



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-2008-0141

Dear Mr. Ramsay:

On February 21, 2008, 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 one segment of the Northern natural gas transmission pipeline system located in Lincoln County, South Dakota. 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 Sioux Falls 14-inch pipeline (Nebraska to South Dakota Main Line – SDM90201) located in Lincoln County, South Dakota, without odorization of the natural gas in the pipeline. 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. This document can be read in its entirety in Docket No. PHMSA-2008-0141 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-2008-0141
Pipeline Operator: Northern Natural Gas Company
Date Requested: February 21, 2008
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 natural gas transmission pipeline segment in the city of Harrisburg, Lincoln County, South Dakota 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:

City of Harrisburg, Lincoln County, South Dakota

PHMSA waives compliance from 49 CFR § 192.625(b)(1) to odorize an approximate 2-mile segment of Northern's Sioux Falls 14-inch natural (Nebraska to South Dakota Main Line – SDM90201) gas transmission pipeline, where a change in natural gas flowing direction and class location has occurred, due to the re-routing and decommissioning of pipeline sections and population growth in the area. This special permit allows Northern to continue to operate the *special permit segment* without odorization of the natural gas.

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

- *Special permit segment* – Sioux Falls 14-inch Pipeline – MP 80.08 to MP 82.07.

The *special permit segment* is located on the Sioux Falls 14-inch pipeline (Nebraska to South Dakota State Line to Sioux Falls Main Line – SDM90201) and begins at a launcher at MP 80.08 and ends at MP 82.07, block valve ABA 13, located in Lincoln County, South Dakota. The 14-inch pipeline *special permit segment* length is 10,726 feet.

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- 2008-0141, 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 segment* at or below its existing MAOP as follows: Sioux Falls 14-inch Pipeline - MAOP 446 psig.
- 2) Northern must perform patrolling (monthly, not to exceed 45 days) and leakage surveys at ground level (monthly, not to exceed 45 days) referenced in §§ 192.705 and 192.706. Northern must verify the existence of pipeline markers that clearly give line of sight markings in the *special permit segment* and are in accordance with § 192.707 during the monthly ground patrol surveys. Northern must replace damaged or removed line markers during the monthly surveys. 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 a 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 interference surveys and remediation within three (3) months, 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 segments” 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 segment* 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 the *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 the *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).
- 6) If any annual cathodic protection (CP) test station reading on the Sioux Falls 14-inch pipeline within the *special permit segment* falls 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

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.”

corrosion control. Should the Sioux Falls 14-inch pipeline not have any CP test stations within the *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 segment*. 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 1320 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 segment*.
- 9) Certification: A senior executive officer of Northern must certify in writing the following:
 - a) That the Northern pipeline *special permit segment* meets 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, within six (6) months of the grant date of this special permit.

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 five-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.

Issued in Washington, DC on APR 15 2010.

A handwritten signature in black ink, appearing to read "J. Wiese", written over a horizontal line.

Jeffrey D. Wiese,
Associate Administrator for Pipeline Safety