

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  ENVIROGAS LP	DOCKET NO. P-861
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**ORDER ACCEPTING COMPLIANCE FILING AND ALLOWING  
OPERATION OF PIPELINE**

(Issued January 11, 2006)

On May 25, 2005, EnviroGas LP (EnviroGas) filed with the Utilities Board (Board) a petition for a pipeline permit to allow EnviroGas to construct, maintain, and operate 1.201 miles of 12-inch diameter and 0.425 miles of 8-inch diameter gas pipeline in Linn County, Iowa. The proposed pipeline would transport flammable landfill gas from the Bluestem Solid Waste Landfill in Cedar Rapids, Iowa, to an industrial end-user, Penford Products Company.

On September 9, 2005, the Board assigned the docket to an administrative law judge (ALJ) to establish a procedural schedule, conduct a hearing, and issue a proposed order. On November 9, 2005, the ALJ issued a proposed order that granted the petition for a permit. The proposed order provided for the issuance of the permit and the beginning of construction of the pipeline but prohibited EnviroGas from beginning operation of the pipeline until certain safety conditions were met. The conditions were listed as follows:

1. As required by state and federal rules, certain pipeline records must be kept in Iowa at locations where operations and maintenance activities are conducted and must be available to appropriate operating personnel and Board inspectors.

2. EnviroGas must file information with the Board sufficient to show how it will comply with applicable drug and alcohol testing requirements contained in federal regulations at 49 CFR Part 199 and adopted by reference at 199 IAC 10.12(1)"c." Personnel who are subject to drug and alcohol testing as required by 49 CFR Part 199, including local personnel, must be available for the operation and maintenance of the pipeline.

3. If EnviroGas does not continue its contractual relationship with Montana-Dakota Utilities Company (MDU) or significantly modifies its contractual relationship during the period of construction of the pipeline or during the initial two-year term of the agreement, EnviroGas must immediately notify the Board and explain how it intends to comply with applicable state and federal requirements regarding the pipeline contained in Iowa Code chapter 479, 199 IAC10.12, and 49 CFR Part 192.

4. Board inspection staff files a report stating that the completed construction complies with applicable safety standards.

5. EnviroGas files an acceptable Operations, Maintenance, and Emergency Plan as required by federal pipeline safety standards.

6. Personnel who are qualified under applicable federal pipeline safety standards at 49 CFR Part 192, including local personnel, are available for the operation and maintenance of the pipeline.

7. EnviroGas files the necessary information regarding the pipeline with Iowa One Call.

8. EnviroGas files satisfactory assurance that a written continuing public education program that conforms with 49 CFR § 192.616 will be completed within one year of placement of the pipeline in service.

9. EnviroGas files satisfactory assurance that it will conduct, or cause to be conducted, an investigation for the presence of High Consequence Areas within one year of placement of the pipeline into service and that, if necessary, EnviroGas will prepare, or cause to be prepared, a Pipeline Integrity Management Program that complies with 49 CFR Part 192 Subpart O.

On November 16, 2005, the Board issued Permit No. 1218 subject to the safety conditions set forth in the November 9, 2005, order. On December 30, 2005, EnviroGas made a compliance filing in accordance with the terms set forth in Permit No. 1218. On January 4, 2006, Board staff notified EnviroGas of deficiencies in the filing regarding the drug and alcohol testing program and on January 6, 2006, EnviroGas filed additional information. On January 9, 2006, a Board staff inspector filed a construction inspection report after inspecting the EnviroGas pipeline.

The Board has reviewed the December 30, 2005, and January 6, 2006, compliance filings made by EnviroGas and the inspection report. EnviroGas indicates that it has adopted MDU's Operations and Maintenance Manual and Operator Qualification Plan and MDU has provided operator qualification training and qualified attending personnel to perform pipeline-covered tasks. EnviroGas submitted an Emergency Procedures Manual and has arranged for Iowa One Call services. EnviroGas has entered into an agreement with MDU that provides for MDU

to develop, research, and write for EnviroGas a continuing public education program and integrity management program in compliance with federal regulations.

EnviroGas states that all work required under the terms of the agreement will be completed within one year of placing the pipeline into operation.

EnviroGas also filed documentation of a contractual agreement with Advanced Workplace Strategies, Inc. (AWSI), to perform drug and alcohol testing. Two EnviroGas employees who may be performing operation, maintenance, or emergency response functions have passed drug tests and are enrolled in a random testing program. EnviroGas states it will be filing drug and alcohol-testing records for three more employees once the test results are available. EnviroGas should be cognizant that until confirmation is available that the three additional employees have passed a drug test, those employees cannot perform any operation, maintenance, or emergency response function on the pipeline.

The January 9, 2005, inspection report indicates that EnviroGas has completed the construction of the pipeline and has complied with applicable federal safety standards. However, the inspection report includes an advisory. The report indicates that during construction a tracer wire broke approximately 100 feet west of the landfill. Due to frost conditions, new tracer wire will not be installed until the spring. The report recommends that EnviroGas should be required to notify Board staff when the wire is installed. Board staff also sent an advisory letter on January 9, 2006, notifying EnviroGas of the advisory and requesting that a written response be filed with the Board within 30 days.

The Board will accept the compliance filings made by EnviroGas on December 30, 2005, and January 6, 2006, as substantially complying with the conditions required before it can operate the pipeline under Permit No. 1218. The Board will allow EnviroGas to operate the Cedar Rapids Lateral. EnviroGas should be aware that Board staff will continue to conduct inspections and monitor the pipeline, including compliance with any changes in federal regulations, and may recommend or require changes to the compliance documents in the future.

**IT IS THEREFORE ORDERED:**

1. The compliance filings made by EnviroGas LP on December 30, 2005, and January 6, 2006, are accepted as satisfying the conditions required for operation of a pipeline under Permit No. 1218.
2. EnviroGas LP may begin operation of the pipeline as of the date of this order.
3. EnviroGas LP shall operate and maintain the pipeline in compliance with Permit No. 1218 and applicable federal and Utilities Board safety standards.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 11<sup>th</sup> day of January, 2006.