

# Improving Farm Tap Safety



# Goal: Improved Safety

BHE's goal from the proposal is to improve farm tap safety (from Northern Natural Gas pipe to premise)

- Test fuel lines for leaks and material compliance
- Replace unsafe lines
- Install tracer wire so lines can be located
- Create mapping and maintenance records
- Register lines in One Call database

# Farm Tap Customers – Today

## Farm Tap Customer Responsibility – Existing

- Transmission pipeline: Operated and maintained by Northern Natural Gas
- Fuel line: Owned, operated and maintained by farm tap customer



\*\*Black Hills Energy performs one annual meter reading and a refill of the product that gives natural gas its distinctive odor. Black Hills Energy also does the billing, and provides emergency service and periodic leak surveys to a portion of its farm tap customers' fuel lines.

# Farm Tap Customers - Today

- NNG owns the tap, regulators, meter, & outlet flex connector
- Farm Tap Customers: own all fittings, valves, odorizers, fuel lines and regulators past the NNG outlet, and phone in monthly meter readings. Farm tap customers are responsible for leaks.
- Black Hills Energy provides:
  - Billing
  - Emergency response
  - Annually: inspection, fills odorizer, reads meter
  - Every 5 years:
    - Leak survey 100 yards from the house towards the meter
    - Odorometer test
    - Verifies the materials meet current standards
    - Discuss responsibilities with customers
  - Every 10 years: test to ensure that you can smell the gas

# Farm Tap Customers – Proposed

## Farm Tap Customer Responsibility – Proposed

- Transmission pipeline: Operated and maintained by Northern Natural Gas
- Distribution line: Operated and maintained by Black Hills Energy
- Fuel line: Owned, operated and maintained by farm tap customer



\*\*In addition to the items completed today, Black Hills Energy will maintain the entire line from NNG's outlet to the outlet of the regulator at the house or other buildings served, including line locating

\*\*Customers' still read their meter each month and take care of the piping from the regulator at their house to the appliances they serve

# BHE's Testing Proposal

- Over a five year period - Safety test all customer-owned lines
- If the line does not pass tests - BHE proposes to replace and maintain that line.
  - Line requirements:
    - Hold a pressure test
    - Constructed of approved materials
    - Capability to be located
    - Access/Easement required
  - Maintenance includes meter reading and odorization plus:
    - Registering the line with the Iowa One Call/locating
    - Leak survey every 5 years
    - Cathodic protection testing for coated steel lines
    - Maintain records of all testing and maintenance conducted
- If the line does pass - BHE will maintain line from that day forward

# BHE's Replacement Proposal

- BHE proposed two alternatives if lines need to be replaced:
  - BHE replaces and pays for all of the fuel line
  - BHE replaces the full line and pays for the first 1,000 feet; customer pays for remainder
  - Under both alternatives, BHE holds the costs until the next rate review; costs built into rates line any other investment
- Exact Cost depends on:
  - IUB Approval
  - Actual costs (analysis assumed \$10/foot of line replaced)
- If approved as described/planned, BHE analysis shows less than \$1 per month (all BHE GS Customers)
  - “Socialization” approach is consistent with all plant replacements
  - BHE would hold costs until after the next rate case, then recover costs through a surcharge for 36 months

\*\*\*Worse case, assuming highest costs and all costs assigned to GS, surcharge would be \$.94/mo and permanent rates increase \$.79/mo, total \$1.74/mo

# How The Proposal Benefits You

- Black Hills Energy would replace, if necessary, take ownership and be responsible for the maintenance and operation of the fuel line going forward
- Improved public safety (testing, locating requests and records)
- BHE will accept responsibility for any maintenance on existing lines that meet testing requirements
- BHE or a representative will locate your line when directed by Iowa One Call prior to any excavation work
- BHE would assist/advise with any expansion at your location - new buildings/additional natural gas needs/relocations/etc

# Questions & Comments