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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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August 20, 2009

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

RE: PS09-001 Compliance Review Filing

Dear Ms. Van Gerpen:

On March 14, 2009 shortly after midnight an auto repair shop at 128 E. Main Street North exploded. Montana-Dakota Utilities (MDU) determined that there was a corrosion leak in the main in front of the facility. The subsequent fire department investigation revealed that the probable cause of the explosion was gas. Subsequent testing by the parties to the incident revealed that in addition to the main leak there was a leak in the interior non-jurisdictional gas piping.

Staff was on-site on March 14th to investigate the incident by:

- Interviewing the MDU superintendent
- Completing an incident investigation form
- Taking pictures of the incident site (See attachments)
- Viewing soil gas level data collected to date

Staff has two obligations during an incident investigation:

- Monitor the operator's procedures for determining probable cause and prevention of reoccurrence under 49 CFR 192.617
- Determine operator compliance of both Parts 49 CFR 191 and 192 code sections.

The Monday following the incident, a docket was opened. Over the next several months, several data requests were submitted and responses received in order for Staff to conduct a compliance

review. That review of compliance with 49 CFR Parts 191 and 192 applicable to this incident is now complete. Staff submits the attached Summary of Deficiencies form listing these compliance issues and recommended compliance action. This review was not all inclusive of the regulations and does not warrant that additional compliance issues related to this incident do not exist.

Corrosion is considered a very serious issue in pipeline safety and warrants the utmost consideration in compliance. For that reason, as seen in the attached form, Staff has recommended several probable violations with one recommended penalty for the Commission's consideration.

In this docket, MDU is waiting on test results for interior piping prior to issuing probable cause determination and procedures for Staff to review. Once MDU provides probable cause and their procedures, Staff will complete its review and a full report of this incident will be provided to the Commission.

Sincerely,

Nathan D. Solem

Nathan Solem
Acting Pipeline Safety Program Manager
South Dakota Public Utilities Commission

Attachments

Picture Attachments

Looking north from Main St.

Looking east from Maple St.