

Staff Briefing Papers

Meeting Date: February 7, 2019

Agenda Item *2

Company: Great Plains Natural Gas Co.

Docket No. G-004/GP-16-685

In the Matter of the Application of Great Plains Natural Gas Co. for a Pipeline Routing Permit for the Fergus Falls Pipeline Replacement Project in Otter Tail County, Minnesota

Issue: What action should the Commission take concerning the Great Plains Natural Gas Pipeline Construction Completion Certification filed pursuant to Minn. R. 7852.3900?

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Relevant Documents

Date

Great Plains Natural Gas Co. Certification of Completion Letter	07/25/2018
Great Plains Natural Gas Co. Supplemental Certification of Completion Letter	10/17/2018
Notice of Comment Period on Request for Pipeline Construction Completion Certification	12/21/2018
Department of Natural Resources Comments on Certification of Completion (e-filed 01/3/2019)	12/27/2018

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ Relevant Documents	Date
Department of Commerce Energy Environmental Review and Analysis Comments on Certification of Completion	01/04/2019
Great Plains Natural Gas Co. Reply Comments	01/08/2019
Great Plains Natural Gas Co. Supplemental Certification of Completion Letter	01/22/2019

I. STATEMENT OF THE ISSUES

What action should the Commission take concerning the Great Plains Natural Gas certification of completion filed pursuant to Minn. R. 7852.3900?

II. PROJECT DESCRIPTION

The Great Plains Natural Gas Co. (Great Plains) Fergus Falls Pipeline Replacement Project entailed the construction of an approximately 3.1-mile long, 8.625-inch outside diameter natural gas pipeline with an operating pressure ranging between 500 to 720 pounds per square inch gauge (psig). The pipeline was constructed to replace and reroute an existing 2.2-mile segment of 6-inch diameter natural gas pipeline that connected the Great Plains' Fergus Falls Town Border Station to its Green Plains Ethanol Valve Site. As indicated by Great Plains, the pipeline replacement project was driven by integrity and maintenance requirements (49 CFR 192) of the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA). The pipeline is located in Fergus Falls Township, Otter Tail County, Minnesota. The pipeline was placed into service on July 23, 2018.

III. PROCEDURAL HISTORY

On August 30, 2017, the Commission issued an order that granted a partial exemption from the pipeline route selection procedures and issued a pipeline routing permit to Great Plains for the Fergus Falls Pipeline Replacement Project.

On July 25, 2018, pursuant to Minn. R. 7852.3900 and Section 10.0 of the pipeline routing permit, Great Plains filed a written certification that construction of the pipeline has been completed in compliance with the permit conditions.

On October 17, 2018, Great Plains filed a supplemental letter concerning the certificate of completion. The letter referenced the as-built construction drawings that were filed by Great Plains in accordance with Section 10. 4 of the routing permit.

On December 21, 2018, the Commission issued a notice requesting comments on whether: 1) areas affected by pipeline construction have been restored to the natural conditions that existed immediately before construction of the pipeline in accordance with the pipeline routing permit; 2) the Commission should accept or reject the certification of completion; and 3) any costs or reimbursements are due. Initial comments were accepted until January 4, 2019 and reply comments until January 11, 2019. The notice was sent to affected landowners and relevant state, county, and local government units.

Comments were received from the Department of Natural Resources (DNR) on December 27, 2018, and the Department of Commerce Environmental Review and Analysis (DOC EERA) on January 4, 2019. These were the only comments received.

On January 8, 2019, Great Plains filed a letter responding to comments from the DNR and DOC EERA.

On January 22, 2019, Great Plains filed additional information related to its certification of completion request.

IV. STATUTES AND RULES

Minn. R. 7852.3900 states:

Permittees shall file with the commission a written certification that the permitted pipeline construction has been completed in compliance with all permit conditions. The certification shall be considered by the commission within 60 days of its filing. The commission shall accept or reject the certification of completion and make a final determination regarding cost or reimbursements due. If the commission rejects the certification, it shall inform the permittee in writing which deficiencies, if corrected, will allow the certification to be accepted. When corrections to the deficiencies are completed, the permittee shall notify the commission, and the commission shall reconsider the certification at its next regularly scheduled meeting, provided the notification is received at least 20 days before the meeting. After acceptance of the certification by the commission, the commission's jurisdiction over the permittee's pipeline routing permit shall be terminated.

V. CERTIFICATE OF COMPLETION

Great Plains filed a letter pursuant to Minn. R. 7852.3900, certifying that it has completed construction of the Fergus Falls Pipeline Replacement Project in compliance with the conditions of the Pipeline Routing Permit issued by the Commission on August 30, 2017. Great Plains requested that the Commission accept the certification of completion and make a final determination regarding costs or reimbursements due.

A. DNR Comments

The DNR stated that restoration of natural areas has been completed and recommended that the certificate of completion be accepted pending replacement of approximately 10 fence posts in a grazing area that could not be accomplished this fall due to weather conditions. The DNR indicated that it would work with Great Plains to complete the fence post replacements in spring 2019.

B. DOC EERA Comments

The DOC EERA staff indicated that Great Plains has satisfied all Commission requirements and that the Commission should accept the certification of completion and terminate jurisdiction pending the filing of landowner releases indicating that the right-of-way on their property has been restored to the conditions that existed before construction. DOC EERA stated that it had monitored project construction and restoration through routine review of weekly progress reports including review of required compliance documents and final as-built construction drawings.

C. Great Plains Reply Comments

In its reply comments, Great Plains explained it had complied with DOC EERA's recommendation concerning landowner releases and confirmed that it has received releases from all affected landowners and also restored all road rights-of-way affected by the project. Great Plains confirmed that it will work with the DNR in spring 2019 to ensure the fence posts are properly replaced in the Fergus Falls Wildlife Management Area (WMA).

Great Plains also filed a supplemental letter on January 22, 2019, providing additional information related to the alternating current (AC) interference study requirement identified

under Section 6.2 of the pipeline routing permit.¹ Great Plains indicated that it performed the study in August 2018, and that AC interference mitigation is not warranted, but that “AC interference is a component of corrosion mitigation and will be continually monitored for the life of the Project.”

VI. STAFF DISCUSSION

Staff has reviewed the filings in conjunction with the Pipeline Routing Permit and the Construction Environmental Control Plan and agrees with the DOC EERA that Great Plains has satisfied all conditions of the route permit except for the fence post replacement in the Fergus Falls WMA. Staff understands that the fence post replacement work will be completed when weather permits in spring 2019.

Staff is not aware of, nor did Great Plains or DOC EERA identify, any costs or reimbursements due. Staff is also not aware of any outstanding complaints or concerns associated with pipeline construction or site restoration from affected landowners or applicable government agencies. Although Great Plains stated in its January 8 Letter that it had received releases from landowners affected by the project, it did not provide copies of the releases. Therefore, staff recommends that Great Plains file verification of the releases it received from landowners affected by the project.

In accordance with Minn. R. 7852.3900, the Commission must accept or reject the certification within 60 days of its filing. Should the Commission reject the certification, the permittee can correct the identified deficiencies and the Commission must again consider the certification. Once the certification is accepted, the Commission’s jurisdiction over the pipeline routing permit is terminated.

VII. COMMISSION DECISION OPTIONS

- A. Accept the Great Plains Pipeline Construction Completion Certification as filed.
- B. Accept the Great Plains Pipeline Construction Completion Certification contingent on Great Plains: 1) completing the fence post replacement in the

¹ Because this letter provides important additional information on the certification of completion, staff considers the filing date of the letter (January 22, 2019) as the date the 60-day review period under Minn. R. 7852.3900 begins. Therefore, the Commission has until March 22, 2019, to consider the certification.

Fergus Falls WMA and filing a letter with the Commission confirming DNR approval; and 2) filing with the Commission verification that releases have been obtained from all landowners affected by the project.

- C. Reject the Great Plains Pipeline Construction Completion Certification and identify the deficiencies that need correction.
- D. Take some other action deemed more appropriate.

Staff Recommendation: B