



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

1200 New Jersey Avenue, SE
Washington, DC 20590

August 7, 2020

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

Re: Docket No. PHMSA-2020-0078
Montana Public Service Commission, Docket No. 2020.02.024

Dear Mr. Tierney:

On June 24, 2020, the Pipeline and Hazardous Materials Safety Administration (PHMSA) received a waiver termination letter (Termination Waiver) from the Montana Public Service Commission (Commission).¹ The Termination Waiver seeks to terminate the existing 2009 Montana State Waiver granted to Energy West Montana, Inc. (Company).² The 2009 State Waiver waives compliance with 49 Code of Federal Regulations (CFR) §§ 192.59, 192.121, and 192.123, and allows the Company to operate up to five (5) miles of gas distribution pipeline with Polyamide 12 (PA12) pipe, using a design factor of 0.40, and a maximum design pressure of 250 pounds per square inch gauge (psig), while requiring the Company to follow specific safety conditions.

On February 3, 2009, the Commission granted the 2009 State Waiver allowing the Company to use up to five (5) miles of PA12 pipe material in their Great Falls and Cascade, Montana gas distribution systems (Pipeline). On April 14, 2009, the Commission amended the 2009 State Waiver to include additional conditions based on PHMSA recommendations. The Commission allowed the Company to petition the Commission for termination of the 2009 State Waiver if the Federal Pipeline Safety Regulations were amended to allow usage of PA12 pipe. The Company has operated the Pipeline using PA12, 4-inch nominal pipe size with a standard dimension ratio of 13.5 and at a 150 psig operating pressure since the waiver was issued.

¹ Montana Public Service Commission Docket No. 2020.02.024.

² Montana Public Service Commission Docket No. D2008.9.107.

On January 22, 2019, PA12 pipe material manufactured after this date was approved in 49 CFR § 192.121 for gas pipelines using a maximum design factor of 0.40 and a maximum design pressure of 250 psig. Section 192.123 was combined with § 192.121.

Under 49 United States Code (USC) § 60118(d), a State with a certification pursuant to 49 USC § 60105 may waive compliance with a safety standard; however, the State must give PHMSA notice of the waiver at least 60 days before its effective date. If PHMSA objects to the waiver, the State waiver is stayed.

Pursuant to 49 USC § 60118(d), PHMSA has reviewed the Termination Waiver and documentation provided by the Commission. PHMSA does not object to the termination of the 2009 State Waiver Conditions 1 through 27 because the Pipeline has operated since 2009 with PA12, 4-inch nominal pipe size at a 150 psig operating pressure, and all testing on the Pipeline shows that the PA12 pipe properties have remained above specifications while in operational service.

PHMSA, however, objects to a full termination of the 2009 State Waiver. PHMSA requests that a revised waiver be issued to continue waiving compliance with 49 CFR §§ 192.59 and 192.121, to allow usage of PA12 pipe manufactured in 2009, and to allow the Pipeline to operate at a 200 psig maximum allowable operating pressure (MAOP) or less.³ Also, the revised waiver must require the Company to maintain all of the 2009 State Waiver records, tests, and maps for the life the Pipeline.

PHMSA requests that a copy of the Commission's revised waiver be provided to PHMSA within 30 days of the final approval. Pursuant to 49 USC § 60118(d), if the Commission does not include the above conditions (maintaining 2009 State Waiver Condition records, tests, and maps, usage of a 200 psig MAOP or less, and usage of PA12 pipe manufactured in 2009) in the revised waiver, this letter serves as PHMSA's notice of objection to the Termination Waiver request.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please contact Sentho White, Director of Engineering and Research Division, at 202-366-2415, for technical matters.

Thank you for your continued efforts in pipeline safety.

Sincerely,

ALAN
KRAMER
MAYBERRY
Alan K. Mayberry,
Associate Administrator for Pipeline Safety

Digitally signed by
ALAN KRAMER
MAYBERRY
Date: 2020.08.07
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³ The Pipeline was designed and pressure tested for a MAOP of 200 psig.