



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

SEP 12 2012

Mr. William Boyd
Pipeline Safety Division
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 East
Indianapolis, IN 46204

Re: IURC Cause Number 43552

Dear Mr. Boyd:

Pursuant to 49 U.S.C § 60118(d), the Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of November 10, 2011, notifying us that in an interim order of January 30, 2009, the Indiana Utility Regulatory Commission (IURC), pending PHMSA's acceptance, granted Toro Energy of Indiana, LLC, ("Toro"), a waiver of compliance with certain gas pipeline safety regulations related to listed specifications for plastic pipe (49 CFR 192 Appendix B). The waiver would allow continued use of polyethylene (PE) pipe manufactured per ASTM F-714(2000) to transport landfill methane to the specified General Motors Corporation facility, while requiring the operator to follow additional safety related conditions.

The waiver would have been effective 60 days after PHMSA's receipt of the interim order from the IURC; however, PHMSA requested extensions of time until September 14, 2012, to collect applicable data and to fully review the State waiver request. PHMSA has completed its technical review of the request and accompanying documents and has no objections to the waiver, provided the following additional conditions are met:

- (1) In order to verify that the state waiver segment pipe labeled ASTM F-714(2000) meets ASTM D-2513(1995c), Toro must be able to trace all Polyethylene (PE) pipe used in the project to manufacturer production documentation. If the lot of pipe used in any portion of the project is unknown, Toro must contact the IURC and PHMSA to discuss alterations to these requirements. All future repair or replacement pipe used must meet DOT Part 192 and ASTM D-2513 (ASTM D-2513 version as per DOT Part 192) requirements.
- (2) Toro must conduct testing and data verification on each of two samples (each sample must be from different lengths of pipe) for each unique lot of pipe within the State waiver segment, and for each unique diameter or SDR of pipe (It appears there are at least two unique lots of 8"IPS pipe, including the SDR 11 and SDR 17 reportedly used in the project. Each unique lot and pipe size will be referred to here as a test group).

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Toro must measure and record values of outer diameter (OD) and inner diameter (ID) for each sample per ASTM D-2513(1995c). Toro must:

- (a) Perform a Sustained Pressure Test on each sample per ASTM D-2513(1995c). Although the standard requires six test samples, only two samples per test group are required to be tested unless one or more failures occur.
- (b) Perform a minimum Hydrostatic Burst Pressure (Quick Burst) Test on each sample per ASTM D-2513(1995c).
- (c) Validate that the hydrostatic design basis (HDB), as defined in ASTM D-2513(1995c) Annex A1, of all installed ASTM F-714 pipe is 1600 psi or greater, either through records or by testing per ASTM D-2513(1995c).
- (d) If pipe within the waiver area may be, or has ever been operated at temperatures that exceed 100 degrees Fahrenheit, one sample per test group must be tested per the Elevated Temperature Service requirements per ASTM D-2513(1995c).

Note that test requirements per ASTM D-2513(1995c) reference other standards which must be followed. Each test must be performed to the version of those standards referenced at the time of ASTM D-2513(1995c) publication, or to later versions as necessary.

- (3) Toro must consider possible differences in dimensions and dimensional variation and in material properties (when comparing the requirements of ASTM F-714(2000) to ASTM D-2513(1995c), and measured values) and how this could affect any joining or squeeze-off techniques that may be utilized per their Operations and Maintenance (O&M) manual. Procedures and related training must be updated to mitigate any related risks.
- (4) A test plan that addresses these requirements, including but not limited to when and where testing is to take place and a description of the specific tests that will be conducted, must be submitted to IURC and PHMSA for review within 90 days of receipt of these requirements. Testing must be completed within 180 days of receipt of these requirements, and IURC must be contacted if testing may extend beyond that time. Results of these tests, including any failures, must be reported to IURC and PHMSA within 15 days of testing so that a discussion of the results and possible further testing can be considered.
- (5) Any non-excavation damage related failure that occurs on the state waiver segment pipe must be reported to the IURC and a detailed root cause analysis performed, the results of which must be presented to the IURC and PHMSA for review.

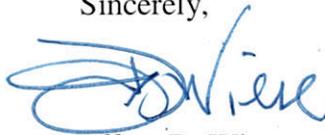
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- (6) If at any time Toro becomes aware of a threat to the integrity of the State waiver segment pipe due to its meeting ASTM F-714(2000) instead of ASTM D-2513(1995c) requirements that pose a risk to the public, or a failure risk, Toro shall notify the IURC immediately.

My staff would be pleased to discuss this matter or any other regulatory matter with you. John Gale, Director of Standards and Rulemaking, 202-366-0434, may be contacted on regulatory matters and Jeff Gilliam, Director of Engineering and Research, 202-366-0568, may be contacted on technical matters.

Sincerely,



Jeffrey D. Wiese

Associate Administrator for Pipeline Safety