

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

IN THE MATTER OF THE PUC)	SETTLEMENT STIPULATION
STAFF'S COMPLAINT AGAINST)	AND AGREEMENT
GARRETSON NATURAL GAS)	
UTILITIES)	PS25-001

This Settlement Stipulation and Agreement (Agreement) reflects the resolution reached between the Staff of the Public Utilities Commission (Staff) and Garretson Natural Gas Utilities, Garretson, South Dakota (Garretson or Respondent).

I. BACKGROUND

On or about June 10, 2024, Ms. Mary Zanter, SD Pipeline Safety Program Manager, conducted a routine inspection on Garretson and discovered that respondent did not provide records of the capacity of pressure relief devices for calendar years 2022 or 2023. Ms. Zanter issued a Summary of Deficiencies requesting Garretson correct the deficiency by October 15, 2024. On January 21, 2025, Garretson provided the requested information, showing a completion date of November 14, 2024.

II. STIPULATION AND AGREEMENT

Now, having come to an agreement that both Parties believe to be reasonable, Staff and Respondent stipulate and agree as follows:

1. Respondent is a municipal natural gas utility operating an interstate pipeline subject to SDCL Chapter 49-34B and 49 C.F.R. Chapter 192, located in Garretson, South Dakota.
2. Respondent failed to maintain proper records of relief capacity records as required by SDCL § 49-34B-7 and 49 C.F.R. § 192.743. Specifically, 49 C.F.R. § 192.743 (a) requires Respondent to determine the capacity of pressure relief devices at pressure limiting stations at intervals not exceeding 15 months, but at least once each calendar

year, by testing the devices in place or by review and calculations. If review and calculations are used under 49 C.F.R. § 192.743 (b), after the initial calculations are determined, subsequent calculations need not be made if the annual review documents establish that parameters have not changed to cause the rated or experimentally determined capacity to be insufficient.

3. Both Staff and Respondent acknowledge that Respondent utilizes the review and calculation method and previously conducted the initial calculations. Both Staff and Respondent agree that Respondent's annual review failed to document that the parameters have not changed, and Respondent therefore failed to comply with 49 C.F.R. § 192.743 and SDCL § 49-34B-7. Neither Staff nor Respondent anticipated that the deficiency in records would cause safety issues since no changes had been made to the system.
4. Both Staff and Respondent agree that under SDCL § 49-34B-12 Respondent is subject to penalties for each day Respondent was out of compliance with the pressure relief device requirement.
5. For Respondent's failure to comply with 49 C.F.R. § 192.743 and SDCL § 49-34B-7 and based on the factors in SDCL § 49-34B-12, Staff recommended imposition of a civil penalty in the amount of \$5,000. In compromise of the Complaint and recommended civil penalty, Respondent proposed implementing the plan of action attached hereto as Exhibit A. Staff and Respondent agree that with the adoption of the proposed plan of action, \$2,500 of the \$5,000 civil penalty should be suspended on the condition Respondent complies with the plan of action for the next two inspection cycles, specifically for the 2026 and 2028 inspections. If Respondent violates its plan of action during the applicable period, it shall, upon written demand from Staff, remit payment of the suspended \$2,500.
6. Respondent will remit the \$2,500 non-suspended portion of the stipulated civil penalty within 30 days of the Commission Order Approving this Stipulation.

7. Staff agrees this Stipulation and Settlement Agreement if approved by the Commission, represents the final disposition of the issues specified herein and Staff will not pursue additional fines or penalties for the infractions outlined in this Agreement. However, nothing in this Settlement precludes the Commission Staff from filing a complaint based on any violation not listed in Staff's original complaint, nor for any future violation.

Dated this 13th day of August 2025.

South Dakota Public Utilities Commission Staff

By: Amanda M. Reiss

Name: Amanda M. Reiss

Its: Staff Attorney

Garretson Natural Gas Utilities

By: Jordan Doane

Name: Jordan Doane

Its: Public Works Director