

IDAHO PUBLIC  
UTILITIES COMMISSION

## **THE PETITION**

According to its Petition, Intermountain Gas seeks a waiver of the federal pipeline safety rule that requires each operator to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of corrosion at least once every three years. This requirement is set forth in 49 C.F.R. § 192.481(a). The Commission adopted this federal regulation with IDAPA 31.11.01.201.

The Company states it is requesting the waiver only for residential meters. Separate code requires yearly routine maintenance on its commercial and large volume meters, and consequently the atmospheric corrosion inspections are done along with the required yearly maintenance. The Application states that in July 2003, the Company installed automated meter reading (AMR) systems for residential and commercial meters. Prior to July 2003, meter readers, on foot, would perform a visual inspection of the above ground facilities in conjunction with their meter reads. With the Company's implementation of AMR there is no longer any regular maintenance need or requirement to visit each residential meter on an annual basis.

Intermountain Gas states it has never experienced atmospheric corrosion or safety-related conditions resulting from atmospheric corrosion on its residential or commercial meters in the entire history of its operations, dating back to 1955. The Company states that the dry, arid environment in which it operates as well as the fact that the entire steel pipeline is cathodically protected is the reason they have not experience any corrosion in the last 50 years.

As a condition of the waiver, Intermountain Gas proposes to perform the atmospheric corrosion inspection of residential meters and associated piping in conjunction with the appropriate business district or non-business district leak survey schedule. The Company states that non-business district leak surveys are performed every four years, and business district leak surveys are conducted annually. The Company states that approval of the waiver to allow the atmospheric corrosion inspections to coincide with the annual business district and four year non-business district leak survey schedules will help the Company to maximize operating efficiencies without jeopardizing corrosion safety requirements.

## **STAFF REVIEW**

Commission Staff has reviewed the Petition for Waiver filed by Intermountain Gas. Current regulations require the Company to inspect residential meters and associated piping for evidence of atmospheric corrosion at least once every three years, but with intervals not exceeding

39 months. As a condition of the waiver, the Company proposes to perform the atmospheric corrosion inspection of residential meters in conjunction with the appropriate business district or non-business district leak survey schedule. Regulations require business district leak surveys be performed once each calendar year with intervals not exceeding 15 months, and that non-business district leak surveys be performed at least once every five years, with intervals not exceeding 63 months. It is Intermountain Gas Company's current practice to conduct the non-business district leak surveys every four years, which more than meets the requirement in the rule.

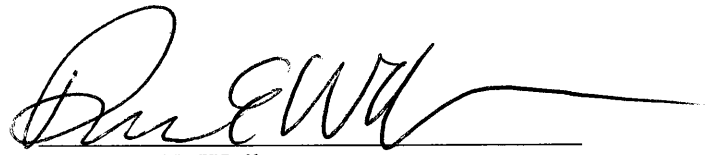
Commission Staff has been inspecting Intermountain Gas Company's facilities since 2001, and has not found any incidents of atmospheric corrosion on residential meters or associated piping. The Staff has only inspected a small portion of the Company's meters in comparison to their total number, but has looked at meters across their entire distribution system.

Intermountain Gas Company states in its waiver request that it has never experienced atmospheric corrosion or safety related conditions resulting from atmospheric corrosion on any of its residential or commercial meters during the history of its operation dating back to 1955. They credit this as a direct result of the dry and arid environment in which the Company operates, and the fact that their entire steel pipeline system has been cathodically protected. The Staff's inspection experience would support the Company's assessment. Staff believes that enlarging the inspection frequency from once every three years to once every four years, as the Company has requested, does not pose a significant threat to the safety of the pipelines.

#### **STAFF RECOMMENDATION**

Staff recommends approval of Intermountain Gas Company's request to couple atmospheric corrosion inspections of residential meters and associated exposed piping with the Company's annual business district and four year non-business district leak survey schedule. Staff recommends that the Commission authorize the Company to deviate from the requirement of once every three years, with intervals not to exceed 39 months, and order that the Company perform the atmospheric corrosion inspection, at a minimum, once every four years, with intervals not to exceed 51 months, for its residential meters.

Respectfully submitted this 25<sup>th</sup> day of October 2005.

A handwritten signature in black ink, appearing to read "Don E Walker", with a long horizontal flourish extending to the right.

Donovan E. Walker  
Deputy Attorney General

Technical Staff: Bud Barthlome

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25<sup>TH</sup> DAY OF OCTOBER 2005, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. INT-P-05-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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CERTIFICATE OF SERVICE