

CP07-208-000

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06-1142-GA-BLN

United States Senate

WASHINGTON, DC 20510-1401

COMMITTEE:
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AGRICULTURE, NUTRITION, AND FORESTRY

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2007 DEC -3 P 4:47

November 27, 2007

FEDERAL ENERGY
REGULATORY COMMISSION

Krista L. Edwards, Acting Administrator
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration (PHMSA)
East Building, Second Floor
1200 New Jersey Avenue, S.E.
Washington, D.C.

ORIGINAL

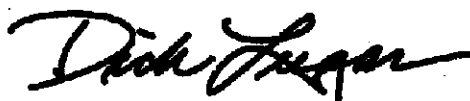
Dear Administrator Edwards:

I have received the enclosed correspondence from my constituent Ms. Monica Yane of Oldenburg, Indiana. She has written regarding her concerns involving the opportunity for public comment and the safety of the proposed Rockies Express Pipeline that plans to transport natural gas across Indiana.

I would appreciate your assistance in reviewing and responding to the specific concerns raised by Ms. Yane in her correspondence related to the approval by PHMSA of regulatory waivers for this pipeline construction project.

You may direct your response to the attention of Mr. Lane Ralph of my Indiana staff at 10 West Market Street, Suite 1180, Indianapolis, Indiana 46204-2964, telephone 317-226-5555. Thank you for your assistance in reviewing this matter.

Sincerely,



Richard G. Lugar
United States Senator

PUCO

2008 JAN 10 AM 11:40

RECEIVED-DOCKETING DIV

RGL/la

cc: Ms. Monica Yane

✓ Mr. Joseph T. Kelliher, Chairman, Federal Energy Regulatory Commission

2007-00274

24133 Bull Fork Rd.
Oldenburg, IN 47036
October 25, 2007

07 NOV 26 PM 3:05

NOV 15 PM 2:43

Senator Richard Lugar
306 Hart Senate Building
Washington, D.C. 20510

Dear Senator Lugar,

I am an Indiana landowner whose hillside farm lies in the path of the REX East natural gas pipeline. In 2005, REX and its parent company, Kinder Morgan, applied to PHMSA for a waiver to substantially increase the operating pressure and decrease the wall thickness of their planned 42" diameter pipeline. This waiver was granted on the basis of faulty information provided by Kinder Morgan. It should be withdrawn and Kinder Morgan should have to reapply. I hope you will take a look at the evidence for my assertion which I've provided below and then intercede with PHMSA on behalf of your constituents.

First, the waiver raises safety concerns. It allows Kinder Morgan to operate their pipeline at a pressure of 1480 psi, twice the usual pressure. The waiver was granted despite Kinder Morgan's poor safety record and even though PHMSA was citing Kinder Morgan for safety violations at that very time. Mr. Harold Winnie, the PHMSA official in charge of the REX project, has said that he was unaware that PHMSA was requiring Kinder Morgan to spend 90 million dollars on pipeline upgrades while simultaneously excusing them from safety requirements. In light of Kinder Morgan's poor safety record, it's alarming that Kinder Morgan, rather than an objective source, performed the studies which found 1480 psi to be an acceptable risk.

And Kinder Morgan's safety record continues to be abysmal. In the last month alone, three of Kinder Morgan's pipelines have ruptured. I've enclosed articles describing these incidents. How safe would you feel with a Kinder Morgan pipeline outside your door? Would you have confidence in a federal agency that grants safety waivers to a company while it simultaneously cites the company for safety violations?

Second, the waivers were granted without consultation with state agencies or any opportunity for public comment. The 2005 PHMSA waiver states: "PHMSA also sought comments from the public and received positive feedback from the impacted states. I've researched this claim, and found that no officials in Indiana were aware of the pipeline project in 2005. Later, in 2007, in response to the outcry of affected landowners, the Indiana Utility Regulatory Commission cobbled together some voluntary pipeline guidelines. But they couldn't address the waivers, because these had been granted the year before, in secrecy.

True, PHMSA had held public hearings regarding the waivers in 2005, but not surprisingly, "no comments were received." This was because no Indiana landowners or public officials had been made aware of the project.

In addition, some of the information Kinder Morgan used in applying for the waiver was no longer valid by the time the project was made public. Kinder Morgan stated in their 2005 application: "Approximately 90 percent of the Rockies Express pipeline will be located in Class I areas in a common right of way with other pipelines." Then, In 2006, their FERC application promised that "a majority of the pipeline (over 50%) will parallel existing corridor right of way. In 2007, the proposed route through Indiana shows the pipeline parallel to existing pipeline in only two counties. It seems to me that Kinder Morgan has made claims to get their waivers, very profitable waivers, and then ignored their claims to win FERC certification.

Last, Kinder Morgan seems to have received assurances, before applying to PHMSA and before applying to the FERC, that their project would be approved. My evidence for this claim comes from Mr. Harold Winnie, the PHMSA spokesman for the Kinder Morgan project. He says that REX, or Kinder Morgan, had to apply early for their waiver so they could go ahead and order the pipe from the manufacturers. How could Kinder Morgan know that their project would be approved? No application had been made with the FERC. No public hearings had been held. I can only conclude that PHMSA, in granting the waivers, was working on behalf of Kinder Morgan rather than in the interest of public safety.

PHMSA granted the waiver and they can withdraw it. I ask you to insist that the usual PHMSA procedures be followed. These procedures were set up to protect the public safety and shouldn't be ignored in favor of quick profits for a powerful corporation.

Sincerely,

Monica Yane
Monica Yane

[<<Back](#)

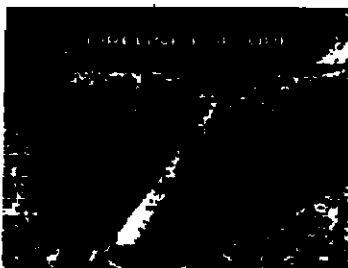


Pipeline Rupture In Whiteside County



Some families in Whiteside County are hoping for a less hectic morning after being evacuated from their homes yesterday because of a ruptured gas pipeline. It happened in the Rock Falls area around 1:20am yesterday morning.

A 20-to-30 foot segment of the Kinder-Morgan pipeline ruptured and created a huge crater in the ground. It appears to be about 20 feet deep. Neighbors say they heard and felt the blast but at first didn't know what it was.





These are some viewer photos of the pipeline. You can see a pretty big section of the pipe was blown away.

Families in the area were evacuated for about 3 hours. The pipeline company is now trying to fix the line. So far crews don't know what caused the rupture.



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<http://news.rgj.com/apps/pbcs.dll/article?AID=2007710030449>

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Jet fuel spills off Galletti

STAFF REPORT (online@rgj.com)

October 3, 2007

A gas line apparently ruptured off Galletti Way in Reno on Tuesday night, spilling about 500 gallons of jet fuel.

No injuries were reported.

Officials are not sure what caused the apparent rupture.

As a precaution, about 15 people were evacuated from a nearby concrete plant.

Crews shut the line down and created dirt dams, according to reports from the scene.

Officials late Tuesday did not think the fuel would enter storm drains or the Truckee River.

The leak occurred in an area about 30 feet by 50 feet wide, city spokesman Steve Frady said.

Six-inch lines run through the area as part of the Kinder Morgan system.

Railroad traffic in the area was halted to prevent possible sparks from igniting. Union Pacific representatives were at the scene along with health officials and hazardous materials crews.

Galletti was closed between Kietzke Lane and Fourth Street, Frady reported.

DNR, Pipeline Company Begin Planning on Restoring Oil Spill Area

September 13, 2007

JEFFERSON CITY, MO, SEPT. 12, 2007 -- As crews continue to recover the last of the more than 3,800 barrels of oil released during a Montgomery County pipeline spill Thursday, the Department of Natural Resources, the pipeline company and the landowner are working on the next step in returning the area to its original state.

Members of the department's Emergency Environmental Response section met Monday with representatives of Kinder Morgan Pipeline and the landowner, Don Froneyberger, to explore options for the site after its status is changed from emergency response to cleanup and removal. A project manager from the department's Brownfields/Voluntary Cleanup Program was on site Tuesday to review the pipeline company's long-term plan for restoring the area, located north of Bellflower.

Contractors working for the Kinder Morgan began testing nearby wells today for any signs of contamination related to the spill.

Workers using skimmers and vacuum trucks removed the remaining crude from Froneyberger's pond Tuesday. Where oil once stood 18 inches to 24 inches deep on the water, workers took great care in collecting the final remnants, a task made more difficult because of the likelihood of also collecting excessive amounts of water as well.

Through Monday night, 3,378 of the original 3,843 barrels of oil that had been released, and repairs on the pipeline were complete and it was once again pumping crude oil. Work began Tuesday removing trees, brush and leaf litter that had been contaminated by the oil.

The department's Emergency Environmental Response section has been overseeing the cleanup since being called to the scene late Thursday afternoon after pipeline managers in Wyoming detected a drop in pressure in the 20-inch crude oil pipeline. In addition to overseeing the response and cleanup, environmental responders have been monitoring air quality to detect the presence of any harmful or explosive vapors that could threaten workers.

Because much of the release was contained by the pond, the full potential environmental damage was diminished. The water in the pond prevented the oil from seeping farther into the ground, and none of the oil traveled beyond the pond. Department responders also credited the quick action of local emergency personnel and the pipeline company with further minimizing the environmental impact of the spill.

The Environmental Emergency Response section receives more than 1,600 incident reports annually on the department's 24-hour spill line. More than 300 of those calls require an on-scene response.

FOR FURTHER INFORMATION CONTACT:
James Reynolds by telephone at 202-366-2786; by fax at 202-366-4566; by mail at DOT, Pipeline and Hazardous Materials Safety Administration (PHMSA), Pipeline Safety Program (PHP), 400 7th Street, SW., Room 2103, Washington, DC 20590, or by e-mail at james.reynolds@dot.gov.

SUPPLEMENTARY INFORMATION:

Background

Alliance Pipeline L.P. requests a waiver from the pipeline regulations to operate the U.S. portion of its pipeline in Class 1 and Class 2 locations—upstream of the Aux Sable Delivery Meter Station (mile post 0.0) to its interconnection with the Canadian portion of the APL system at the Canadian/United States border near Minot, North Dakota (mile post 874)—at stress levels up to 80 percent of the pipeline's SMYS. APL is also requesting a waiver to increase the design factor for its compressor station piping as well as relief from the hydrostatic testing requirements for its compressor station piping. Specifically, APL requests a waiver of compliance from the following regulatory requirements:

- 49 CFR 192.111—Design factor (F) for steel pipe;
- 49 CFR 192.201—Required capacity of pressure relieving and limiting stations;
- 49 CFR 192.505—Strength test requirements for steel pipelines to operate at a hoop stress of 30 percent or more of SMYS; and
- 49 CFR 192.619—Maximum allowable operating pressure: Steel or plastic pipelines.

The U.S. portion of APL's pipeline system transports natural gas from the Canadian/United States border near Minot, North Dakota to the Aux Sable Delivery Meter Station near Chicago, Illinois. The U.S. pipeline system was commissioned in 2000 and is comprised of 888 miles of 36-inch diameter X70 pipes, with varying wall thicknesses, and 7 compressor stations. The pipeline was constructed using fusion bonded epoxy (FBE) coating, heavy-wall pipe, and was mechanically welded. The pipeline was in-line inspected using a high resolution magnetic flux leakage tool, and all girth welds were inspected.

Pipeline System Analysis

APL conducted evaluations of the U.S. portion of its pipeline to confirm whether the system could safely and reliably operate at increased stress levels. As part of its evaluation, APL established a feasibility criterion to assess the safety and reliability of the pipeline to operate at stress levels up to

80 percent of the pipeline's SMYS. The feasibility criterion includes, but is not limited to:

- Developing operational commitments that would improve safety for any person residing, working, or recreating near the U.S. portion of its pipeline, including approximately 15 miles of pipeline located in high consequence areas.

- Conducting in-depth assessments of its existing pipeline equipment to ensure the equipment is capable of sustaining operations at increased pressures. In addition, APL plans to modify its existing pipeline to enhance the safety and reliability of the pipeline to operate at stress levels up to 80 percent of the pipe's SMYS.

APL also performed technical reviews of its pipeline and compared the threats imposed on a pipeline operating at 72 percent SMYS to those imposed on a pipeline operating at 80 percent SMYS. The following nine threats were analyzed: (1) Excavation damage; (2) external corrosion; (3) internal corrosion; (4) stress corrosion cracking; (5) pipe manufacturing; (6) construction; (7) equipment; (8) weather/outside factors; and (9) incorrect operation.

To combat increased threats to its pipeline, APL implemented preventive measures as part of its Integrity Management Program (IMP) to mitigate the threat imposed by excavation damage. APL also developed an External Corrosion Mitigation Plan to address the threat of external corrosion, and APL will rely on the integrity reassessment intervals of IMP to mitigate the threat of internal corrosion. To manage the threat of stress corrosion cracking, APL will implement magnetic particle examinations at any location(s) along its pipeline where damage to its FBE coating is detected. Based on APL's technical review of its pipeline, and its actions to prevent and mitigate potential threats to the pipeline, APL believes that its pipeline can be safely and reliably operated at stress levels up to 80 percent of the pipeline's SMYS, with no increased threats to the pipeline.

APL also requests relief from regulations which require that compressor station piping be subjected to Class 3 testing requirements, and seeks to increase the design factor from 50 percent SMYS to 54 percent SMYS. Additionally APL asks to be allowed to use ASME B31.8 requirements to test compressor station piping to 1.4 times the maximum allowable operating pressure (MAOP) in lieu of § 192.505 requirements that require compressor station piping be tested to 1.5 times the pipe's MAOP.

APL noted that since ASME B31.8, which served as the early standard for the design, construction, and operation of natural gas transmission pipelines, PHMSA has improved its pipeline safety regulations to include an integrity management program and a focus on high consequence areas. APL also embraces PHMSA's commitment to improving pipeline safety, and believes its proposal will achieve a greater degree of safety than that currently provided by the regulations.

PHMSA will consider APL's waiver request and whether its proposal will yield an equivalent or greater degree of safety than that provided by the current regulations. After considering any comments received, PHMSA may grant APL's waiver request as proposed, with modifications and conditions, or deny APL's request. If the waiver is granted and PHMSA subsequently determines the effect of the waiver is inconsistent with pipeline safety, PHMSA may revoke the waiver at its sole discretion.

Authority: 49 U.S.C. 60118(c) and 49 CFR 1.53.

Issued in Washington, DC, on March 20, 2006.

Joy Kadnar,
Director of Engineering and Emergency Support

[FR Doc. 06-2830 Filed 3-21-06; 8:45 am]
BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-23998; Notice 1]

Pipeline Safety: Request for Waiver; Rockies Express Pipeline

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

ACTION: Notice of intent to consider waiver request.

SUMMARY: The Rockies Express Pipeline LLC (Rockies Express) has requested a waiver of compliance from the pipeline safety regulation that prescribes the design factor to be used in the design formula for steel pipe. The waiver will allow Rockies Express to operate at hoop stresses up to 80 percent specified minimum yield strength (SMYS) in Class 1 locations.

DATES: Persons interested in submitting comments regarding this waiver request must do so by April 21, 2006.

ADDRESSES: Comments should reference Docket No. PHMSA-2006-23998 and may be submitted in the following ways:

• The DOT Web site: <http://dms.dot.gov>. To submit comments on the DOT electronic docket site, click "Comment/Submissions," click "Continue," fill in the requested information, click "Continue," enter your comment, then click "Submit."

• Fax: 202-493-2251.

• Mail: Docket Management System: U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-0001.

• Hand Delivery: DOT Docket Management System; Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

• E-Gov Web site: <http://www.Regulations.gov>. This site allows the public to enter comments on any Federal Register notice issued by any agency.

Instructions for submitting comments: You should identify the docket number (PHMSA-2006-23998) at the beginning of your comments. If you submit your comments by mail, please submit two copies. If you wish to receive confirmation that PHMSA received your comments, please include a self-addressed stamped postcard. Internet users may submit comments at <http://www.regulations.gov>, and may access all comments received by DOT at <http://dms.dot.gov> by performing a simple search for the docket number.

Note: All comments will be posted without changes or edits to <http://dms.dot.gov>, including any personal information provided.

Privacy Act Statement: Anyone may search the electronic form of all comments received for any of our dockets. You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (65 FR 19477) or you may visit <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: James Reynolds by telephone at 202-368-2788; by fax at 202-368-4588; by mail at DOT, Pipeline and Hazardous Materials Safety Administration (PHMSA), Pipeline Safety Program (PHP), 400 7th Street, SW., Room 2103, Washington, DC 20590; or by e-mail at james.reynolds@dot.gov.

SUPPLEMENTARY INFORMATION:

Background

Rockies Express Pipeline LLC (Rockies Express) requests a waiver of compliance from the regulatory requirements at 49 CFR 192.111. This regulation prescribes the design factor to be used in the design formula in

§ 192.105. The design factors are found in the following table:

Class location	Design factor (F)
1	0.72
2	0.80
3	0.50
4	0.40

Rockies Express has begun construction on a 1,323-mile interstate natural gas pipeline. When complete, the 42-inch diameter pipeline will transport natural gas from Colorado and Wyoming to markets in the upper Midwest and Eastern United States. The waiver will allow Rockies Express to operate its pipeline at hoop stresses up to 80 percent SMYS in Class 1 locations. Rockies Express Pipeline LLC is a joint development of Kinder Morgan Energy Partners, L.P. and Sampa Pipelines & Storage, a unit of Sampa Energy. Rockies Express will operate its pipeline at a maximum allowable operating pressure (MAOP) of 1480 pounds per square inch gauge.

Rockies Express' long-term plan is to construct the pipeline in two or three phases from west to east: Western, Central, and Eastern.

• The Western segment of the project is comprised of approximately 710 miles of 42-inch pipeline extending from the Cheyenne Hub to an interconnection with Panhandle Eastern Pipe Line Company in Audrain County, Missouri.

• The Central segment will be comprised of approximately 425 miles of 42-inch pipelines extending from the terminus of the Western segment in Audrain County, Missouri to the Lebanon Hub in Lebanon, Ohio.

• The Eastern segment will be comprised of approximately 188 miles of 42-inch pipeline extending from the terminus of the Central segment at Lebanon, Ohio to a terminus at or near Clarington, Ohio.

System Description

The Rockies Express pipeline will be constructed of steel pipe utilizing Kinder Morgan's Material Standard M8270, X-70 and X-80 Grade High Strength, High Toughness Welded Line Pipe for High-Pressure Transmission Service. The Class 1 line pipe for the proposed Rockies Express pipeline will be API 5L Grade X80 or X70 longitudinal seam submerged arc welded pipe or helical seam welded pipe as specified in Kinder Morgan's Material Standard M8270. The pipe will be externally coated with fusion bond epoxy (FBE) and the field weld joints

will be externally coated with field applied FBE.

The welding process on Rockies Express Pipeline Project will be 100 percent nondestructively tested. Any imperfections discovered will be repaired or removed prior to putting the line in-service. The Rockies Express Pipeline will be hydrostatically tested at no less than 100 percent SMYS. Prior to commissioning the pipeline for gas service, the pipeline will be surveyed with a multi-channel geometry smart tool capable of detecting anomalies including dents and buckles.

The Rockies Express pipeline will be located in a common right-of-way with other pipelines for approximately 90 percent of the pipeline route. Kinder Morgan will install variable resistance bonds between the various pipelines and metallic structures sharing the right-of-way to eliminate stray electrical currents, and to equalize the voltage potentials between the Rockies Express pipeline and other underground metallic structures.

Risk Analysis

Kinder Morgan conducted a risk analysis for Rockies Express and compared the risk associated with using a 0.80 design criteria to using a 0.72 design criteria. Kinder Morgan determined that there is no significant increase in the risk associated with using the 0.80 design criteria for this type of pipe. Kinder Morgan has taken under consideration the following nine risk areas: (1) Stress corrosion cracking; (2) manufacturing defects; (3) weather/outside factors; (4) welding and fabrication defects; (5) equipment failure; (6) equipment impact (third party damage); (7) external corrosion; (8) internal corrosion; and (9) incorrect operation.

According to Kinder Morgan, only in the areas of external corrosion, internal corrosion, and, incorrect operation did the risk analysis show a slightly higher degree of risk associated with using a 0.80 design factor. Kinder Morgan asserts that the pipe wall designed with a 0.80 design factor indicates a slightly higher risk factor because it is manufactured with a thinner wall pipe than the pipe designed with a 0.72 design factor. Kinder Morgan further states that because the pipe designed with a 0.80 design factor operates at higher stress levels, the factor of safety between the MAOP and the pipe's SMYS is reduced. Kinder Morgan and Rockies Express indicated that they will employ several control and prevention programs to mitigate these increased risks.

For the reasons stated, Rockies Express is requesting a waiver from the regulatory requirements at 49 CFR 192.111 for its Rockies Express Pipeline Project, and is seeking to operate its new interstate Rockies Express pipeline at hoop stresses up to 80 percent SMYS in Class 1 locations.

PHMSA will consider Rockies Express' waiver request and whether its proposal will yield an equivalent or greater degree of safety than that currently provided by the regulations. After considering any comments received, PHMSA may grant Rockies Express' waiver request as proposed, with modifications and conditions, or deny the request. If the waiver is granted and PHMSA subsequently determines the effect of the waiver is inconsistent with pipeline safety, PHMSA reserves the right to revoke the waiver at any time.

Authority: 49 U.S.C. 50118(c) and 49 CFR 1.53

Issued in Washington, DC, on March 17, 2006.

Theodore L. Wilkie,

Deputy Associate Administrator for Pipeline Safety

[FR Doc. 06-2831 Filed 3-21-06; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-23448; Notice 1]

Pipeline Safety: Request for Waiver; Maritimes & Northeast Pipeline, L.L.C.

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

ACTION: Notice of intent to consider waiver request.

SUMMARY: Maritimes & Northeast Pipeline, L.L.C. (M&N) requests a waiver of compliance for the U.S. portion of its pipeline system in Class 1, 2, and 3 locations to operate at stress levels up to 80 percent; 67 percent; and 56 percent respectively, of the pipeline's specified minimum yield strength (SMYS).

DATES: Persons interested in submitting comments on the waiver request described in this Notice must do so by April 21, 2006.

ADDRESSES: Comments should reference Docket No. PHMSA-2006-23448 and may be submitted in the following ways:

- DOT Web site: <http://dms.dot.gov>.

To submit comments on the DOT electronic docket site, click "Comment/

Submissions," click "Continue," fill in the requested information, click "Continue," enter your comment, then click "Submit."

- Fax: 202-493-2251.

- Mail: Docket Management System: U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-0001.

- Hand Delivery: DOT Docket Management System; Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- E-Gov Web Site: <http://www.Regulations.gov>. This site allows the public to enter comments on any Federal Register notice issued by any agency.

Instructions: You should identify the docket number, PHMSA-2006-23448, at the beginning of your comments. If you submit your comments by mail, you should submit two copies. If you wish to receive confirmation that PHMSA received your comments, you should include a self-addressed stamped postcard. Internet users may submit comments at <http://www.regulations.gov>, and may access all comments received by DOT at <http://dms.dot.gov> by performing a simple search for the docket number.

Note: All comments will be posted without changes or edits to <http://dms.dot.gov> including any personal information provided.

Privacy Act Statement: Anyone may search the electronic form of all comments received for any of our dockets. You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (65 FR 19477) or you may visit <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: James Reynolds by telephone at 202-366-2786; by fax at 202-366-4568; by mail at DOT, Pipeline and Hazardous Materials Safety Administration (PHMSA), Pipeline Safety Program (PHP), 400 7th Street, SW., Room 2103, Washington, DC 20590; or by e-mail at james.reynolds@dot.gov.

SUPPLEMENTARY INFORMATION:

Background

Maritimes & Northeast Pipeline, L.L.C. requests a waiver of compliance for the U.S. portion of its pipeline system in Class 1, 2, and 3 locations to operate at stress levels up to 80 percent; 67 percent; and 56 percent respectively, of the pipeline's SMYS. Specifically, M&N requests a waiver of compliance

from the following regulatory requirements:

- 49 CFR 192.111—Design factor (F) for steel pipe;
- 49 CFR 192.201—Required capacity of pressure relieving and limiting stations;
- 49 CFR 192.503—General Requirements;
- 49 CFR 192.611—Change in class location: Confirmation or revision of maximum allowable operating pressure; and
- 49 CFR 192.619—Maximum allowable operating pressure: Steel or plastic pipelines.

The proposed waiver would apply to approximately 203 miles of M&N's 24-inch diameter pipeline. This portion of pipeline extends from M&N's Baileyville, Maine compressor station near the U.S./Canada border to Westbrook, Maine; and includes two compressor stations. The current maximum allowable operating pressure (MAOP) of the mainline system is 1440 pounds per square inch gauge (psig).

M&N placed its pipeline in service on December 1, 1998. The pipeline is operated by M&N Operating Company, LLC—a wholly owned subsidiary of Duke Energy Gas Transmission. The pipeline is 24-inch diameter, Grade X-70 pipe with varying wall thicknesses. One hundred percent of the pipeline's girth welds were inspected using radiography, and the pipeline—including girth welds—are coated with fusion bonded epoxy. M&N tested the Class 1 and 2 pipelines to 125 percent MAOP; the Class 3 pipeline was tested to 150 percent MAOP. In addition, M&N performed an in-line inspection of its pipeline in 2002 and no anomalies were detected.

Pipeline System Analysis

M&N conducted evaluations of the U.S. portion of its pipeline to confirm whether the system could safely and reliably operate at increased stress levels. As part of its evaluation, M&N analyzed and compared the threats imposed on a pipeline operating at 72 percent SMYS to those imposed on a pipeline operating at 80 percent SMYS, including: (1) External corrosion; (2) internal corrosion; (3) stress corrosion cracking; (4) pipe manufacturing; (5) construction; (6) equipment; (7) immediate failure due to puncture; (8) delayed failure due to resident defects or damage; (9) incorrect operation; and (10) weather/outside factors. M&N asserts that any impact(s) that potentially threaten the integrity of its pipeline, as a consequence of the line operating at higher stress levels, have been addressed.

Dated: July 5, 2006.
Murray Bloom,
Acting Secretary, Maritime Administration.
[FR Doc. E6-10756 Filed 7-10-06; 8:45 am]
BILLING CODE 4910-01-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA 2006-24707; Notice 2]

Pilkington Glass of Canada Ltd., Grant of Petition for Decision of Inconsequential Noncompliance

Pilkington Glass of Canada Ltd. (Pilkington) has determined that certain aftermarket windshields that it manufactured in 2005 and 2006 do not comply with S6.2 and S6.3 of 49 CFR 571.205, Federal Motor Vehicle Safety Standard (FMVSS) No. 205, "Glazing Materials." Pursuant to 49 U.S.C. 30118(d) and 30120(b), Pilkington has petitioned for a determination that this noncompliance is inconsequential to motor vehicle safety and has filed an appropriate report pursuant to 49 CFR part 573, "Defect and Noncompliance Reports." Notice of receipt of a petition was published, with a 30-day comment period, on May 19, 2006, in the Federal Register (71 FR 29214). NHTSA received no comments.

Affected are a total of approximately 760 aftermarket number GW1549GBY windshields manufactured between September 9, 2005 and March 31, 2006. Pilkington explains that the exact number of noncompliant windshields is unknown, but that 8.1 percent of the windshields that remain in the company's possession are noncompliant, and applying that percentage to the 9,383 windshields that have been distributed produces a result of approximately 760 windshields. S6.2 and S6.3 of FMVSS No. 205 require that each windshield be marked with certain information including a manufacturer's model number and manufacturer's code mark. The affected windshields are marked with either an illegible model number or an illegible manufacturer's code. Pilkington has corrected the problem that caused these errors so that they will not be repeated in future production.

Pilkington believes that the noncompliance is inconsequential to motor vehicle safety and that no corrective action is warranted. The petitioner states that the windshields are clearly inscribed "Pilkington" and "Made in Canada," which would allow a distributor or consumer to clearly identify the manufacturer. Pilkington

further states that consumers do not need the illegible information to operate their vehicles safely, and "repair shops typically do not use the model number in deciding upon the size or model of the replacement glass. Instead, [they] generally use various manuals and web sites . . . such as . . . National Auto Glass Specifications." Pilkington also states that it has taken action to prevent additional sales of these windshields by notifying wholesalers and distributors to return windshields with the noncompliant markings.

NHTSA agrees with Pilkington that the noncompliance is inconsequential to motor vehicle safety. The manufacturer can be identified by the words "Pilkington" and "Made in Canada," which are inscribed on the windshield. To identify the proper replacement glass, a repair facility would presumably follow the typical practice of using references such as the National Auto Glass Specifications web site and manuals. Therefore this noncompliance does not present a safety problem in terms of replacement or recall. The windshields meet all other FMVSS requirements.

In consideration of the foregoing, NHTSA has decided that the petitioner has met its burden of persuasion that the noncompliance described is inconsequential to motor vehicle safety. Accordingly, Pilkington's petition is granted and the petitioner is exempted from the obligation of providing notification of, and a remedy for, the noncompliance.

Authority: (49 U.S.C. 30118, 30120; delegations of authority at CFR 1.50 and 501.5)

Issued on July 5, 2006.
Daniel C. Smith,
Associate Administrator for Enforcement.
[FR Doc. E6-10763 Filed 7-10-06; 8:45 am]
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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-23998; Notice 2]

Pipeline Safety: Grant of Waiver; Rockies Express Pipeline

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

ACTION: Grant of waiver.

SUMMARY: PHMSA is granting Rockies Express Pipeline, L.L.C. (Rockies Express) a waiver of compliance from the pipeline safety regulation that

prescribes the design factor to be used in the design formula for steel pipe. This waiver allows the Rockies Express pipeline to operate at hoop stresses up to 80 percent of the specified minimum yield strength (SMYS) in Class 1 locations. The waiver also grants Rockies Express relief from equipment requirements for pressure relieving and limiting stations.

Before granting the waiver, PHMSA performed a thorough technical review of Rockies Express's application and supporting documents. PHMSA requested and received supplementary information pertaining to numerous technical aspects of its metallurgy, pipeline design, and engineering practices. These materials are available in the docket PHMSA-2006-23998 at <http://dms.dot.gov>. PHMSA also sought comments from the public and received positive feedback from the impacted States along the pipeline and the Technical Pipeline Safety Standards Committee.

The waiver is subject to and conditional upon supplemental safety criteria set forth in this notice. The supplemental safety criteria address the life cycle management of the subject pipeline and require Rockies Express to adhere to maintenance, inspection, monitoring, control, and reporting standards exceeding existing regulatory requirements.

SUPPLEMENTARY INFORMATION:

Background

Rockies Express is a joint development of Kinder Morgan Energy Partners, L.P. and Sempra Pipelines & Storage, a subsidiary of Sempra Energy.

Rockies Express is obtaining regulatory approvals to construct a new 1,323-mile interstate natural gas pipeline. When it is complete, the 42-inch diameter pipeline will transport natural gas from basins in Colorado and Wyoming to markets in the upper Midwest and Eastern United States. The pipeline will cross portions of Wyoming, Colorado, Nebraska, Missouri, Illinois, Indiana, and Ohio.

Rockies Express plans to construct the pipeline in three phases. The first or western segment of the pipeline will be approximately 710 miles long. It will start at the hub in Cheyenne, Wyoming and extend to an interconnection with the Panhandle Eastern Pipe Line Company in Audrain County, Missouri. Four additional compressor stations will be installed at the Cheyenne Hub to support operations. The second or central segment of the pipeline will be approximately 425 miles long and extend from the terminus of the western segment of the pipeline in Audrain

County, Missouri to the hub in Lebanon, Ohio. The final or eastern segment of the pipeline will be approximately 188 miles long and extend from the Lebanon Hub terminus to a point at or near Clarington, Ohio.

Rockies Express' Waiver Requests

Rockies Express requests a waiver of compliance from the following regulatory requirements:

- 49 CFR 192.111—Design Factor (F) for Steel Pipe; and
- 49 CFR 192.201—Required Capacity of Pressure Relieving and Limiting Stations.

The design factors are found in the following table:

Class location	Design factor (F)
1	0.72
2	0.80
3	0.80
4	0.40

The waiver request is for approximately 1,323 miles of 42-inch diameter pipe located within the United States. The waiver will allow Rockies Express to:

(1) Operate its new pipeline at hoop stresses up to 80 percent of SMYS in Class 1 locations, and at a maximum allowable operating pressure (MAOP) of 1,480 pounds per square inch gauge.

(2) Operate each pressure relief station installed to protect pipelines in Class 1 locations at pressures that may not exceed the MAOP plus 4 percent, or the pressure that produces a hoop stress of 83 percent of SMYS, whichever is lower at that time.

The pipe to be used for the Rockies Express pipeline will be either a longitudinal seam submerged arc welded pipe or a helical seam submerged arc welded pipe. The pipe also will be API Grades X80 and X70, and high-strength and high-toughness steel pipe, suitable for high-pressure gas transmission service. The Rockies Express pipeline will be 42 inches in diameter, coated externally with fusion-bonded epoxy (FBE), and be protected by an impressed current cathodic protection (CP) system. The field weld joints will be externally coated with field applied FBE.

All welds on the Rockies Express pipeline will be nondestructively tested. If any weld imperfections are discovered, they will be repaired or removed prior to putting the line in service. The Rockies Express pipeline also will be hydrostatically tested to a minimum of 100 percent of SMYS. Prior

to commissioning the pipeline for gas service, it will be surveyed with a multi-channel geometry-smart-tool capable of detecting anomalies including dents and buckles. Approximately 90 percent of the Rockies Express pipeline will be located in Class 1 areas in a common right-of-way with other pipelines. Further, Kinder Morgan will install variable resistance bonds between the various pipelines and metallic structures sharing the right-of-way to eliminate stray electrical currents, and to equalize the voltage potentials between Rockies Express and other underground metallic structures.

Kinder Morgan conducted a risk analysis for Rockies Express and compared the risks associated with using a 0.80 design criteria to using a 0.72 design criteria. The risk analysis considered risks in the following nine areas: (1) Stress corrosion cracking; (2) manufacturing defects; (3) weather/outside factors; (4) welding and fabrication defects; (5) equipment failure; (6) equipment impact or third-party damage; (7) external corrosion; (8) internal corrosion; and (9) incorrect operation.

From the risk analysis results Kinder Morgan determined that there was no significant increase in the overall risk associated with using the 0.80 design criteria for this type of pipe. Moreover, according to Kinder Morgan, only in the areas of external corrosion, internal corrosion, and incorrect operation did the risk analysis show a slightly higher degree of risk associated with using a 0.80 design factor. A pipe wall designed with a 0.80 design factor results in a slightly higher risk factor because it is manufactured with a thinner wall pipe than the pipe designed with a 0.72 design factor; therefore, the pipe designed with a 0.80 design factor operates at higher stress levels. Consequently, the factor of safety between the MAOP and the pipe's SMYS is reduced. Rockies Express indicated that they will employ several control and prevention programs to mitigate these increased risks.

Grant of Waiver

PHMSA considered Rockies Express' waiver request and whether its proposal will yield an equivalent or greater degree of safety than the current regulations. PHMSA published a notice of intent to consider the waiver and solicited comments on March 22, 2006 (71 FR 14573). No comments were received.

Based on the Rockies Express' application for waiver for its new pipeline and PHMSA's extensive technical analysis and favorable

feedback from the impacted States and the Technical Pipeline Safety Standards Committee, PHMSA hereby grants Rockies Express' waiver request with the following supplemental safety criteria:

Pipe and Material Quality

1. **Steel Properties:** The skelp/plate must be micro alloyed, fine grain, fully killed steel with calcium treatment and continuous casting.

2. **Manufacturing Standards:** The pipe must be manufactured according to American Petroleum Institute (API) standard 5L, product specification level (PSL) 2, and supplementary requirements (SR) for maximum operating pressures and minimum operating temperatures. Pipe carbon equivalents must be at or below 0.25 based on the material chemistry parameter (Pcm) formula.

3. **Fracture Control:** The API standard 5L and other standards address steel pipe toughness properties needed to resist initiation and propagation, and arrest (stop) a pipeline failure caused by a fracture. Rockies Express must institute an overall fracture control plan addressing steel pipe properties necessary to resist and arrest this condition within 6 pipe joints. The plan must include acceptable Charpy Impact and Drop Weight Tear Test values, which are measures of a steel pipeline's toughness and resistance to fracture.

The fracture control plan must also be in accordance with API standard 5L, Appendix F and must include the following tests:

- (a) SR 5A—Fracture Toughness Testing for Shear Area: Test results must be at least 80 percent of the minimum average shear area for all heats with a minimum result of 80 percent shear area for any single test;
- (b) SR 5B—Fracture Toughness Testing for Absorbed Energy; and
- (c) SR 6—Fracture Toughness Testing by Drop Weight Tear Test: Test results must be at least 80 percent of the average shear area for all heats with a minimum result of 60 percent of the shear area for any single test.

The above fracture initiation, propagation and arrest plan must account for the entire range of pipeline operating temperatures, pressures and gas compositions planned for the pipeline diameter, grade, and operating stress level associated with this waiver.

4. **Steel Plate Quality Control:** The steel mill and/or pipe rolling mill must incorporate a comprehensive plate/coil mill and pipe mill inspection program to check for defects and inclusions that could affect the pipe quality. This program must include a plate (body and

all ends) ultrasonic testing (UT) inspection program to check for imperfections such as laminations.

An inspection protocol for centerline segregation evaluation using a test method referred to as slab macro-etching must be employed to check for inclusions that may form as the steel plate cools after it has been cast. A minimum of one macro-etch test must be performed from the first heat (manufacturing run) of each sequence (approximately 4 heats) and graded on the Mannesmann scale or equivalent. Test results with a Mannesmann scale rating of one or two out of a possible five are acceptable.

5. **Pipe Seam Quality Control:** A quality assurance program must be instituted for pipe weld seams. The pipe weld seam tests must meet the minimum requirements for tensile strength in API standard 5L for the appropriate pipe grade properties.

A pipe weld seam hardness test using the Vickers hardness testing of a cross-section from the weld seam must be performed on one length of pipe from each heat. The maximum weld seam and heat affected zone hardness must be a maximum of 280 Vickers hardness. The hardness tests must include a minimum of 3 readings for each heat affected zone, 3 readings in the weld metal, and 2 readings in each section of pipe base metal for a total of 13 readings.

The pipe weld seam must be 100 percent ultrasonically tested after expansion and hydrostatic testing per API standard 5L.

6. **Puncture Resistance:** Steel pipe will be puncture resistant to 35 ton. Puncture resistance will be calculated based on industry established calculations such as the Pipeline Research Council International's "Reliability Based Prevention of Mechanical Damage to Pipelines" calculation method.

7. **Mill Hydrostatic Test:** The pipe must be subjected to a mill hydrostatic test pressure of 95 percent SMYS or greater for 10 seconds.

8. **Pipe Coating:** The application of a corrosion resistant coating to the steel pipe must be subject to a coating application quality control program. The program must address pipe surface cleanliness standards, blast cleaning, application temperature control, adhesion, cathodic disbondment, moisture permeation, bending, minimum coating thickness, coating imperfections, and coating repair.

9. **Field Coating:** A field girth weld joint coating application specification and quality standards to ensure pipe surface cleanliness, application

temperature control, adhesion quality, cathodic disbondment, moisture permeation, bending, minimum coating thickness, holiday detection, and repair quality must be implemented in field conditions. Field joint coatings must be non-shielding to CP. Field coating applicators must use valid coating procedures and be trained to use these procedures.

10. **Coatings for Trenchless Installation:** Coatings used for directional bore, slick bore, and other trenchless installation methods must resist abrasions and other damages that may occur due to rocks and other obstructions encountered in this installation technique.

11. **Bends Quality:** Certification records of factory induction bends and/or factory weld bends must be obtained and retained. All bends, flanges, and fittings must have carbon equivalents (CE) below 0.42 or a pre-heat procedure prior to welding for CE above 0.42.

12. **Fittings:** All pressure rated fittings and components (including flanges, valves, gaskets, pressure vessels, and compressors) must be rated for a pressure rating commensurate with the MAOP and class location of the pipeline. Designed fittings (including tees, elbows and caps) must have the same design factors as the adjacent pipe class location.

13. **Design Factor—Stations:** Compressor and meter stations must be designed using a design factor of 0.50 in accordance with § 192.111.

14. **Temperature Control:** The compressor station discharge temperature must be limited to 120° Fahrenheit or a temperature below the maximum long-term operating temperature for the pipe coating.

15. **Overpressure Protection Control:** Mainline pipeline overpressure protection must be limited to a maximum of 104 percent MAOP.

16. **Welding Procedures:** Automated or manual welding procedure documentation must be submitted to the appropriate PHMSA regional office. The PHMSA's regional office must be notified within 14 days before welding procedure qualification activities.

17. **Depth of Cover:** The soil cover must be a minimum of 36 inches except in areas where threats from chisel plowing or other activities require the top of the pipeline to be installed one foot below the deepest penetration.

Construction

18. **Construction Quality:** A construction quality assurance plan to ensure quality standards and controls must be maintained throughout the construction phase with respect to:

Inspection, pipe hauling and stringing, field bending, welding, non-destructive examination (NDE) of girth welds, field joint coating, pipeline coating integrity tests, lowering of the pipeline in the ditch, padding materials to protect the pipeline, backfilling, alternating current (AC) interference mitigation and CP systems. All girth welds must be non-destructively examined by radiography or alternative means. The NDE examiner must have all required certifications that are current.

19. **Interference Currents Control:** Control of induced AC from parallel electric transmission lines and other interference issues that may affect the pipeline must be incorporated into the design of the pipeline and addressed during the construction phase. Issues identified and not originally addressed in the design phase must be brought to PHMSA's attention. An induced AC program to protect the pipeline from corrosion caused by stray currents must be in place within six months after placing the pipeline in service.

Pre-In Service Hydrostatic Pressure Test

20. **Test Level:** The pre-in service hydrostatic test must be to a pressure producing a hoop stress on 0.8 designed class 1 pipe of at least 100 percent SMYS and 1.25 X MAOP.

21. **Assessment of Test Failures:** Any pipe failure occurring during the pre-in service hydrostatic test must undergo a root cause failure analysis to include a metallurgical examination of the failed pipe. The results of this examination must preclude a systemic pipeline material issue and the results must be reported to PHMSA headquarters and the appropriate PHMSA regional office.

Supervisory Control and Data Acquisition (SCADA)

22. **SCADA System Capabilities:** A SCADA system to provide remote monitoring and control of the entire pipeline system must be employed.

23. **Mainline Valve Control:** Mainline valves that reside on either side of pipeline segment containing a High Consequence Area (HCA) where personnel response time to the valve exceeds one (1) hour must be remotely controlled by the SCADA system. The SCADA system must be capable of opening and closing the valve and monitoring the valve position, upstream pressure and downstream pressure. As an alternative, a leak detection system for mainline valve control is acceptable.

24. **SCADA Procedures:** A detailed procedure for establishing and maintaining accurate SCADA set points must be established to ensure the

pipeline operates within acceptable design limits at all times.

Operations and Maintenance

25. **Leak Reporting:** Rockies Express must notify the appropriate PHMSA regional office within 24 hours of any non-reportable leaks occurring on the pipeline.

26. **Annual Reporting:** Following approval of the waiver, Rockies Express must annually report the following:

- The results of any in-line inspection (ILI) or direct assessment results performed within the waiver area during the previous year;
- Any new integrity threats identified within the waiver area during the previous year;
- Any encroachment in the waiver area, including the number of new residences or public gathering areas;
- Any reportable incidents associated with the waiver area that occurred during the previous year;
- Any leaks on the pipeline in the waiver area that occurred during the previous year;
- A list of all repairs on the pipeline in the waiver area made during the previous year;
- On-going damage prevention initiatives on the pipeline in the waiver area and a discussion of their success; and
- Any company mergers, acquisitions, transfers of assets, or other events affecting the regulatory responsibility of the company operating the pipeline to which this waiver applies.

27. **Pipeline Inspection:** The pipeline must be capable of passing ILI. All headers and other segments covered under this waiver that do not allow the passage of an ILI device must have a corrosion mitigation plan.

28. **Gas Quality Monitoring and Control:** An acceptable gas quality monitoring and mitigation program must be instituted to not exceed the following limits:

- a. H₂S (4 grains maximum);
- b. CO₂ (3 percent maximum);
- c. H₂O (less than or equal to 7 pounds per million standard cubic feet and no free water); and
- d. Other deleterious constituents that may impact the integrity of the pipeline must be instituted.

Filters/separators must be installed at locations where gas is received into the pipeline to minimize the entry of contaminants and to protect the integrity of downstream pipeline segments.

Gas quality monitoring equipment must be installed to permit the operator to manage the introduction of

contaminants and free liquids into the pipeline.

29. **Cathodic Protection:** The initial CP system must be operational within 12 months of placing the pipeline in service.

30. **Interference Current Surveys:** Interference surveys must be performed within six months of placing the pipeline in service to ensure compliance with applicable NACE International (NACE) standards (Recommended Practice (RP) 0169 and RP 0177) for interference current levels.

31. **Corrosion Surveys:** Corrosion surveys of the affected pipeline must be completed within six months of placing the respective CP system(s) in operation to ensure CP in accordance with the NACE standard RP 0169, paragraphs 6.2 and 6.3, test stations, AC interference mitigation, and AC grounding programs (NACE standard RP 0177) are being implemented along the pipeline.

32. **Verification of Cathodic Protection:** A close interval survey (CIS) must be performed in concert with ILI in accordance with subpart O reassessment intervals for all HCA pipeline mileage. If any annual test point readings fall below subpart I requirements, remediation must be performed and must include a CIS on either side of the affected test point to ensure corrosion control.

33. **Pipeline Markers:** Rockies Express must employ line-of-sight markings on the pipeline in the waiver area except in agricultural areas, subject to Federal Energy Regulatory Commission permits or environmental permits and local restrictions.

34. **Pipeline Patrolling:** Pipeline patrolling must be conducted at least monthly to inspect for excavation activities, ground movement, wash-outs, leakage, and/or other activities and conditions affecting the safe operation of the pipeline.

35. **Monitoring of Ground Movement:** An effective monitoring/mitigation plan must be in place to monitor for and mitigate issues of unstable soil and ground movement.

Integrity Management

36. **Review of Risk Assessment Calculations:** A copy of the G-FER PIRAMID risk analysis report regarding the pipe subject to this waiver must be submitted to PHMSA Headquarters.

37. **Initial ILI:** A baseline ILI must be performed in association with the construction of the pipeline using a high-resolution Magnetic Flux Leakage (MFL) tool within three years of placing a pipeline segment in service. A geometry tool must be launched either prior to placing the pipeline in service,

or no later than six months after placing the pipeline in service.

38. **Future ILI:** A second high-resolution MFL inspection must be performed and completed on the pipe subject to this waiver within the first reassessment interval required by subpart O, regardless of HCA classification. Future ILI must be performed on a frequency consistent with subpart O for the entire pipeline covered by this waiver.

39. **Direct Assessment Plan:** Headers, mainline valve bypasses, and other sections covered by this waiver that cannot accommodate ILI tools must be part of a Direct Assessment (DA) plan or other acceptable integrity monitoring method.

40. **Initial CIS:** A CIS must be performed on the pipeline within one year of completion of the installation of CP systems. The CIS results must be integrated with the baseline ILI to determine whether further action is needed.

41. **Damage Prevention Program:** Common Ground Alliance's damage prevention best practices must be incorporated into the Rockies Express damage prevention program.

42. **Class 2 and 3 Pipe:** Pipe installed in Class 2 and Class 3 locations must use stress factors of 0.60 and 0.50 as required in § 192.111. Pipe in road and railroad crossings must meet the requirements of § 192.111.

43. **Anomaly Evaluation and Repair:** Anomaly evaluations and repairs must be performed based upon the following:

- **Anomaly Response Time**
 - Any anomaly with a failure pressure ratio (FPR) equal to or less than 1.1 must be treated as an "immediate" per subpart O.
 - Any anomaly with an FPR equal to or less than 1.25 must be remediated within 12 months per subpart O.
 - Any anomaly with an FPR greater than 1.25 must have a remediation schedule per subpart O.
- **Anomaly Repair Criteria**
 - Segments operating at MAOP equal to 80 percent stress level—any anomaly evaluated and found to have an FPR equal to or less than 1.25 must be repaired.
 - Segments operating at MAOP equal to 80 percent stress level—any anomaly evaluated and found to have an FPR equal to or less than 1.50 must be repaired.
 - Segments operating at MAOP equal to 56 percent stress level—any anomaly evaluated and found to have an FPR equal to or less than 1.80 must be repaired.
- a. All other pipe segments with anomalies not repaired must be

reassessed according to subpart O and the American Society of Mechanical Engineers (ASME) standard B31.8S requirements. Each anomaly not repaired must have a corrosion growth rate and ILI tool tolerance assigned to it per the Gas Integrity Management Program (IMP) to determine the maximum re-inspection interval.

b. Rockies Express must confirm the remaining strength (R-STRENG) effective area method, R-STRENG—D.85dL, and ASME standard B31C assessment methods are valid for their pipe diameter, wall thickness, grade, operating pressure, operating stress level, and operating temperature. If it is not valid, Rockies Express must confirm a valid evaluation method to PHMSA. Until confirmation of the previously mentioned anomaly assessment calculations has been performed, Rockies Express must use the most conservative of the calculations for anomaly evaluation.

c. Dents must be evaluated and repaired per § 192.309(b)(ii) and § 192.933(d)(i)(ii).

44. Preliminary Criteria Reporting: A preliminary report describing the results, completion dates and status of the supplementary requirements must be completed for the western and eastern segments of the pipeline and submitted to PHMSA Headquarters and the appropriate PHMSA regional office prior to commencing construction of each segment.

45. Criteria Completion Reporting: A report describing results, completion dates and status of the outstanding supplementary requirements must be submitted to PHMSA Headquarters and the appropriate regional office within 180 days after completion of the western pipeline segment. A similar report must be completed within 180 days of completion of the eastern segment and submitted to PHMSA Headquarters and the appropriate PHMSA regional office.

A follow-up report must be submitted for the western and eastern segments after the baseline ILI run has been performed with assessment and integration of the results. A final report must be submitted upon completion of the second ILI run for the western and eastern segments. These reports must be submitted to PHMSA Headquarters and the appropriate PHMSA regional office.

46. Potential Impact Radius Calculation Updates: If the pipeline operating pressures and gas quality are determined to be outside the parameters of the C-FER Study, a new study with the updated parameters must be incorporated into the IMP.

If at anytime PHMSA determines the effect of the waiver is inconsistent with

pipeline safety, PHMSA will revoke the waiver at its sole discretion.

Authority: 49 U.S.C. 60118 (c) and 49 CFR 1.53.

Issued in Washington, DC, on July 5, 2006.
Theodore L. Willka,
Deputy Associate Administrator for Pipeline Safety.
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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2005-2267; Notice 2]

Pipeline Safety: Grant of Waiver; Alliance Pipeline LP.

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA) DOT.

ACTION: Grant of Waiver.

SUMMARY: PHMSA is granting Alliance Pipeline LP (APL) a waiver of compliance from certain PHMSA regulations for the United States portion of its pipeline system. This waiver increases the maximum allowable operating pressure (MAOP) for its pipeline. It also increases the design factor for its compressor station piping, grants relief from the hydrostatic testing requirements for its compressor station piping, and grants relief from equipment requirements for pressure relieving and limiting stations.

Before granting the waiver, PHMSA performed a thorough technical review of APL's application for waiver and supporting documents. PHMSA requested and received supplementary information pertaining to numerous technical aspects of APL's design, engineering, operations, and maintenance practices. PHMSA also sought comments from the public and received positive feedback from the impacted States along the pipeline and the Technical Pipeline Safety Standards Committee.

The waiver is subject to and conditional upon supplemental safety criteria set forth in this notice. The supplemental safety criteria address the life cycle management of the subject pipeline and require the operator to adhere to maintenance, inspection, monitoring, control, and reporting standards exceeding existing regulatory requirements.

SUPPLEMENTARY INFORMATION:

Background

The United States portion of APL's system was commissioned in 2000 and

consists of approximately 888 miles of transmission pipeline in North Dakota, Minnesota, Iowa, and Illinois. APL transports natural gas from the Canadian/United States border near Minot, North Dakota to the Aux Sable Delivery Meter Station near Chicago, Illinois where natural gas liquids such as ethane, butane, propane, and other liquids are separated out from the gas stream. The natural gas is then transported about 13 miles to various metering facilities. The APL system includes seven compressor stations.

The APL system is constructed from 36-inch, Grade X70 high pressure steel pipe with three wall thicknesses: 0.622 inches, 0.745 inches, and 0.895 inches. The pipelines are mechanically welded, coated with multi-layered, fusion-bonded, non-shielding epoxy, and are protected by an impressed current cathodic protection system.

During construction of the APL pipeline, all girth welds were subjected to volumetric inspection to verify weld quality. Further, in 2005, APL inspected the pipeline using a high-resolution Magnetic Flux Leakage (MFL) in-line inspection (ILI) tool. The operator used this technology to look for anomalies that could impact the integrity and safety of the pipeline. No anomalies were found.

APL's Waiver Requests

APL requests a waiver of compliance from the following regulatory requirements:

- 49 CFR 192.111—Design Factor (F) for Steel Pipe;
- 49 CFR 192.201—Required Capacity of Pressure Relieving and Limiting Stations;
- 49 CFR 192.505—Strength Test Requirements for Steel Pipeline to Operate at a Hoop Stress of 30 percent or more of SMYS; and
- 49 CFR 192.619—Maximum Allowable Operating Pressure: Steel or Plastic Pipelines.

The waiver request is for approximately 874.7 miles of 36-inch diameter pipe located in the United States between the Canadian border at Milepost 0.0 and the inlet of Aux Sable Delivery Meter Station near Chicago, Illinois at Milepost 874.7. In the document, we refer to this segment as the area of waiver.

The waiver application involves six specific requests:

- (1) Increase the stress level from 72 percent of SMYS, corresponding to 1740 psig, to 80 percent of SMYS, corresponding to 1935.1 psig from the Canadian border at Milepost 0.0 to the inlet of the Aux Sable Delivery Meter