



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

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

APR 1 - 2009

Mr. G. Joel Tierney
Pipeline Safety Program Manager
Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601

Dear Mr. Tierney:

Pursuant to 49 U.S.C. 60118(d), the Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of February 6, 2009, notifying us that the Montana Public Service Commission issued a Notice of Commission Action (NCA) to Energy West Montana (EWM) (MPSC Docket NO. D2008.9.107). The Commission is granting a special permit to EWM to modify 49 CFR 192.59 allowing the installation of up to five miles of Polyamide 12 (PA-12) pipe, modify the requirements of the design formula in 49 CFR 192.121, and modify the design limitations detailed in 49 CFR 192.123. These standards were adopted by Montana pursuant to Rule 38.5.2202 of the Administrative Rules of Montana. The Commission's grant of the special permit is conditioned on EWM's compliance with 23 specific requirements listed in the NCA.

PHMSA does not object to the waiver of 49 CFR 192.59, 192.121, and 192.123 as specified in the NCA submitted to PHMSA. However, PHMSA recommends the following:

(1) With respect to Condition 2 of the NCA, the Commission should require that a leak survey be performed:

- (a) Within one month of operating the PA-12 pipeline;
- (b) Within one month of adding additional appurtenances;
- (c) Within one month of making repairs to the PA-12 pipeline;
- (d) Another survey must be performed at six months following condition; and
- (e) Once each calendar year, not to exceed 15 months as stated in NCA condition.

(2) With respect to Condition 20 of the NCA, in addition to the records regarding joints, PHMSA recommends that the Commission require EWM to collect and maintain traceable information on fittings such as:

- (a) Part/Model #;
- (b) Heat/Lot #;
- (c) Date of Manufacture; and
- (d) Name of Manufacturer.

Page 2
Mr. G. Joel Tierney

State of Montana, Energy West Montana (EWM) Waiver

(3) Except where the more strict Commission imposed conditions apply, PHMSA recommends that EWM be required to follow the construction standards for Polyethylene in installing its PA-12 pipe (including use of locating wire, allowing for enough slack of thermal expansion/contraction and no angular rocks). The Commission should also consider requiring the use of warning tape if not already included in EWM's construction standards or other procedures related to damage prevention.

If you have any questions, John Gale, Director of Regulations, would be pleased to discuss these regulatory matters with you. He can be reached at 202-366-0434, or by email at John.Gale@dot.gov.

Sincerely,

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

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety