

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

**IN THE MATTER OF THE FILING BY )  
COMMISSION PIPELINE SAFETY STAFF FOR )  
APPROVAL OF A PENALTY FOR A PIPELINE )  
SAFETY VIOLATION BY NORTHWESTERN )  
CORPORATION DBA NORTHWESTERN )  
ENERGY )**

**ORDER OF ASSESSMENT OF  
CIVIL PENALTY**

**PS11-002**

On December 19, 2011, the Commission Pipeline Safety Staff (Staff) recommended the Commission assess a civil penalty for a Pipeline Safety Violation by NorthWestern Energy (NWE). Specifically Staff found a NWE contractor made a repeat error in a welding procedure in violation of 49 CFR 192.225(a). As a result of the violation, Staff recommended the Commission assess a Two Thousand Dollar (\$2,000) penalty. Despite Staff's belief that the violation is a repeat offense, the penalty recommendation is based on a first offense.

On December 22, 2011, the Commission electronically transmitted notice of the filing. On January 17, 2012, NorthWestern Energy replied to Staff's letter. Although NWE admits it violated the timing limits in its welding procedure, it believes the weld was satisfactory due to no detectable defects from the x-ray of the weld. NWE denied that the timing violation is a repeat offense and thus disagreed with Staff's penalty recommendation. On January 18, 2012, Staff replied in support of its original recommendation. On January 20, 2012, Staff supplemented its original filing with the penalty worksheet it used to calculate its penalty recommendation showing that the penalty calculation was based on a first time offense despite the fact Staff believed this to be repeat offense.

The Commission has jurisdiction in this matter pursuant to SDCL 49-34B, specifically, SDCL 49-34B-12. At its regularly scheduled meeting of January 31, 2012, the Commission considered this matter. Although NWE stated that it does not agree with all of Staff's findings, it did agree to pay the Staff recommended penalty. The Commission voted unanimously to assess a civil penalty against NWE in the amount of Two Thousand Dollars (\$2,000). It is therefore

ORDERED, that NWE pay a civil penalty for the violation of 49 CFR 192.225(a) in the amount of Two Thousand Dollars (\$2,000).

Dated at Pierre, South Dakota, this 8<sup>th</sup> day of February, 2012.

<b>CERTIFICATE OF SERVICE</b>	
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>[Signature]</u>
Date:	<u>2-8-12</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

[Signature]  
CHRIS NELSON, Chairman

[Signature]  
KRISTIE FIEGEN, Commissioner

[Signature]  
GARY HANSON, Commissioner