



Dustin Johnson, Chair
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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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June 15, 2009

Patricia Van Gerpen
SD Public Utilities Commission
500 E. Capitol Ave
Pierre, SD 57501

VIA E-FILING

Re: RM09-001 – In the Matter of the Adoption of Rules Regarding Pipeline Safety

Dear Ms. Van Gerpen:

Commission Staff agrees it and the operators resolved many of the issues and questions surrounding this docket. Staff has two points of clarification regarding NorthWestern Energy's June 15 correspondence with the Commission.

- 1) Generally Commission Staff supports NorthWestern Energy's suggested language:

Upon the conclusion of the inspector's investigation and all laboratory or other tests and discovery and before the inspector's filing of a formal incident report, staff will notify the operator it has completed its investigation. Either the operator and/or the inspector may request a meeting to discuss investigation findings and incident report contents prior to filing of a formal incident report.

Staff prefers, however, not to limit the meeting to a time "prior to filing of a formal incident report." Staff suggests the meeting be an option, "at any time."

- 2) Staff agrees it is important for us to regularly evaluate the PUC pipeline program including incident investigation just as the operators regularly evaluate their own systems and procedures. Staff does not intend to conduct analysis to determine cause required of the operator under 192.617. Staff, however, reserves the right to conduct independent follow-up analysis for root

cause analysis, code violation determination or other unusual situations where additional clarification may be needed for safety reasons. South Dakota operators take their safety role seriously. As a result, Staff does not anticipate such a situation; we simply intend clarify our position.

Sincerely,

A handwritten signature in black ink that reads "Kara Semmler". The signature is written in a cursive, flowing style.

Kara Semmler