

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

**IN THE MATTER OF THE FILING OF THE)
INVESTIGATION OF THE NATURAL GAS)
INCIDENT OF FEBRUARY 20, 2008, ON)
MONTANA-DAKOTA UTILITIES CO.'S SYSTEM)
IN PIERRE, SOUTH DAKOTA)**

**ORDER APPROVING
SETTLEMENT AGREEMENT**

PS08-001

On April 3, 2008, Commission Staff requested a formal docket be opened regarding an ongoing investigation into the February 20, 2008, natural gas incident in Pierre, South Dakota.

On April 10, 2008, the Commission electronically transmitted notice of the filing and the intervention deadline of April 25, 2008, to interested individuals and entities. On April 21, 2008, the Commission received a Petition to Intervene from South Dakota Intrastate Pipeline Company (SDIP). On April 23, 2008, the Commission received a Petition to Intervene from Montana-Dakota Utilities Co. (MDU). At its regularly scheduled meeting of May 6, 2008, the Commission granted intervention to SDIP and MDU.

On May 22, 2008, the Commission received a Pipeline Safety Staff Report. On June 26, 2008, the Commission received an Opinion Regarding Probable Cause of Failure to Piping System from Pressure Sciences Incorporated. On July 1, 2008, the Commission received MDU's Response to Staff's Pipeline Safety Report. On July 30, 2008, the Commission received SDIP's Response to Staff's Pipeline Safety Report. On September 3, 2008, the Commission received an Addendum to Staff's Initial Report. At its regularly scheduled meeting of September 23, 2008, the Commission considered the Pipeline Safety Staff Report and voted unanimously to approve Pipeline Safety Staff Report Revised Recommendations 2 and 3 and requested more information, including additional cost analysis, on Revised Recommendations 1 and 4, and on the installation of additional instrumentation and alarm equipment as described during the meeting.

On October 7, 2008, MDU filed a Request for Access to Confidential Information. On October 10, 2008 Staff filed a Response to Commission's Request for Additional Information. On October 17, 2008, SDIP filed a Response to Request for Confidential Information and Objection to MDU's Intent to Present Witnesses Testimony. On October 29, 2008, SDIP and MDU stipulated by e-filings to their respective releases to the other of the requested confidential operating manual documents, subject to an appropriate protective order. On November 13, 2008, the Commission issued a Protective Order. On November 13, 2008, the Commission received a Settlement Agreement signed by the parties.

The Commission has jurisdiction in this matter pursuant to SDCL Chapter 1-26, particularly 1-26-19.2 and 1-26-20, SDCL Chapter 15-6, particularly 15-6-26(c), and SDCL Chapter 49-34B, including 49-34B-1, 49-34B-4, 49-34B-5, 49-34B-6, 49-34B-12, 49-34B-19 and 49-34B-21 and ARSD Chapter 20:10:01, including 20:10:01:01.02, 20:10:01:17, 20:10:01:17.1, 20:10:01:19, 20:10:01:22.01 and 20:10:01:39 through 20:10:01:43, inclusive.

At its regularly scheduled meeting on November 12, 2008, this docket was continued to November 13, 2008. At its meeting on November 13, 2008, the Commission considered this matter. The Commission voted unanimously to approve the Settlement Agreement. It is therefore

ORDERED that the Settlement Agreement is hereby approved.

Dated at Pierre, South Dakota, this 13th day of November, 2008.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.	
By:	<u> Steve Kolbeck </u>
Date:	<u> 11/13/08 </u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

 Gary Hanson
GARY HANSON, Chairman

 Steve Kolbeck
STEVE KOLBECK, Commissioner

 Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner