



Dustin Johnson, Chair
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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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September 1, 2010

Patricia Van Gerpen
SD PUC, Executive Director
500 E. Capitol Ave
Pierre, SD 57501

Re: Pipeline Safety Complaint

Dear Ms. Van Gerpen:

Enclosed for filing please find a Complaint made on behalf of the South Dakota Pipeline Safety Department.
Please contact me with any questions.

Sincerely,

Kara Semmler

Cc: Mr. Bill Fulton, South Dakota Natural Gas Company,
Mr. Jon Lund, South Dakota Natural Gas Company

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT)	COMPLAINT
BY PIPELINE SAFETY STAFF AGAINST)	
SOUTH DAKOTA NATURAL GAS)	PS10-
COMPANY FOR VIOLATIONS OF)	
49 CFR 192)	

COMES NOW, the South Dakota Public Utilities Commission (herein “Commission”) Pipeline Safety Program Manager (herein “the Program Manager”) by and through its undersigned Staff Attorney, and files this Complaint.

1. The South Dakota natural gas pipeline safety program of the Commission was asked by the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety to review South Dakota for gathering pipelines that may be jurisdictional to the federal pipeline safety code in 49 CFR Part 192. On August 4, 2009, this survey was conducted in Harding County, SD.
2. Jurisdictional gathering lines were not identified. Rather, a transmission line being operated as a gathering line was. The transmission line is owned by the South Dakota Natural Gas Company. The line begins at the Cady Creek compressor station/dehydrator and runs 2.5 miles to connect to the Williston Basin transmission line at what is called the purchase point. See Exhibit 1.
3. Based on Section 2.2 (a) (1) (B) of the American Petroleum Institute’s Recommended Practice 80, incorporated into the pipeline safety code, the appropriate endpoint of the Cady Creek gathering line is the outlet of dehydrator. The dehydrator is the furthestmost downstream gas treatment facility. The location of the dehydrator defines the 2.5 miles line from the compressor/dehydrator station to the purchase point as a gas transmission line. As a result, that portion of the line is jurisdictional to the pipeline safety regulations in 49 CFR Parts 191 and 192. See Exhibit 2.
4. After discovery of this jurisdiction line, South Dakota Natural Gas Company elected to install an additional dehydrator at the purchase point on the Williston Basin. The installation extends the non-jurisdictional gathering to the Williston Basin line.
5. The installation was to occur on February 21, 2010. On February 2, 2010 South Dakota Natural Gas Company requested and was granted an extension until June 30, 2010 to complete the installation. The request was made due to winter weather conditions.

6. On June 25, 2010 South Dakota Natural Gas Company notified the Program Manager the installation was not complete and would not be complete for an additional 45 days. The delay, this time, was due to easement negotiation issues.

7. After this second delay, notice of probable violation was issued. See Exhibit 3. In addition, a third extension was granted until August 31, 2010. The notice explains the possibility of penalties should further delays occurred.

8. On August 31, 2010, South Dakota Natural Gas Company notified the Program Manager there was a corrosion issue with the boiler in the dehydrator. This issue was not identified in the initial inspection. As a result, the Company requested an additional 30 days to remedy the problem.

WHEREFORE, the Program Manager requests the Commission Order compliance by September 30, 2010.

If compliance is not achieved by September 30, 2010, however, the Program Manager requests a \$1,000 penalty pursuant to SDCL 49-34B-12 be levied against South Dakota Natural Gas Company; and the pipeline be shut down until such a time the Company is no longer in violation as described above.

Dated this 1st day of September, 2010



Kara Semmler, Staff Attorney
South Dakota Public Utilities Commission
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