RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

Gas Utilities Docket No. 09868

APPLICATION OF MONUMENT PIPELINE, L.P. FOR WAIVER OF CFR §§192.53(C), 192.121, 192.123, AND 192.619(A) FOR INSTALLATION OF COMPOSITE THERMOPLASTIC PIPE FOR A PILOT INSTALLATION TEST PROJECT AT ITS INTRASTATE NATURAL GAS PIPELINE FACILITY LOCATED IN MISSOURI CITY, TEXAS.

REVISED FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket that the proposed application is in compliance with all statutory and rule requirements and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas. After review and due consideration of the Staff Report and Recommendation, the Commission hereby adopts the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. On April 14, 2009, Monument Pipeline, L.P. ("Monument"), filed this application for a waiver of CFR §§192.53(c), 192.121, 192.123, and 192.619(a) to allow it to install Smart Pipe®, a composite thermoplastic pipe for a pilot installation test project at its intrastate natural gas pipeline facility located in Missouri City, Texas.

2. Notice of the application was provided by certified mail, return receipt requested to all affected persons entitled to notice pursuant to Pipeline Safety Rule 8.125(e)(1).

3. Notice of application was published in compliance with Pipeline Safety Rule 8.125(e)(2) in the *Houston Chronicle*, a newspaper of general circulation in Harris County on February 5 and 12, 2010.

4. No protests were filed in response to the notice of application.

5. On January 11, 2010, the Commission's Pipeline Safety Division, filed a memorandum recommending approval of Monument's waiver application.

6. In this pilot project, Monument proposes to install two approximately 20 foot segments of Smart Pipe® in series at its intrastate natural gas pipeline facility in Missouri City, Texas.

    a. Smart Pipe® is a composite thermoplastic pipe composed of two layers of high-density polyethylene reinforced with continuous fiber webbing between the two layers.

    b. One segment will be installed as a tight fit liner inside a 12" nominal diameter steel pipe.

    c. One segment will be installed independent of the 12" steel pipe and will be exposed to the usual environmental and atmospheric elements.

7. A special permit is required because this pilot project will be installed as an appendage to an existing jurisdictional pipeline system. All other applicable rules and regulations must be met in the design and installation of this pilot project.

8. Total flow rate and operating pressure will be periodically monitored and documented with existing instrumentation.

9. A bucket type strainer is installed downstream of the test segments with a strainer sieve or basket sized to capture any small particles or slivers of the inter-core pipe surface from blisters or another anomalies which occur during operation or de-pressuring exercises.

10. Monument will provide detail specifications and quality control for the material makeup of the composite thermoplastic pipe.

11. For the tight fit liner segment, Monument will record a description of the host 12" steel pipe details including, but not limited to any anomalies, wall thickness, and pressure rating.

12. Prior to installation the segments of composite thermoplastic pipe installed for the pilot project will be pressure tested for their designed pressure under the manufacturer's recommended method. All documentation and records will be made available to TRRC personnel.

13. Monument will use fiber optic monitoring of both segments during the entire operation of this pilot project.

14. Both segments will be operated under actual flow conditions for a minimum of 6 months.

15. Both segments will be installed to operate under normal conditions with pipeline pressures between 600 and 800 psig. At various times during the 6 months, each segment will be depressured as a means to ensure the integrity of the Smart Pipe® segments under these conditions.

16. The gas product is considered dry gas with a general composition of possible permeable gases, by percent volume are defined as follows:

    CO_2 ≤ 2%
    N_2 ≤ 3%
    H_2S ≤ 4 PPM

17. Carbon Steel ANSI 900 series flanged ends will be installed to make all necessary connections of the project installation.

18. Block valves will be installed so that the pilot project loop can be isolated as necessary from the permanent pipeline system to which this pilot project is attached.

19. Monument will provide a written qualified weld procedure with destructive testing results of all welds made to facilitate this installation.

    a. Monument will include documentation of the qualification of the welder(s) used to make all welds to facilitate this installation.

    b. Monument will make available material testing reports for review by TRRC personnel prior to operating the pilot project loop.

20. Appropriate Monument and/or Smart Pipe® personnel will be on site at all times during the installation and making of all connections to ensure proper installation procedures are followed. Monument and/or Smart Pipe® personnel will be made available in order to exercise appropriate oversight of the entire installation and start-up processes.

21. Monument will provide certifications or other documented proof that all construction personnel involved during all phases of installation and inspection of the Smart Pipe® pilot project were trained in accordance with all necessary Monument project installation processes and procedures.

22. Monument will pressure test the two segments to the same MAOP as the jurisdictional piping to which the segments are attached. Pressure testing will be conducted in accordance with 49 CFR §§ 192.505 and 192.619(a)(2)(i).

23. Before this pipeline is put into operation a written additions to Monument's operations and maintenance process and procedure pertinent to Smart Pipe® will be provided to, and approved by TRRC personnel.

24. Because the carbon steel 12" pipe will hold any permeable gases that may have permeated the Smart Pipe® and since this annulus will be continuous through the segment installed as a tight fit liner, a process and procedure will be written to have each end of this segment periodically sniffed for possible gases that may have permeated through the core liner and into the annulus.

25. At a minimum, a written process and procedure will be added to Monument's existing operation and maintenance manual that will specify an interval of the sniffing inspection. This process and procedure will require documentation of what gases are identified, if any, and what specific quantitative values would initiate further inspection measures, what those inspection measures would consist of, and what actions would be required. These results will be compared to the product's composition that is being transported and the operating parameters of the pipeline at the time these samples are taken. Also included within the written processes and procedures will be an inclusion that this pipeline will be patrolled or leak surveyed on a weekly basis.

CONCLUSIONS OF LAW

1. The Commission has original jurisdiction to consider Applicant's application pursuant to TEX. UTIL. CODE ANN. §121.201 and 49 U.S.C. §60105.

2. Proper legal notice was timely given to all persons and entities entitled to notice under applicable statutes and rules.

3. All things have occurred and have been accomplished to give the Commission jurisdiction in this case. The Commission has jurisdiction under statutes and rules, including 49 CFR 192.53, 55, 105, 107, 109, 111, 113, 221, 455, 503(b) and 619, to authorize the requested special permit and use of pipe not manufactured in accordance with a listed specification in those rules.

4. Applicant is required to comply with all other minimum safety standards set forth in 49 C.F.R. Part 192 as they apply to normal operation and maintenance.

5. Granting the requested special permit is not inconsistent with pipeline safety.

ORDERING PROVISIONS

Therefore, **IT IS ORDERED** by the Railroad Commission of Texas that the application of Monument Pipeline, LP, for a waiver of CFR §§192.53(c), 192.121, 192.123, and 192.619(a) to allow it to install Smart Pipe®, a composite thermoplastic pipe, for a pilot installation test project at its intrastate natural gas pipeline facility located in Missouri City, Texas be **GRANTED**. No further waivers for installation within any system or pipeline are granted.

All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

UPON THE PASSAGE of sixty (60) days from the date this order is signed and no objection from the Secretary of Transportation having been received as provided for in 49 U.S.C. §60118(c)(1), this order shall become final and effective.

Done this 18th day of May, 2010, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN VICTOR G. CARRILLO

COMMISSIONER ELIZABETH A. JONES

COMMISSIONER MICHAEL L. WILLIAMS

ATTEST:

SECRETARY