

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

IN THE MATTER OF THE PUC STAFF'S) AFFIDAVIT OF MARY ZANTER
COMPLAINT AGAINST BLACK HILLS)
POWER, INC. DBA BLACK HILLS)
ENERGY)
) PS25-003

STATE OF SOUTH DAKOTA)
:)
COUNTY OF HUGHES)

I, Mary Zanter, being first duly sworn, state as follows:

1. I am the Pipeline Safety Program Manager for the South Dakota Public Utilities Commission (Commission).
2. The pipeline safety program is responsible for ensuring the safety of natural gas systems within the state by enforcing the provisions of SDCL Chapter 49-34B and ARSD Chapter 20:10:37.
3. Boice Hillmer works for me as a pipeline safety inspector.
4. Boice Hillmer and I inspect the design, construction, operation and maintenance of jurisdictional natural gas operator facilities to ensure they meet the requirements of the federal pipeline safety regulations including 49 CFR 191, 192, 193, and 199.
5. The pipeline safety inspection program operates as an agent for the Pipeline and Hazardous Material Safety Administration (PHMSA) as described in SDCL § 49-34B-15 and is inspected by PHMSA on an annual basis.
6. Inspections are conducted at intervals not to exceed five calendar years as per ARSD § 20:10:37:04.
7. Inspections are broken down into the following categories:
 - a. O&M Manual Inspections – review of the procedures
 - b. Records Inspections – review of the records required by the O&M procedures
 - c. Field Inspections – visual review of existing facilities to ensure they meet the operational and maintenance requirements
 - d. Integrity Management Inspections – review of the integrity management program and associated records.
 - e. Operator Qualification (OQ) Inspections – review of the OQ program and associated records

- f. Construction Inspections – review of construction procedures during construction activities.
 - g. Public Awareness Inspections – review of public awareness program and associated records
 - h. Drug and Alcohol Inspections – review of the drug and alcohol program and associated records.
8. Each inspection is limited in scope so that the inspector may focus on the items within the scope of the inspection.
9. The following paragraph is included in each inspection letter:

Please note the inspection conducted at your facility is limited to the specified code sections in the attached inspection checklist. 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.
10. South Dakota does not have any additional pipeline safety regulations that are not included in the federal regulations but there are some administrative requirements that are included in ARSD § 20:10:37.
11. Pipeline Safety staff do not enforce any other Commission related regulations such as siting in SDCL Chapter 49-41B or biogas pipelines in SDCL Chapter 49-34C.

RELOCATION OF BEN FRENCH TRANSMISSION LINE

12. Boice Hillmer and I received an email from Dan Nichols, PSI Engineering Manager on April 14, 2023, indicating that Black Hills Power (BHP) would be adding/relocating about 150' of pipeline. In that email they asked if there were any additional South Dakota PUC requirements outside the federally required.
13. Boice responded to the email that same day asking to be kept informed when construction was beginning so that we could do some construction inspections.
14. The email received from Dan Nichols, PSI Engineering Manager as well as the response from Boice Hillmer also copied employees of BHP.
15. No additional communication was received regarding the addition/relocation of the pipeline after the initial communication.

CONSTRUCTION OF THE LANGE II LINE

16. On September 11, 2025, after Boice informed me that there was construction activity

happening related to Lange II I sent an email to BHP reminding them of the requirements of ARSD § 20:10:37:18.

17. On September 16, 2025, BHP responded to my email with information required by ARSD § 20:10:37:18 including information that indicated that the line would operate at a pressure greater than 20% SMYS. The information also indicated that construction had begun on July 28, 2025, with an anticipated completion of September 30, 2025.
18. No information regarding construction of the Lange II line was provided prior to my request for information on September 11, 2025.
19. On September 17, 2025, I contacted the staff attorneys to be advised on what actions should occur.
20. On September 18, 2025, I recognized that the information provided on September 16, 2025, indicated that line would operate at a pressure greater than 20% SMYS and provided additional information to the staff attorneys. After more thorough review I recognized that the email indicated a different MAOP (Maximum Allowable Operating Pressure) than the attachment.

DISCUSSION REGARDING RESOLUTION

21. On September 26, 2025, staff members and I met with BHP to discuss issues regarding the pending complaint and attempt to find a resolution. During this discussion BHP's Vice President of Power Delivery stated that the construction that was observed was not a trench for the gas line but rather a trench for the other utilities for Lange II. BHP's Vice President of Power Delivery also state that they planned to tie into the existing Lange I receiver station at the flange upstream, on the non-jurisdictional side of the station. Staff asked for all the construction plans that showed the location of the line for Lange II and the tie-in point.
22. On October 16, 2025, staff members and I met again with BHP to discuss these matters further and again to attempt to find a resolution. During this meeting BHP argued that they would never have planned to tie into the existing Lange I line where Boice saw it in the field because it would require a planned outage. They said that the contractor PSI made the mistake of issuing drawings and planning to tie in at that location and that they should have caught the mistake in the REV-0 construction plans. They hadn't caught the mistake, but they never would have allowed an outage to tie in the Lange II line. At this meeting, BHP's Vice President of Power Delivery stated that he had testified in the Wyoming docket regarding the Lange II Pipeline.
23. On November 4, 2025, staff members and I met in Pierre with BHP to further discuss these matters and again attempt to find a resolution. No settlement was reached.

Dated this 30th day of December 2025.

Mary Zanter
Mary Zanter

Subscribed and sworn to before me this 30th day of December, 2025.

JANETH MERRIMAN (Notary Public)

My Commission expires: February 9, 2028

