

Service Date: November 22, 1994

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF GREAT FALLS GAS)	UTILITY DIVISION
COMPANY, Application for Waiver)	
of Rules Applicable to a Liquified)	DOCKET NO. 94.8.35
Natural Gas Storage Facility at)	
West Yellowstone, Montana.)	ORDER NO. 5802a

INTERIM ORDER

1. On November 1, 1994 Great Falls Gas Company (GFG) filed an application before the Public Service Commission (PSC) requesting waiver of requirements pertaining to liquified natural gas (LNG) storage tank testing. (GFG's August 30, 1994, request for waiver pertaining to LNG storage site construction already has been approved on an interim basis.)

2. The requested waiver applies to GFG's proposed LNG storage facility for natural gas service at West Yellowstone, Montana. The requirement for which waiver is requested is within 49 CFR 193, specifically 49 CFR 193.2321 (storage tank construction and nondestructive testing) requiring 100 percent radiographical testing of all welds, as the tank was constructed prior to this rule and enclosed in an outer shell, making the testing impossible.

3. GFG states that the tank met all code requirements at the time of construction, has been reconditioned, and will carry a new tank warranty. It states that the tank will be retested at its original test pressure. It states that the tank will be operated at only 75 percent of its maximum allowable operating pressure for the first 3 years of service.

4. Through prior GFG and PSC staff discussions concerning the proposed West Yellowstone facility, the PSC has retained Quest Consultants, Inc. (Quest), Norman, Oklahoma, to advise on the matter. After evaluation, Quest has advised that the waiver be granted as: the tank survived its pre-commission pressure test; the tank has been in service for 15 years without failure; given the nature of the storage of LNG, there is no reason to believe that the structural integrity of the tank has been compromised by corrosion; and the pneumatic test that will be conducted by the original tank manufacturer will alleviate any remaining doubt.

5. Although the PSC has not yet adopted 49 CFR 193, the PSC intends to adopt it as an integral part of its pipeline safety rules (ARM Title 38, chapter 5, sub-chapter 22) and has commenced rulemaking to accomplish this.

6. Upon review of the application of GFG, the PSC finds that a waiver should be granted on an interim basis, subject to public notice and comment and adoption of the applicable rules.

Done and Dated this 14th day of November, 1994, by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Vice Chairman

DAVE FISHER, Commissioner

NANCY MCCAFFREE, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.