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Chris Nelson, Vice Chairperson  
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*South Dakota*

**PUBLIC UTILITIES COMMISSION**

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July 3, 2013

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

RE: South Dakota 2013 OQ Records Follow-up of Humboldt Natural Gas Facilities

Dear Mayor Gripp:

This letter and attachments summarize the findings of the OQ Records Follow-up inspection conducted in reference to the Humboldt natural gas facilities. I would like to thank Kristie Ellis for meeting with Mary Zanter and providing the required information and assisting with the field inspections.

The findings from the inspections are summarized into the following categories in the attached Summary of Deficiencies form.

1. **Notices of Probable Violation** – are issued if the inspector has good cause to believe a serious or repeat violation of the pipeline safety regulations has occurred. Notices of Probable Violation can also include monetary penalties of up to \$100,000 per day of violation and may include specific corrective actions that must be taken to correct the situation within a specific time frame and to come into compliance with the pipeline safety regulations.
2. **Warnings** – are issued for first time or less serious violations of the pipeline safety regulations. Warnings may include specific corrective actions that must be taken to correct the situation within a specific time frame and to come into compliance with the pipeline safety regulations.
3. **Notices of Concern** – are issued where no direct violation of the pipeline safety regulations exists and for informational purposes to aid the operator in managing as safe and effective pipeline as possible. Notices of Concern are also used to denote areas where best industry practices are not being followed. No action is required for Notices of Concern.

The completed inspection forms have also been enclosed that will include additional details such as inspection notes.

**You must respond to the warnings listed in the Summary of Deficiencies form within 30 business days from the date this letter is received.** Please indicate in your response either agreement with each warning and requirement along with the proposed correction date or whether the issue is disputed. Failure to respond is considered agreement.

Please note the inspection conducted is limited to the specified code sections in the attached inspection forms. The South Dakota Public Utilities Commission (SDPUC) did not examine overall system condition or operability and does not warrant the same under any condition. Other system or code compliance issues may exist.

Failure to include such items in this report does not prohibit future SDPUC action nor limit applicability in future inspections.

Please do not hesitate to contact me with any questions or concerns regarding this inspection.

Sincerely,

*Nathan D. Solem*

Nathan D. Solem

Pipeline Safety Program Manager

Cc: Ms. Kristie Ellis, Finance Officer, City of Humboldt, [finance@humboldtsd.com](mailto:finance@humboldtsd.com)  
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Attachments