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January 23, 2011

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities
Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: In the Matter of the Filing by Commission
Pipeline Safety Staff for Approval of a
Penalty for a Pipeline Safety Violation by
Montana-Dakota Utilities Co.
Docket No. PS11-003

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co., (Montana-Dakota) a Division of MDU Resources Group, Inc. herewith submits its responses to the South Dakota Pipeline Safety Staff (Staff) report regarding the results of a public awareness effectiveness inspection conducted on December 12-12, 2011. Staff submitted its report and requested the Commission assess an \$800 penalty on December 21, 2011. This matter has been docketed as PS11-003. Montana-Dakota herewith submits its response transmitted to Mr. Solem to be part of Docket No. PS11-003.

Montana-Dakota respectfully requests the Commission accept the attached response providing Montana-Dakota's commitment to implement procedures and messaging that will address the deficiencies in the Company's public awareness program indentified by Staff. In summary, Montana-Dakota will identify non-customers surrounding its distribution systems in the state and the non-customers located near the transmission lines operated by Montana-Dakota. The message will include information relating to pipeline purpose and reliability, leak recognition and response, hazard awareness and prevention measures, utility marker education and damage prevention measures. Montana-Dakota further commits to working with Staff in development of the appropriate messaging.

As noted in the Staff report Montana-Dakota has historically utilized bill inserts as the means of communicating pipeline safety information. In addition to the inserts, Montana-Dakota included pipeline safety information in its publication entitled "Community Matters" until 2008. This publication was in the form of a newspaper insert

published at least three times per year in newspapers published within Montana-Dakota's service territory.

Montana-Dakota respectfully requests the Commission consider the response and proposed action to rectify the concerns noted by Staff. Montana-Dakota disagrees with Staff's proposed penalty of \$800 given the fact messaging has occurred and Montana-Dakota's commitment to enhance the messaging and target the message appropriately in 2012. An alternative would be to target the proposed penalty toward public outreach.

Montana-Dakota gas safety personnel will be available to discuss this matter at the Commission's agenda meeting scheduled for January 31, 2012.

Sincerely,

/s/ Tamie A. Aberle

Tamie A. Aberle
Regulatory Affairs Manager

cc: Kara Semmler
Nathan Solem
Daryl Anderson
LaDonna Emineth