



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Ave., S.E.  
Washington, DC 20590

DEC 20 2007

Mr. G. Joel Tierney  
Pipeline Safety Program Manager  
Montana Public Service Commission  
P.O. Box 202601  
Helena, MT 59620-2601

Dear Mr. Tierney:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has reviewed your letter of October 25, 2007, notifying us that the Montana Public Service Commission (Commission) granted the Montana-Dakota Utilities Company (MDU) a waiver of compliance with state regulation 49 CFR §192.481(a) on October 23, 2007. The regulation in § 192.481(a) requires each operator of an onshore pipeline or portion of a pipeline that is exposed to the atmosphere to inspect the pipeline for evidence of atmospheric corrosion at least once every three calendar years but with intervals not to exceed 39 months.


The waiver granted by the Commission requires MDU to conduct atmospheric corrosion control monitoring for pipelines outside business districts at least once every four calendar years but with intervals not to exceed 51 months. To ensure that MDU maintains an equivalent level of pipeline safety, 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) MDU 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) MDU 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.
- 4) This waiver is contingent upon circumstances that may require alternate safety measures as noted during routine inspections by Commission pipeline safety staff members.

PHMSA does not object to this grant of waiver. If you wish to discuss this waiver or any other pipeline safety matter, my staff would be pleased to assist you. Please call Florence Hamn, Director of Regulations at (202) 366-4595 for regulatory matters or Alan Mayberry, Acting Director of Engineering and Emergency Support at (202) 366-5124 for technical matters.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese". The signature is stylized with a large, sweeping initial "J" and a long horizontal line extending to the left.

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety