U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

JAN 0 7 2014

1200 New Jersey Avenue SE
Washington, DC 20590

Mr. Steve Allen
Director, Pipeline Safety Division
State of Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 East
Indianapolis, Indiana 46204-3419

PHMSA-2013-0247

Dear Mr. Allen:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of October 30, 2013, providing notification that the State of Indiana Utility Regulatory Commission (IURC) intends to issue a state waiver to the City of Huntingburg, Indiana Municipal Gas Utility (Huntingburg – IURC Cause #44342), contingent upon PHMSA's approval. The waiver allows the 4-inch steel distribution pipeline to operate at a maximum allowable operating pressure (MAOP) of 200 pounds per square inch (psi) until a verifiable MAOP can be determined. In order to determine a verifiable MAOP, the operator needs to conduct pipe excavations to determine wall thickness to comply with 49 CFR § 192.619(a)(1) and a pressure test to meet the requirements of § 192.619(a)(2) and 170 IAC 5-2-2(7).

The 4-inch pipeline consists of approximately 8.4 miles of pipe originating at a purchase meter station with Midwest Gas Transmission Company near Stendal, Pike County, Indiana and ending at a pressure reducing station near the intersection of County Road 750 South and County Road 500 West in Dubois County, Indiana.

The City of Huntingburg requested this waiver to operate the pipeline segment at 200 psi until a verifiable MAOP can be established. PHMSA does not object to the waiver to operate the pipeline segment up to 200 psi. The MAOP determination for design pressure (including confirmation of material properties) and pressure test prior to raising the pressure above 200 psi should be performed and compliance demonstrated in accordance with §§ 192.619(a)(1), 192.619(a)(2), and 170 IAC 5-2-2(7). The requirements of § 192.619(a)(1) for the confirmation of design pressure and § 192.619(a)(2) for a pressure test are as noted below:

- **MAOP Determination for § 192.619(a)(1) – Design Pressure**
  - Confirm the pipe and fitting properties (diameter, wall thickness, grade, and seam type through destructive or non-destructive tests) and class location design factor to meet the MAOP as required in §§ 192.619(a)(1) and 192.105.
  - Confirm the pressure rating of valves, flanges, and other pipeline segment components are commensurate with the pipeline segment MAOP.

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- **MAOP Determination for § 192.619(a)(2) – Pressure Test**
  Conduct pressure test or pressure reduction as required in (1) or (2) below:
  - **(1) Method 1: Pressure test.**
    (i) Notwithstanding the operating hoop stress at which the segment operates, perform a pressure test in accordance with § 192.505(c). Maximum allowable operating pressure must be established using the test pressure divided by the greater of either: 1.25 or the applicable class location factor in § 192.619(a)(2)(ii).

  - **(2) Method 2: Pressure Reduction** - Reduce the pipeline MAOP to no greater than the highest actual operating pressure sustained by the pipeline during the past 18 months divided by the greater of either: 1.25 or the applicable class location factor in § 192.619(a)(2)(ii). The highest actual sustained pressure must have been reached for a minimum cumulative duration of 8 hours during a continuous 30-day period. The reduced MAOP must account for differences between discharge and upstream pressure on the pipeline by use of either the lowest operating pressure for the entire segment or using an appropriate operating pressure gradient that must be maintained and not exceeded for the pipeline (i.e., location specific operating pressure). Note: The pressure reduction method may be used as an alternative to a pressure test.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please call John Gale, Director of Regulations at 202-366-0434 for regulatory matters or Kenneth Lee, Director of Engineering and Research, at 202-366-2694 for technical matters. Thank you for your continued efforts in pipeline safety.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety