



Chris Nelson, Chair
Kristie Fiegen, Vice Chair
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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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March 23, 2012

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

RE: Commission Approval of Penalty

Dear Ms. Van Gerpen:

The South Dakota Pipeline Safety Staff issued a report to Xcel Energy regarding results of a Drug and Alcohol Plan inspection conducted on December 12-14, 21, 2011 and March 2, 5-7, 2012. The inspection revealed a violation of 49 CFR §199.105(c). Specifically, Xcel Energy excluded DOT covered gas only employees from random annual drug testing. Due to noncompliance, Staff respectfully requests the Commission assess a \$750.00 penalty.

Staff's recommendation is based on SDCL 49-34B-12. Staff specifically considered:

- Maximum penalty
- Operator's past history of violations
- Severity of violation
- Willfulness
- Cooperation
- Mitigating factors

The attached Summary of Deficiencies and Penalties Calculation Template provides detail regarding the violation and recommendation. In conclusion, the penalty is intended as an incentive for Xcel Energy to develop better quality control methods to ensure all covered employees are drug tested according to DOT regulations.

Sincerely,

/s/ Kara Semmler

Attachments