



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

FEB 3 2009

1200 New Jersey Ave., SE  
Washington, DC 20590

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

  
Dear Mr. Tierney:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of December 4, 2008, notifying us that the Montana Public Service Commission (MPSC) issued a Notice of Commission Action (NCA) to NorthWestern Energy (NWE) granting a special permit to modify compliance with §192.481(a), as adopted by Montana pursuant to rule 38.5.2202 of the Administrative Rules of Montana. NWE requested a special permit to be allowed to perform atmospheric corrosion inspections on its intrastate natural gas pipelines subject to MPSC regulation every four calendar years not to exceed 51 months, rather than every three calendar years not exceed 39 months.

The waiver granted by the MPSC requires NWE to conduct atmospheric corrosion control monitoring for pipelines outside business districts at least once every 4 calendar years but with intervals not to exceed 51 months. To ensure an equivalent level of pipeline safety is maintained, the Commission added the following four conditions to the waiver grant:

- 1) Inside of business districts, atmospheric corrosion control monitoring must be conducted at least once every calendar year at intervals not exceeding 15 months.
- 2) NWE 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 the following "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 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.
- 3) NWE must perform distribution leakage surveys outside of business districts pursuant to 49 CFR Part 192.723(b)(2) but at an increased frequency of at least every four calendar years not to exceed 51 months.

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- 4) This waiver is contingent upon circumstances that may require alternate safety measures as noted during routine inspections by Commission pipeline safety staff members.

Additional correspondence indicated NWE would work with MPSC to identify and report back to them any necessary detail behind conditions above, including "hot spot" areas where more frequent atmospheric monitoring will occur. Based on these conditions, PHMSA has no objections to the NCA. If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please call John Gale, Director of Regulations at 202-366-0434, for regulatory matters, or Alan Mayberry, Director of Engineering and Emergency Support at 202-366-5124, for technical matters. If you wish to discuss with personnel from our Western Region, please contact Chris Hoidal, Director of the PHMSA Western Region at 720-963-3171.

Thank you for your continued efforts in pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese", with a stylized flourish at the end.

Jeffrey D. Wiese  
Associate Administrator for Pipeline Safety