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February 13, 2014

The Honorable Ritchy Griepp Mayor, City of Humboldt 404 S. Madison Humboldt, SD 57035

Harvey Schumaker President, Natural Gas Board 400 S Madison St Humboldt, SD 57035

Dear Mayor Griepp, Humboldt City Council, and Natural Gas Board:

This week I was in Humboldt to conduct an inspection of the Humboldt Municipal Gas Utility system. I was aware of Kristie Ellis's resignation at the beginning of the year and I was disappointed to find out that a replacement had not yet been selected.

I assume you are aware of the stipulation that Humboldt signed in regard to the dismissal of the pending pipeline docket which occurred in December of 2013 with the South Dakota Public Utilities Commission. (I have attached that stipulation for your reference.) Considering this recent stipulation and the past problems we have documented with Humboldt maintaining a gas system that meets the federal requirements I must stress the importance of filling the vacant position quickly with a qualified person.

Kristie Ellis had performed these duties since the gas system was built; therefor she had years of experience. Someone coming into this position will not have the same efficiency or effectiveness that you saw with Kristie. I understand that Daryl Sieverding has tried to fill the gaps as much as possible but the work load present by the gas system is beyond one person's capabilities when they have additional non-gas duties.

I believe that to be successful in maintaining the Humboldt gas system and all the necessary records, it requires a dedicated full time person (or equivalent). The requirements of the federal pipeline safety regulations are very specific and they must all be followed. These requirements involve more than just operating and maintaining the gas system that you see as an outside observer. There are programs that involve public awareness, operator qualification, drug and alcohol, integrity management, maintaining an operations and maintenance manual, and maintaining system records. These items are in addition to reading meters, changing charts on pressure recorders, doing cathodic protection readings, locating facilities, responding to leak calls and answering customer questions.

In order to more fully explain the responsibilities included in the federal pipeline safety program and provide you an opportunity to ask questions, I would be happy to attend one of your meetings. The city is currently in a very vulnerable situation in regard to the safety of the gas system. I want your city to have the tools and resources necessary to succeed with your municipal gas system and to ensure that the system is safe for all of the residents.

Please do not hesitate to contact me with any questions or concerns at 605-295-3375.

Sincerely,

Mary Zanter

Pipeline Safety Program Manager

Cc: Daryl Sieverding, City of Humboldt, finance@humboldtsd.com

Boice Hillmer, SDPUC, boice.hillmerr@state.sd.us

Attachment