey Ave SE  
 Room E22-330  
 Washington, D.C. 20590

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery  
 10-20-07

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label) 7007 2560 0001 6057 8442