

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: PLATINUM ETHANOL, LLC	DOCKET NO. P-873
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**ORDER ESTABLISHING PROCEDURAL SCHEDULE AND PROPOSING TO
TAKE OFFICIAL NOTICE AND NOTICE OF HEARING**

(Issued January 10, 2008)

On October 24, 2007, Platinum Ethanol, LLC (Platinum) filed a petition and exhibits with the Utilities Board (Board) for a pipeline permit. Platinum proposes to construct, operate, and maintain approximately 22 miles of 8⁵/₈-inch diameter steel pipeline in Cherokee and Ida Counties, Iowa. Platinum filed an amendment to its petition and exhibits and provided additional information on November 28, 2007.

The proposed pipeline would transport natural gas from a connection with a Northern Natural Gas Company (NNG) pipeline west of Cherokee, Iowa, to a connection with a proposed MidAmerican Energy Company (MEC) pipeline near Galva, Iowa. The MEC pipeline would transport natural gas to the Platinum Ethanol Plant in Arthur, Iowa. In its petition, Platinum requests a maximum allowable operating pressure (MAOP) of 1440 pounds per square inch gauge (psig).

The proposed pipeline must have a permit from the Board because it meets the definition of a transmission line. 199 IAC 10.16; 49 CFR 192.3. The proposed pipeline meets the definition of a transmission line because it will transport natural

gas from a transmission line to another transmission line and ultimately to a large volume customer that is not downstream from a distribution center, and because it will operate at a hoop stress of more than 20 percent of specified minimum yield strength (SMYS). 49 CFR 192.3.

On December 24, 2007, the Board assigned this proceeding to the undersigned administrative law judge to establish a procedural schedule and exercise the authority provided in 199 IAC 7.3.

THE BOARD'S AUTHORITY AND JURISDICTION

The Board has the authority to grant permits for pipelines in whole or in part upon terms, conditions, and restrictions as to safety requirements, and as to location and route, as it determines to be just and proper. Iowa Code §§ 479.12, 479.18, and 479.23 (2007).

To obtain a permit, the petitioner must show that the services it proposes to render will promote the public convenience and necessity. Iowa Code § 479.12, 479.23; 199 IAC 10.8. The petitioner must also satisfy the financial requirements of Iowa Code § 479.26 and comply with the land restoration plan requirements of Iowa Code § 479.29.

The conduct of this case is governed by Iowa Code chapters 17A and 479, and by Board rules at 199 IAC 9 and 10.

THE ISSUES

Pursuant to Iowa Code §§ 479.7 and 479.8, and 199 IAC 10.6 and 10.8, this matter will be set for a public hearing for the presentation of oral and documentary evidence and the cross-examination of witnesses concerning the public convenience and necessity issue, any safety issues, any pipeline location and route issues, the financial issue, land restoration plan issues, and issues raised by objectors or any other party.

PREPARED TESTIMONY AND EXHIBITS

All parties will be given the opportunity to present and respond to evidence and argument on all issues, and to be represented by counsel at their own expense. Iowa Code § 17A.12(4). The proposed decision and order that the administrative law judge will issue in this case must be based on evidence contained in the record and on matters officially noticed in the record. Iowa Code § 17A.12(8). Unless contrary arrangements are made on the record at the hearing, all evidence will be received at the hearing, and the record will be closed to any further evidence at the conclusion of the hearing.

The submission of prepared evidence prior to hearing will help to identify disputed issues of fact to be addressed at the hearing. Prepared testimony contains all statements that a witness intends to give under oath at the hearing, set forth in question and answer form. When a witness who has submitted prepared testimony takes the stand, the witness does not ordinarily repeat the written testimony or give a

substantial amount of new testimony. Instead, the witness is cross-examined by the other parties concerning the statements already made in writing. The use of prepared testimony prevents surprise at the hearing and helps each party to prepare adequately for the hearing so that a full and true disclosure of the facts can be obtained. Iowa Code §§ 17A.14(1), 17A.14(3), and 479.11. This procedure also tends to diminish the length of the hearing and spares the parties the expense and inconvenience of additional hearings.

Platinum must submit prepared testimony and exhibits prior to the hearing in accordance with the procedural schedule set forth in this order. At a minimum, Platinum's prepared testimony must address the issues listed above. In addition, in its prepared testimony, Platinum must address the issues listed in italics in Mr. Jeffrey O'Neal's staff report dated December 12, 2007. Platinum must also provide testimony and exhibits that answer the following questions and address the following issues.

1. Why does Platinum need to construct and operate the proposed pipeline?
Could natural gas for the Platinum Ethanol Plant be supplied through the existing NNG pipeline and the proposed MEC pipeline? If not, explain why not.
2. Why is MEC proposing to construct and operate the section of the pipeline between the end of the proposed Platinum pipeline and the Platinum Ethanol Plant?
Why isn't Platinum proposing to construct and operate the entire pipeline from the

existing NNG pipeline to the Platinum Ethanol Plant? Or why isn't MEC proposing to construct and operate the entire pipeline?

3. It appears that a showing of the public convenience and necessity of the proposed pipeline is tied to the existence of the proposed MEC pipeline and the Platinum Ethanol Plant. Should this case be consolidated with the proposed MEC pipeline case once MEC files its petition with the Board? If not, explain why not. If the case is not consolidated, Platinum will have to file sufficient testimony and exhibits in its case regarding the proposed MEC pipeline and the Platinum Ethanol Plant so that a determination can be made whether the proposed Platinum pipeline will serve the public convenience and necessity pursuant to Iowa Code § 479.12.

4. Please explain why the proposed Platinum pipeline route differs from the existing NNG pipeline route at its northern end.

5. Provide testimony regarding the number of voluntary easements Platinum has acquired for the proposed pipeline, the status of any remaining easement negotiations, the number of easements left to obtain, and the likelihood of obtaining all voluntary easements.

6. Since the existing NNG pipeline that will supply the proposed Platinum pipeline has an MAOP of 800 psig and an actual operating pressure of between 500 and 800 psig, explain why Platinum is not requesting these same pressures for its proposed pipeline.

7. Platinum must provide prepared testimony and exhibits to support the statements made in its letter to the Board filed November 28, 2007, in the attached affidavit of MEC's Mr. Alan L. VerBrugge, and in petition Exhibit F regarding the purpose of the proposed pipeline.

8. Please provide more specific testimony regarding the plans for emergency personnel as discussed on page 6, Item C of the November 28, 2007, letter to the Board.

9. Who will actually construct the proposed pipeline? Explain the company's qualifications and experience.

10. The land restoration plan at page one states that Platinum will own and operate the proposed pipeline and has contracted with Montana-Dakota Utilities (MDU) to construct the pipeline. The letter filed with the Board on November 28, 2007, page 6, states that MDU intends to obtain competitive bids for the operation and maintenance of the proposed pipeline. Please explain this discrepancy in testimony, and if necessary, file a revised land restoration plan that is consistent with the testimony. Please explain the status of the bid process and the qualifications and experience of companies bidding to operate and maintain the proposed pipeline.

11. Please explain the roles of MDU and ProSource Technologies, Inc. with respect to Platinum Ethanol and the proposed pipeline.

12. What is the length of the proposed pipeline in Cherokee County? What is its length in Ida County?

13. Please provide testimony and exhibits regarding the corporate structure and purposes of the Platinum Ethanol Company, its length in existence, any parent or subsidiary companies, and its relationship to the Farmers Cooperative Company. Please provide testimony and exhibits to support the statements made in the financial affidavit and evidence in petition Exhibit D.

14. Please provide testimony and exhibits regarding the status of road crossing negotiations and whether required local approvals and permits have been obtained.

15. What is the planned construction schedule for the Platinum Ethanol Plant? When is it expected to be operational? What is the status of the Iowa Department of Natural Resources and any other required permit applications or approvals for the plant?

16. Please clarify the width of the requested permanent and temporary easements and explain why the widths in the petition differ from those in the notice of informational meetings.

17. It would be helpful to landowners if Platinum put a sentence in the Statement of Damage Claims that says links to the Board's statutes and rules are on the Board's Web site at www.state.ia.us/iub.

Platinum has the burden to prove that the proposed pipeline meets all of the statutory and regulatory requirements discussed above. Failure to file adequate

prepared testimony and exhibits to support the petition for a pipeline permit may result in delays of these proceedings or in denial of the requested permit.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate), and any objectors may also file prepared testimony and exhibits before the hearing in accordance with the procedural schedule set forth in this order.

Parties other than Platinum who choose not to file prepared testimony and exhibits before the hearing will not be precluded from participating in the proceedings. If an objector, for example, does not intend to present evidence going substantially beyond the information contained in the letter of objection, it is unnecessary for the objector to file prepared testimony. However, when a party has a substantial amount of information to present to the Board about the petition, if the information has not been previously disclosed to the Board, it should be presented in the form of prepared testimony and exhibits according to the procedural schedule established below.

PARTY STATUS

Platinum and the Consumer Advocate are currently the parties to this proceeding. Iowa Code §§ 17A.2(8) and 475A.2(2). As of the date of this order, no objectors have filed an objection to the petition. Platinum does not request the right of eminent domain for the proposed pipeline.

Any person who files an objection pursuant to Iowa Code §§ 479.9 and 479.10 and 199 IAC 10.5 will be presumed to be a party to this proceeding unless it is

established at hearing that the objector has no right or interest that may be affected by the grant or denial of the petition. Iowa Code § 479.9. Therefore, objectors should be prepared to give evidence that will explain the nature of their specific rights or interests they believe should be protected, and that will show how these rights or interests will be affected by the pipeline or the grant of a permit. As has already been noted, to the extent that the evidence goes substantially beyond information already communicated to the Board in an objection letter, it should be reduced to writing and filed as prepared testimony according to the procedural schedule established below.

Because objectors are presumed to be parties up to the time of the hearing, objectors will receive copies of all documents filed in this docket by other parties after their own objections have been filed with the Board. If a person files an objection after some or all of the prepared testimony and exhibits have been filed with the Board by other parties, the objector should make direct contact with the parties to obtain a copy of those materials. The official file of this case will be available for inspection at the Board's Records and Information Center, 350 Maple Street, Des Moines, Iowa, and copies of documents may be obtained for a small fee. 199 IAC 1.9(1).

Objections must be filed no less than five days prior to the date of hearing. Late-filed objections may be permitted if good cause is shown. 199 IAC 10.5. Objections must be made in writing and filed with the Executive Secretary of the Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

After an objector has filed a letter of objection, all further communications from the objector to the Board having to do with this case (including motions or prepared testimony and exhibits) should be sent to the Executive Secretary. A party (including objectors) must file an original and ten copies of each communication with the Executive Secretary and the party must send one copy to each of the other parties to this case, except that three copies must be sent to the Consumer Advocate. 199 IAC 1.8(4), 7.4(6). Along with the communication being sent, the party must file with the Board a certificate of service that conforms to 199 IAC 2.2(16), which verifies that a copy of the document was served upon the other parties.

These procedures are necessary to comply with Iowa Code § 17A.17, which prohibits ex parte communication. Ex parte communication is when one party in a contested case communicates with the judge without the other parties being given the opportunity to be present. In order to be prohibited, the communication must be about issues of fact or law in the case. Calls to the Board to ask about procedure or the status of the case are not ex parte communication. Ex parte communication may be oral or written. This means the parties in this case may not communicate about issues of fact or law in this case with the undersigned administrative law judge unless the other parties are given the opportunity to be present, or unless the other parties are provided with a copy of the written documents filed with the Board.

The parties should examine Iowa Code chapter 479 and Board rules at 199 IAC 9 and 10 and 199 IAC 1.8, 7.1(3), 7.22, 7.26, and 7.27 for other substantive

and procedural statutes and rules that apply to this case. There is a link to the Iowa Code and the administrative rules on the Board's Web site at www.state.ia.us/iub. Since the proposed pipeline is more than five miles long and Platinum requests an operating pressure exceeding 150 psig, the hearing must be held in Cherokee, Iowa. Iowa Code § 479.8.

PROPOSAL TO TAKE OFFICIAL NOTICE

Mr. Jeffrey L. O'Neal, utility regulatory engineer for the Board, has prepared a report in the form of a memo dated December 12, 2007, concerning Platinum's petition. A copy of this report is attached to this order. Pursuant to Iowa Code § 17A.14(4), the undersigned administrative law judge proposes to take official notice of the report and of the facts contained therein, thus making them a part of the record of this case. Iowa Code § 17A.12(6)(c). Any party objecting to the taking of official notice of the report must file such objection as soon as possible, and no later than five days prior to the hearing. The parties will have the opportunity to contest any information contained in the report in prepared testimony and at the hearing. Mr. O'Neal will be present at the hearing and available for cross-examination regarding his report.

IT IS THEREFORE ORDERED:

1. Each person who files a letter of objection to Platinum's petition in this docket will be presumed to be a party in the proceeding unless it is established at

hearing that the objector has no right or interest that may be affected by the pipeline or the grant or denial of the requested permit.

2. Objections must be made in writing and filed with the Executive Secretary of the Board, 350 Maple Street, Des Moines, Iowa 50319-0069, no later than five days before the hearing. Objectors must file an original and ten copies of all subsequent communications to the Board with the Executive Secretary. The communications must be served on the other parties and accompanied by a certificate of service as discussed in this order.

3. The following procedural schedule is established:

a. On or before January 29, 2008, Platinum must file prepared direct testimony and exhibits regarding its petition for a permit as discussed in this order. If Platinum chooses to file a prehearing brief, it must be filed by January 29, 2008.

b. If any party or objector wishes to have a witness connected to the hearing by telephone conference call, it must notify the Board on or before January 29, 2008, so that appropriate arrangements may be made.

c. If the Consumer Advocate or any objector chooses to file prepared responsive testimony or a brief, it must do so on or before February 11, 2008.

d. If Platinum chooses to file prepared rebuttal testimony, it must do so on or before February 18, 2008.

e. A public hearing for the presentation of evidence and the cross-examination of witnesses concerning the issues identified in this notice of hearing will be held beginning at 1:00 p.m. on Wednesday, February 27, 2008, in the Board of Supervisors Room, lower level, Cherokee County Courthouse, 520 West Main Street, Cherokee, Iowa 51012. Each party must provide a copy of its prepared testimony and exhibits to the court reporter at the hearing. The undersigned has been informed that telephone conference capability is available in the Board of Supervisors Room by first calling the Cherokee County Auditor's office at 712-225-6704. Staff will then transfer the witness to the Board of Supervisors Room telephone. Persons with disabilities who will require assistive services or devices to observe this hearing or participate in it should contact the Board at (515) 281-5256 no later than ten days prior to the hearing to request that appropriate arrangements be made.

f. Required number of copies. All parties must file an original and ten copies of all documents filed with the Board. 199 IAC 1.8(4), 7.4(4).

4. The undersigned administrative law judge proposes to take official notice of Mr. O'Neal's report dated December 12, 2007, which is attached to this order, and of the facts contained therein. Any party objecting to the taking of official notice of the report should file such objection as soon as possible, and must file such objection no later than ten days prior to the hearing.

5. Pursuant to Iowa Code §§ 17A.12(1) and 199 IAC 10.4, a copy of this order will be served by ordinary mail upon Platinum and will be delivered to the Consumer Advocate. No person has filed an objection to the petition as of the date of this order.

6. Board staff will provide Platinum with a notice to be published and Platinum must publish the notice pursuant to Iowa Code § 479.7 and 199 IAC 10.4. The statute and rule require Platinum to file proof of publication prior to or at the beginning of the hearing. Since the hearing must be held in Cherokee, Platinum must file proof of publication at least two days prior to the hearing date. Failure to publish notice and file proof of publication as required will result in delay of the hearing.

7. Platinum must comply with the additional service of notice and filing requirements contained in 199 IAC 10.4(3) if all required interests in private property have not been obtained.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 10th day of January, 2008.

**Department of Commerce
UTILITIES DIVISION
SAFETY & ENGINEERING SECTION**

TO: Docket No. P-873

FROM: Jeffrey L. O'Neal

DATE: December 12, 2007

SUBJ: Staff Review of Platinum Ethanol, LLC, Petition for Pipeline Permit for Approximately 22 Miles of 8 5/8-inch Diameter Natural Gas Pipeline in Cherokee and Ida Counties, Iowa

On October 24, 2007, Platinum Ethanol, LLC, (Platinum) filed a Petition for Pipeline Permit with the Utilities Board (Board). By letter dated November 5, 2007, I advised Platinum of petition deficiencies requiring correction, and requested additional information. On November 28, 2007, Platinum filed revisions to its petition and exhibits and provided additional information.

In its petition, Platinum proposes to construct approximately 22 miles of 8 5/8-inch diameter steel pipeline. The pipeline would transport natural gas from a connection with a Northern Natural Gas Company (Northern) pipeline west of Cherokee, Iowa, to a connection with a proposed MidAmerican Energy Company (MEC) pipeline near Galva, Iowa. The MEC pipeline would transport natural gas to the Platinum Ethanol Plant in Arthur, Iowa. Petition Exhibit C shows the proposed pipeline would be designed, constructed and tested for a maximum allowable operating pressure (MAOP) of 1440 psig. However, a letter signed by David Yexley, filed November 28, 2007, states the Northern pipeline that would supply the proposed Platinum pipeline has an MAOP of 800 psig. Given the existing Northern MAOP, the proposed Platinum pipeline would actually operate at 800 psig or less.

Informational meetings were held for this proposed pipeline on September 19, 2007, in Cherokee and Ida Counties, as required by 199 IAC 10.3. Documentation regarding the informational meetings is included in petition Exhibit G, which includes a copy of the notice of informational meeting that was mailed to affected parties and published in newspapers as required by 199 IAC 10.3(4).

The proposed pipeline requires a pipeline permit because it will meet the definition of a transmission line under 49 CFR Part 192. (See 199 IAC 10.16.) It will meet the definition of a transmission line because it will transport gas from a transmission line (and ultimately from gathering lines and/or storage facilities) to another transmission line (and ultimately to a large volume customer that is not downstream from a distribution center), and because it will operate at a hoop

stress of more than 20 percent of specified minimum yield strength (SMYS).
(See 49 CFR § 192.3.)

I examined the route of the proposed pipeline on November 1, 2007. The route map filed as petition Exhibit B was used as a guide. The route begins at a proposed connection to an existing Northern pipeline west of Cherokee, Iowa, and runs generally south, east and southeast to its terminus northeast of Galva, Iowa. Most of the proposed route is adjacent to an existing Northern pipeline, on the same right-of-way as the Northern pipeline. The proposed route runs through fairly flat to hilly terrain on agricultural land including mostly land planted in row crops, plus some pasture. The route crosses the Little Sioux River, the Maple River, and several smaller unnamed streams. The route crosses Iowa Highway 59 and a number of county roads, and it crosses one foreign pipeline, a Kaneb Pipeline Company ammonia pipeline. The entire route appears to be in a Class 1 location as defined by Federal Minimum Safety Standards in 49 CFR Part 192, as is stated in Exhibit C of the petition filing. Class 1 is a low population density classification. No problems were noted with the proposed route. No conflicts with safety standards or significant impediments to pipeline construction were found. *It is recommended Platinum be asked to describe in its prefiled testimony the steps that will be taken to minimize the risk of damage to the existing Northern pipeline during construction of the proposed pipeline, and the separation that will be maintained between the existing Northern pipeline and the proposed pipeline.*

The proposed route includes agricultural land. Platinum filed a land restoration plan as Exhibit I. Platinum's Land Restoration Plan appears to comply with the applicable provisions of 199 IAC Chapter 9. However, Exhibit I, second page, first paragraph, last sentence has an apparent typographical error. It appears the word "subspoil" should be either "subsoil" or "subsoil spoil." (See 199 IAC 9.4(1).) Copies of the plan will be provided to all landowners of property that will be disturbed by the construction, and to the counties. (See 199 IAC 9.3(2).) This error should be corrected before the plan is distributed. *It is recommended that Platinum be asked to file a revised Land Restoration Plan prior to the hearing.*

Petition Exhibit E states that it is likely the proposed pipeline will cross Iowa Highway 59 and several county roads at other than an approximate right angle. Exhibit E states Platinum is discussing road crossing plans with the Iowa Department of Transportation, Cherokee County and Ida County, and all approvals from the proper road authorities will be obtained and filed with the Board prior to construction. For each crossing of a highway or railroad at other than an approximate right angle, a showing of consent of the highway authority or railroad company must be filed with the Board prior to construction. See 199 IAC 10.2(1)e and 10.14(2). Iowa Highway 59 and the county roads that are crossed by the proposed pipeline route are considered to be "highways" for the purpose of these rules. Therefore, although a pipeline permit can be issued prior to Platinum's filing of these permits or licenses with the Board, construction of the

pipeline cannot begin until showings of consent by the appropriate highway authorities have been filed with the Board for any road crossings that will be at other than an approximate right angle.

Petition Exhibit F states the purpose of the proposed Platinum pipeline is to provide a connection between an existing Northern pipeline and a proposed MEC pipeline. The Platinum pipeline would be a segment of the connection between the Northern pipeline and the Platinum Ethanol Plant in Arthur, Iowa. Before it can issue a pipeline permit, the board must make a finding that the services proposed to be rendered will promote the public convenience and necessity. See Iowa Code 479.12. The terminus of Platinum's proposed pipeline would be at a connection to an MEC pipeline near Galva, Iowa. The MEC pipeline has not yet been constructed, and MEC has not yet filed a petition for pipeline permit with the board for its pipeline. It appears that the proposed Platinum pipeline would not be able to serve its stated purpose unless the MEC pipeline is also constructed. On November 28, 2007, Platinum filed an Affidavit of Alan L. VerBrugge, Senior Engineer in MidAmerican's Gas Engineering Department, which describes MidAmerican's plans to construct a pipeline from the proposed Platinum pipeline to the Platinum Ethanol Plant near Arthur, Iowa. MEC has scheduled informational meetings for this project to be held on January 3, 2008, in Sac and Ida Counties. On November 26, 2007, MEC filed draft notices for these informational meetings in Docket No. P-875.

The proposed pipeline will parallel an existing Northern pipeline for most of its route. The Northern pipeline currently supplies natural gas to a number of towns, including Arthur. *It is recommended Platinum be asked to address in its prefiled testimony whether the existing Northern pipeline to Arthur would have enough capacity to supply the current customers and also transport the additional gas that will be required by the ethanol plant in Arthur.*

It is my understanding that the Northern pipeline that would supply the proposed Platinum pipeline is a 10-inch diameter pipeline that transports natural gas from Northern's main pipelines through northwest Iowa to Cherokee. (Northern also has a 4-inch diameter pipeline roughly paralleling the 10-inch pipeline.) Two 8-inch Northern pipelines branch off from the 10-inch pipeline just west of Cherokee, less than a mile southeast of the location where the proposed Platinum pipeline would begin. One of the 8-inch Northern pipelines supplies gas to Storm Lake and three smaller towns. The other 8-inch Northern pipeline, which would be paralleled by the proposed Platinum pipeline, branches several times and supplies gas through a network of increasingly smaller diameter pipelines to 16 towns south of Cherokee, including Galva and Arthur. *It is suggested Platinum be asked to describe in its prefiled testimony the diameter of the Northern pipeline that would feed the proposed Platinum pipeline, and the diameters of the Northern pipelines that currently supply natural gas to Arthur.*

Exhibit F states that in most of the areas where the proposed pipeline is paralleling the existing Northern pipeline, Northern has blanket easements and

has agreed to assign easements to Platinum if necessary, which would permit construction of the Platinum pipeline without additional easements in those areas. However, Exhibit F states that in an effort to develop a positive relationship with landowners, Platinum has decided to attempt to acquire its own easements from landowners.

Petition Exhibit A states that except for road crossings and waterbody crossings, the entire route is on private property. Platinum has not requested the right of eminent domain for this project.

Natural gas pipelines must comply with the federal pipeline safety standards of 49 CFR Parts 192, which have been adopted by the Board in 199 IAC 10.12(1)*b*. The information filed by Platinum shows the proposed pipeline will be designed, constructed and tested in compliance with these standards. Platinum has not previously constructed or operated a pipeline in the state of Iowa that is subject to the safety rules adopted by the Board. In a letter signed by David Yexley of Montana-Dakota, dated November 27, 2007, Mr. Yexley states that Montana-Dakota is the design/build contractor for this pipeline, and will ensure compliance with 49 CFR Part 192 as it applies to the design and construction of the pipeline. Montana-Dakota has previously constructed transmission pipelines in Iowa. Mr. Yexley states that Montana-Dakota intends to obtain competitive bids for the operation and maintenance of this pipeline from qualified operators, and bidders will have the option of using their existing written plans and procedures or adopting those prepared and currently in use by Montana-Dakota. *It is recommended Platinum be asked to address in its prefiled testimony whether it has been determined who will operate the pipeline, and whether it has been determined which written plans and procedures will be used to operate and maintain the pipeline in compliance with 49 CFR Parts 192 and 199, including the Operations and Maintenance Plan, Emergency Response Plan, Public Awareness Program, Operator Qualification Program, Integrity Management Program (if required for this pipeline), and Anti-Drug and Alcohol Misuse Plan. Platinum should be asked to address what qualified personnel will be available to promptly respond to leaks, emergencies, line locate and marking requests, and other issues that might arise.*

Subpart O of 49 CFR Part 192 requires pipeline operators to develop and implement an Integrity Management Program for gas transmission pipelines in high consequence areas (HCAs) as defined by the rules. An HCA is an area within the potential impact radius (PIR) for the pipeline that contains an identified site as defined in the rules, or that contains 20 or more buildings intended for human occupancy. Based on the pipe diameter and maximum allowable operating pressure specified in the filing, the PIR for this pipeline would be 209 feet. During my inspection of the route I did not note any apparent identified sites within the PIR of the proposed pipeline. Platinum will need to conduct a review of the route to look for HCAs after construction as required by the rules, but it appears the pipeline will most likely not require an integrity management program

under Subpart O of 49 CFR Part 192, and most of the requirements under Subpart O will not apply to this pipeline.

Earlier this year, the federal Department of Transportation adopted a new rule, 49 CFR § 192.476, regarding design and construction features to reduce the risk of internal corrosion. *It is recommended Platinum be asked to address in its prefiled testimony how it plans to comply with the requirements of 49 CFR § 192.476.*

Summary and Conclusions

I have reviewed the petition and exhibits in this docket. The information presented shows the proposed pipeline would comply with all design, construction, and testing requirements set forth by the Board. The filing appears in sufficient order to set a date for hearing. This report identifies, in *italic type*, items it is recommended Platinum be asked to address in a revised petition filing or in its prefiled testimony. As described earlier in this report, the issue of who will operate and maintain the pipeline after it has been constructed has not yet been resolved.