



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

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

APR 15 2010

Mr. Royce Ramsay
Vice President of Operations
Northern Natural Gas Company
P.O. Box 3330
Omaha, Nebraska 68103-0330

Docket No. PHMSA-2005-20323

Dear Mr. Ramsay:

On September 17, 2003 and June 2, 2005, Northern Natural Gas Company (Northern) wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requesting a special permit to waive compliance from PHMSA's pipeline safety regulation in 49 CFR § 192.625(b)(1) for two segments of the Northern natural gas transmission pipeline system in Greene County, Iowa and Houston County, Minnesota. The pipeline safety regulations in 49 CFR § 192.625(b)(1) 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.

PHMSA is granting this special permit (enclosed), which allows Northern to operate the 2 3/8-inch Branch Line IAB 64601 located in Rippey, Greene County, IA and the 4 1/2-inch Branch Line MNB 73701 located in La Crescent, Houston County, MN without odorization of the natural gas in the pipelines. This special permit provides relief from the Federal pipeline safety regulations and requires Northern to comply with certain conditions and limitations designed to maintain pipeline safety.

PHMSA grants this special permit based on the findings set forth in the "Special Permit Analysis and Findings" document, which can be read in its entirety in Docket No. PHMSA-2005-20323 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

My staff would be pleased to discuss this special permit or any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Deputy Associate Administrator for Pipeline Safety (202-366-5124), may be contacted on technical matters specific to this special permit.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure (Special Permit)

U.S. DEPARTMENT OF TRANSPORTATION

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

SPECIAL PERMIT

Docket Number: PHMSA-2005-20323
Pipeline Operator: Northern Natural Gas Company
Date Requested: September 17, 2003 and June 2, 2005
Code Section(s): 49 CFR § 192.625(b)(1)

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 Northern Natural Gas Company (Northern) waiving compliance from 49 CFR § 192.625(b)(1) for odorization of its natural gas transmission pipeline segments in the Greene County, Iowa and Houston County, Minnesota, as described below. The Federal pipeline safety regulations in 49 CFR § 192.625(b)(1), 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:Greene County, Iowa and Houston County, Minnesota

PHMSA waives compliance from 49 CFR § 192.625(b)(1) to odorize two (2) segments of Northern's natural gas transmission pipelines, where the pipelines require odorization of the natural gas flowing through them, in locations with limited right-of-way to install odorization equipment. This special permit allows Northern to continue to operate the *special permit segments* without odorization of the natural gas.

This special permit applies to the *special permit segments* defined as follows using the Northern mile post (MP) references:

- *Special permit segment 1* – 2 3/8-inch - Rippey, Greene County, IA - Branch Line IAB 64601, 0.034 miles in length.
- *Special permit segment 2* – 4 1/8-inch – La Crescent, Houston County, MN - Branch Line MNB 73701, 0.369 miles in length.

The *special permit segment 1* is located near Highway 44 in Perry, Greene County, Iowa and supplies natural gas to the town of Rippey, Iowa, through the Rippey #1 Town Border Station. *Special permit segment 2* is located in a wetland area which is part of the Mississippi River flood plain, and supplies natural gas to the town of La Crescent, Houston County, Minnesota.

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- 2005-20323, 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) Northern must continue to operate the *special permit segments* at or below its existing MAOP as follows:
 - 2 3/8-inch - Rippey, Greene County, IA - Branch Line IAB 64601, Maximum Allowable Operating Pressure (MAOP) 500 psig
 - 4 1/2-inch – La Crescent, Houston County, MN - Branch Line MNB 73701, MAOP 800 psig
- 2) Northern must perform ground patrolling (monthly, not to exceed 45 days) and leakage surveys (monthly, not to exceed 45 days) referenced in §§ 192.705 and 192.706. Northern must verify the existence of pipeline line markers that clearly give line of sight markings in the *special permit segments* and in accordance with § 192.707, during the monthly ground patrol surveys. Northern must replace damaged or removed line markers during the survey. Leakage surveys must include all storm drains, valve boxes, and edges of road and walkway pavements.
- 3) Northern must perform a close interval survey (CIS) and an overland interference survey for any alternating current (AC), direct current (DC) or third party cathodic protection systems along the entire length of the *special permit segment*, not later than three (3) months after the

grant of this special permit and remediate any areas of inadequate cathodic protection. If factors beyond Northern's control prevent the completion of the CIS and remediation within three (3) months of receipt of this special permit, 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 Central Region¹, not later than three (3) months after the grant of this special permit.

- 4) Northern must perform periodic CIS and interference surveys 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) Northern must incorporate the *special permit segments* into its written integrity management program (IMP) as a "covered segment" in a "high consequence area (HCA)" per § 192.903, except for the reporting requirements contained in § 192.945. The maximum interval for conducting IMP through a *special permit segment* is seven (7) years.
 - a) *Special permit segment* dents must be excavated, investigated, and remediated in accordance with §§ 192.485 and 192.933.
 - b) Anomaly excavations, evaluations, and repairs in a *special permit segment*, must be evaluated and remediated using §§ 192.485 and 192.111, incorporating appropriate class location design factors in all safe pressure calculations to meet one-year and monitored conditions. 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).

¹ "In the case of any Special Permit condition that requires Northern to provide documentation to the PHMSA Region, Northern must also send a copy of such documentation to the appropriate state authorities, in states that have interstate agent agreements with PHMSA."

- 6) If any annual cathodic protection (CP) test station reading on the pipeline within the *special permit segments* fall 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 pipelines not have any CP test stations within a *special permit segment*, Northern must install a minimum of one CP test station in the *special permit segment*. If factors beyond Northern'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 Central Region.
- 7) Northern must ensure its damage prevention program incorporates the applicable best practices of the Common Ground Alliance (CGA) within the *special permit segments*. As part of the damage prevention program, Northern 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 1,320 feet of the pipeline. Northern must also send public awareness brochures to all excavators, emergency responders, and public officials within a 10-mile radius of the *special permit segment*.
 - b) Send a letter of 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) 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 segments*.
- 9) Certification: A senior executive officer of Northern must certify in writing the following:
- a) That the Northern pipeline *special permit segments* meet the conditions described in this special permit,
 - b) That the written manual of O&M procedures for the Northern pipeline has been

updated to include all additional operating and maintenance requirements of this special permit; and,

- c) That Northern has implemented all conditions as required by this special permit.

Northern must send a copy of the certification required in Condition 9 with the required senior executive signature and date of signature to the PHMSA Associate Administrator with copies to the Director, PHMSA Central Region, Director, PHMSA Regulations, and Director, PHMSA Engineering and Emergency Support and within six (6) months of the grant date of this special permit. Northern must also send a copy to a State pipeline safety authority when the pipeline is located in a State where PHMSA has an interstate agent agreement, or an intrastate pipeline is regulated by that State.

Limitations:

PHMSA grants this special permit subject to the following limitations:

- 1) PHMSA has the sole authority to make all determinations on whether Northern has complied with the specified conditions of this special permit.
- 2) Failure to complete and submit the certifications required by Condition 9 within the time frames specified therein will result in automatic revocation of this special permit.
- 3) Should Northern fail to comply with any of the specified conditions of this special permit, PHMSA may revoke this special permit and require Northern 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 Northern 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 Northern in writing of the proposed action, and provide Northern 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 Northern elects to seek renewal of this special permit, Northern must submit to the PHMSA Associate Administrator, with copies to the Director, PHMSA Central Region, Director, PHMSA Regulations, and Director, PHMSA Engineering and Emergency Support, a written request at least 180 days prior to expiration of this special permit. Northern must also send a copy to the State pipeline safety authority when the pipeline is located in a State where PHMSA has an interstate agent agreement, or an intrastate pipeline that is regulated by that State. PHMSA will consider requests for special permit extensions for up to an additional 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 9 above for the existing special permit time frame, demonstrating that an effective safety margin continues to be maintained. PHMSA may seek additional information from Northern prior to granting any request for special permit renewal.

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

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Issued in Washington, DC on _____.



Jeffrey D. Wiese,
Associate Administrator for Pipeline Safety