



Kristie Fiegen, Chairperson
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South Dakota

PUBLIC UTILITIES COMMISSION

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June 9, 2023

Patricia Van Gerpen
Executive Director
SD Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501

RE: NorthWestern Energy waiver request on South Dakota Administrative Rule 20:10:37:18(1)

Ms. Van Gerpen:

NorthWestern Energy (NWE) has requested a waiver of South Dakota Administrative Rule 20:10:37:18(1) regarding three renewable natural gas projects (RNG). As NWE has stated, they have been communicating with Pipeline Safety staff since the early stages of securing these projects.

Each of these RNG projects are unique and have required discussion in determining if the pipeline would be transmission, distribution or gathering. I agree that these projects would be considered distribution according to 49 CFR Part 192 unless the operator chooses to classify them as transmission according to the definition of transmission part 4 (192.3).

Transmission line means a pipeline or connected series of pipelines, other than a gathering line, that:

- (1) Transports gas from a gathering pipeline or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center;
- (2) Has an MAOP of 20 percent or more of SMYS;
- (3) Transports gas within a storage field; or
- (4) Is voluntarily designated by the operator as a transmission pipeline.

Note 1 to transmission line. A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

If NWE was operating these lines as distribution, there would be no requirement for notification to the commission, but because they are considering them transmission then the requirements of 20:10:37:18(1) apply.

NWE provided to Pipeline Safety the notification of these projects as follows:

Mill Valley – 3/28/2023

Brookings Receipt Station – 5/11/2023

Full Circle – 3/30/2023

Pipeline Safety staff has had the opportunity to review these projects and has not identified any issues with them. In each of the situations the pipeline will operate in a manner that does not invoke the definition of transmission or the requirements of South Dakota Codified Law 49-41 (Transmission facilities siting requirements).

Pipeline Safety staff recommends approval of the waiver requested. I would like to note that Staff considers this waiver to be the exception, not the norm, for operators planning these facilities. Reviewing these notices can take a significant amount of time and require a lot of back and forth between Pipeline Safety Staff and a company. Therefore, we would caution that operators should be cognizant of the 60-day requirement. However, as I previously mentioned, I have had discussions with NWE since their early stages of their projects, therefore, I am comfortable with the waiver in this situation.

Sincerely,

A handwritten signature in black ink that reads "Mary Zanter". The signature is written in a cursive, flowing style.

Mary Zanter
Pipeline Safety Program Manager