# U.S. DEPARTMENT OF TRANSPORTATION

# PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

# SPECIAL PERMIT

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| Docket Number: | PHMSA- 2009-0319 |
| Pipeline Operator: | Kern River Gas Transmission Company |
| Date Requested: | September 16, 2009 |
| Code Section(s): | 49 CFR § 192.625 |

**Grant of Special Permit:**

By this order, subject to the terms and conditions set forth below the Pipeline and Hazardous Materials Safety Administration (PHMSA) grants this special permit to Kern River Gas Transmission Company (Kern River), waiving compliance from 49 CFR § 192.625(b), for odorization of its natural gas transmission pipeline segment in the city of Las Vegas, Clark County, Nevada, as described below. The Federal pipeline safety regulations in 49 CFR § 192.625(b) require natural gas pipeline operators to odorize natural gas in pipelines when at least 50 percent of the length of the line downstream from that location is located in a Class 3 or Class 4 location as defined in § 192.5 – Class locations.

**Special Permit Segment:**

City of Las Vegas, Clark County, Nevada

PHMSA waives compliance from 49 CFR § 192.625(b) to odorize a 1,083 foot segment of Kern River's Centennial Lateral 12-inch natural gas transmission pipeline, where a change in class location in accordance with § 192.5 has occurred, due to the re-routing and decommissioning of pipeline sections and population growth in the area. This special permit allows Kern River to continue to operate the ***special permit segment*** without odorization of the natural gas.

This special permit applies to the ***special permit segment*** defined as follows using the Kern River mile post (MP) references:

- ***Special permit segment*** – Centennial Lateral - 12-inch Pipeline – 1,083 feet in length of 12-inch pipeline from a 10-inch tap valve on the Kern River main line at MP 519.68.

The ***special permit segment*** is located off the Kern River 36-inch mainline at MP 519.68 in Clark County, Nevada. The Centennial Lateral ends at a meter station that supplies gas to Southwest Gas Corporation. The 12-inch pipeline ***special permit segment*** length is 1,083 feet in length.

PHMSA grants this special permit based on the findings set forth in the *"Special Permit Analysis and Findings"* document. This document can be read in its entirety in Docket No. PHMSA-2009-0319 in the Federal Docket Management System (FDMS), located on the internet at www.Regulations.gov.

**Conditions:**

PHMSA grants this special permit subject to the following conditions:

1) Kern River must continue to operate the ***special permit segment*** at the MAOP of 1200 psig until Conditions 2 through 10 below have been implemented. After implementation of Conditions 2 through 10, the ***special permit segment*** may be uprated to the alternate MAOP of 1333 psig.

2) Kern River must perform patrolling (monthly, not to exceed 45 days) and leakage surveys at ground level (monthly, not to exceed 45 days) referenced in §§ 192.705 and 192.706. Kern River must verify the existence of pipeline line markers that clearly give line of sight markings in the ***special permit segment*** and are in accordance with § 192.707 during the monthly ground patrol surveys. Kern River must replace damaged or removed line markers during the monthly surveys. Leakage surveys must include all storm drains, valve boxes, and edges of road and walkway pavements.

3) Kern River must perform a close interval survey (CIS) and a overland interference survey for any alternating current (AC), direct current (DC), or third party cathodic protection systems of the Centennial Lateral 12-inch pipeline along the entire length of the ***special permit segment,*** no later than three (3) months after the grant of this special permit and remediate any areas of inadequate cathodic protection. If factors beyond Kern River's control prevent

the completion of the CIS and interference surveys and remediation of findings within three (3) months, a CIS, interference survey, and remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion, must be submitted to the Director, PHMSA Western Region, not later than three (3) months after the grant of this special permit.

4) Kern River must perform periodic CIS of the ***special permit segment*** at the applicable reassessment interval(s) for a "covered segment(s)" determined in concert and integrated with in-line inspection (ILI) or external corrosion direct assessment (ECDA) in accordance with 49 CFR 192, Subpart O, reassessment intervals as contained in 49 CFR §§ 192.937(a) and (b), and 192.939. The initial in-line inspection (ILI) or ECDA must be completed within six months of the grant of this special permit. This ***special permit segment*** must be considered as its own region and cannot be combined with other similar regions for ECDA assessments. The maximum interval for conducting CIS is seven (7) years.

5) Kern River must incorporate the ***special permit segment*** into its written integrity management program (IMP), as a *"covered segment"* in a *"high consequence area (HCA)"* in accordance with § 192.903. The maximum interval for conducting IMP through the ***special permit segment*** is seven (7) years.
   a) ***Special permit segment*** dents and anomalies must be excavated and investigated in accordance with §§ 192.485 and 192.933.
   b) Anomaly evaluations and repairs in the ***special permit segment*** must be performed in accordance with §§ 192.485 and 192.111, incorporating appropriate class location design factors, except HCAs outside of the ***special permit segment*** may be repaired in accordance with § 192.933. All anomalies with safe pressures (including class location design factor) below the pipeline MAOP, must be remediated for the ***special permit segment*** prior to being included in the "monitored condition" in accordance with § 192.933(d).
   c) If Kern River has implemented the alternative MAOP Special Permit (Docket PHMSA-2007-29078), dent and anomaly evaluations and remediation must be in accordance with the alternative MAOP Special Permit conditions.

6) If any annual cathodic protection (CP) test station reading on the Centennial Lateral 12-inch pipeline within the ***special permit segment*** falls below 49 CFR Part 192, Subpart I requirements, remediation must occur within six (6) months and include a CIS on each side of the affected test station, to the next test station and any identified corrosion system modifications to ensure corrosion control. Should the Centennial Lateral 12-inch pipeline not have any CP test stations within the ***special permit segment***, Kern River must install a minimum of one CP test station in the ***special permit segment***. If factors beyond Kern River's control prevent the completion of remediation within six months, remediation must be completed as soon as practicable and a letter justifying the delay and providing the anticipated date of completion must be submitted to the Director, PHMSA Western Region.

7) Kern River must ensure its damage prevention program incorporates the applicable best practices of the Common Ground Alliance (CGA) within the ***special permit segment***. As part of the damage prevention program, Kern River must conduct the following public awareness program on a yearly interval not to exceed 15 months, with the initial public awareness program included in Condition 7 (a) and (b) below, completed within 6 months of grant of this special permit.
    a) Send public awareness brochures to all affected public within 1320 feet of the pipeline including all excavators, emergency responders, and public officials within a 10 mile radius of the ***special permit segment***.
    b) Send public awareness brochures to all affected public within 1,320 feet of the pipeline. Kern River must also send public awareness brochures to all excavators, emergency responders, and public officials within a 10-mile radius of the ***special permit segment***.
    c) Send a letter request and public awareness brochures to all heavy equipment rental companies within a 10-mile radius of the pipeline ***special permit segment***, requesting their assistance in distributing the material to potential excavators in the immediate area of the pipeline.

8) The 10-inch tap valve must be fully accessible and considered an emergency shut off valve in the company's Operation and Maintenance (O&M) manual. Mainline valves on the 36-inch pipeline can not be designated as the primary emergency shut off valves. The tap valve must

be operated twice annually, not to exceed 7 1/2 months, and recorded as required in §192.745.

9) Documentation of compliance with all the conditions of this special permit must be kept for the life of this special permit for the referenced ***special permit segment.***

10) Certification: A senior executive officer of Kern River must certify in writing the following:
    a) That the Kern River pipeline ***special permit segment*** meets the conditions described in this special permit,
    b) That the written manual of O&M procedures for the Kern River pipeline has been updated to include all additional operating and maintenance requirements of this special permit; and,
    c) That Kern River has implemented all conditions as required by this special permit prior to uprating the Centennial Lateral to the alternative MAOP.

Kern River must send a copy of the certification required in Condition 10 with the required senior executive signature and date of signature to the PHMSA Associate Administrator with copies to the Director, PHMSA Western Region, Director, PHMSA Regulations, and Director, PHMSA Engineering and Emergency Support within six (6) months of the grant date of this special permit.

**Limitations:**

PHMSA grants this special permit subject to the following limitations:

1) PHMSA has the sole authority to make all determinations on whether Kern River has complied with the specified conditions of this special permit.
2) Failure to complete and submit the certifications required by Condition 10 within the time frames specified therein will result in automatic revocation of this special permit.
3) Should Kern River fail to comply with any of the specified conditions of this special permit, PHMSA may revoke this special permit and require Kern River to comply with the regulatory requirements in 49 CFR § 192.625(b)(1).

4) PHMSA may revoke, suspend or modify a special permit based on any finding listed in 49 CFR § 190.341(h)(1) and rule that Kern River comply with the regulatory requirements in 49 CFR § 192.625(b)(1).
5) Should PHMSA revoke, suspend or modify a special permit based on any finding listed in 49 CFR § 190.341(h)(1), PHMSA will notify Kern River in writing of the proposed action, and provide Kern River an opportunity to show cause why the action should not be taken unless, PHMSA determines that taking such action is immediately necessary to avoid the risk of significant harm to persons, property or the environment (see 49 CFR § 190.341(h)(2)).
6) The terms and conditions of any corrective action order, compliance order, or other order applicable to a pipeline facility covered by this special permit, will take precedence over the terms of this special permit in accordance with 49 CFR § 190.341(h)(4).
7) PHMSA grants this special permit for a period of five (5) years from the issuance date. If Kern River elects to seek renewal of this special permit, Kern River must submit to the PHMSA Associate Administrator, with copies to the Director, PHMSA Western Region, Director, PHMSA Regulations, and Director, PHMSA Engineering and Emergency Support, a written request at least 180 days prior to expiration of this special request to extend this special permit. PHMSA will consider requests for special permit extensions for up to an additional five (5) year period. All requests for a special permit time extension must include a summary report of compliance and findings in implementing Conditions 1 through 10 above, for the existing special permit time frame demonstrating that an effective operational and integrity safety margin continues to be maintained.

AUTHORITY: 49 U.S.C. 60118 (c)(1) and 49 CFR § 1.53.

Issued in Washington, DC on MAR 1 9 2010.

Jeffrey D. Wiese,
Associate Administrator for Pipeline Safety