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**SOUTH DAKOTA  
PUBLIC UTILITIES COMMISSION**

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January 20, 2012

Patricia Van Gerpen

SD PUC Executive Director

500 E. Capitol Ave

Pierre, SD 57501

Re: PS11-002

Dear Ms. Van Gerpen,

In an effort to achieve consistency in its recommendations, pipeline safety staff developed the attached "penalty calculation worksheet." The worksheet is similar to the method used by other state agencies with discretionary penalty jurisdiction. The attached internal work document of the pipeline department may help the Commission better understand Staff's recommendation. Although Staff believes this is a repeat violation, please note page 3 "violation history." Staff did not increase the penalty in this circumstance due to that factor.

Sincerely,

Kara Semmler