



Public Service Commission

State of North Dakota

COMMISSIONERS

Kevin Cramer
Tony Clark
Brian P. Kalk

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
Phone 701-328-2400
Toll Free 1-877-245-6685
Fax 701-328-2410
TDD 800-366-6888 or 711

August 12, 2010

Ron Jablinske
Northern States Power Company
Box 2747
Fargo, ND 58108-2747

William Kaphing, Jr.
Northern States Power Company
825 Rice Street
St. Paul MN 55117

Dave Sederquist
Northern States Power Company
2302 Great Northern Dr
Fargo ND 58108-2747

Lisa Kallberg
Northern States Power Company
825 Rice Street, 1st Floor
St. Paul MN 55117

RE: Case No. GS-08-765, Northern States Power Company
Gas Safety – Fargo, ND

On April 1, 2010, Commission staff issued a Notice of Probable Violations and Proposed Compliance Order to Northern States Power Company (NSP) in the proceeding concerning the incident investigation of a house explosion at 2215 15th Street South, Fargo, ND. The Notice included probable violation number 1 concerning 49 CFR 192.617, a probable violation number 2 concerning 49 CFR 192.615(b)(3) and the Xcel Energy Gas Standards Manual at 18.13.1, and probable violation number 3 concerning 49 CFR 192.13(c) and the Xcel Energy Gas Standards Manual at 18.13.2.

In its May 7, 2010 response to the Notice of Probable Violations, NSP provided a copy of a record showing that on October 18, 2008, NSP completed a review of the employee activities during the emergency as required by its Gas Standards Manual. NSP also provided a copy of a record showing that on October 18, 2008, NSP completed a review of the emergency plan used during the emergency as required by its Gas Standards Manual.

The evidence provided by NSP warrants that the April 1, 2010, Notice be amended under 49 CFR 190.207(c) to remove probable violation numbers 2 and 3. The amendment includes no new material allegations of fact and does not propose an

increased civil penalty amount or new or additional remedial compliance action. Therefore, there the 30 day response after receipt of the amended notice of probable violation is not needed or required.

Attached to this letter is the Amended Notice of Probable Violations and Proposed Compliance Order setting forth only the remaining probable violation of 49 CFR 192.617.

If you have any further questions or require additional information, please contact me at 701-328-4077.

Best regards



Patrick Fahn
Director, Compliance and Competitive Markets Division

- c. Larry Crosby
- Steve Yehle
- John Stumpf
- Tim Mahedy
- Sean Walker
- Dan Woehrle
- John Ness

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Northern States Power Company
Gas Safety – Fargo, ND
Inspection**

Case No. GS-08-765

**AMENDED NOTICE OF PROBABLE VIOLATIONS
August 12, 2010**

Under the authority of North Dakota Century Code 49-02-01.2, the Public Service Commission staff conducted an incident investigation of a house explosion at 2215 15th Street South, Fargo, ND. As a result of that investigation, Commission staff found one notice of amendment to the Xcel Energy Gas Standards Manual, Gas Emergency Plan and three probable violations of the Public Service Commission's gas pipeline safety regulations (North Dakota Administrative Code 69-09-03).

DATES OF THE INVESTIGATION:

September 2 through September 16, 2008

GAS SAFETY INSPECTORS:

Kevin Hanson, Inspector

NAME OF OPERATOR:

Northern States Power Company d/b/a Xcel Energy (NSP)
Box 2747
Fargo, ND 58108-2747
Telephone No: (866) 837-9762

NAME OF CONTACT PERSON:

Ron Jablinske, Manager Gas & Electric Field Operations, telephone No: (701) 241-8621

RESPONSE OPTIONS:

NSP has submitted its response to the Commission with an explanation, information, and materials to defend its case and contest the probable violation, proposed compliance order and proposed civil penalty. The Commission has set this matter for hearing to begin at 10 a.m. on October 12, 2010 in the Commission Hearing Room.

Remaining response options include:

1. Prepare the hearing presentation;
2. Under 49 CFR 190.209, pay the proposed civil penalty as provided in 49 CFR 190.227 and close the case with prejudice to the respondent; or
3. Under 49 CFR 190.219, the Commission staff and the respondent jointly execute a consent order. The consent order shall include: (a) an admission by the respondent of all jurisdictional facts; (b) an express waiver of further procedural steps and of all right to seek judicial review or otherwise challenge or contest the validity of that order; (c) an acknowledgement that the notice of probable violation may be used to construe the terms of the consent order; and (d) a statement of the actions required of the respondent and the time by which such actions shall be accomplished.

COMMISSION ORDER:

An order may: (a) require the operator to complete compliance actions; (b) impose a civil penalty; and (c) suspend the operation of the system.

CIVIL PENALTIES:

Any person found in violation is subject to a civil penalty not to exceed \$10,000 for each violation for each day the violation continues, except that the maximum civil penalty may not exceed \$500,000 for any related series of violations.

As a result of this inspection, the following probable violations are issued:

PROBABLE VIOLATION NO. ONE:

PROVISION(S) OF THE LAWS OR RULES ALLEGEDLY VIOLATED:

49 CFR Part 192.617

STATEMENT OF PROBABLE VIOLATION/EVIDENCE:

NSP Fargo Division violated 49 CFR Part 192.617 "Each operator shall establish procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, for the purpose of determining the causes of the failure and minimizing the possibility of recurrence".

The NSP response to the commission documentation request dated November 13, 2009 stated:

"The report of CTR labs was provided to the NDPSC on May 26, 2009 and a copy of the initial DOT incident report was provided to the PSC on October 2, 2008. Xcel Energy does not have any other reports".

NSP failed to perform a documented failure investigation of the incident. The documents listed in the NSP response dated November 13, 2009 may not be used by NSP as documentation of a failure investigation.

PROPOSED CIVIL PENALTY:

\$10,000.00

PROPOSED COMPLIANCE ORDER:

PROPOSED COMPLIANCE ORDER

Under the Authority of the North Dakota Century Code 49-02-01.2, the North Dakota Public Service Commission staff proposes a compliance order incorporating the following requirements to assure compliance of Northern States Power Company d/b/a Xcel Energy, Fargo Division with North Dakota's minimum gas pipeline safety standards (North Dakota Administrative Code 69-09-03), as applicable to its operation:

REGARDING PROBABLE VIOLATION NO. ONE:

By no later than January 31, 2010, NSP shall provide to the Commission, in writing, an explanation as to why a failure investigation of this incident was not performed. NSP shall also perform an investigation of this failure determining the causes of the failure and action for minimizing the possibility of recurrence with a written report of the findings provided to the commission.

Larry Crosby, Rice Street
Northern States Power Company
825 Rice Street
St. Paul MN 55117

Steve Yehle, Rice Street
Northern States Power Company
825 Rice Street
St. Paul MN 55117

John Stumpf, Fargo
Northern States Power Company
2302 Great Northern Dr
Fargo ND 58108-2747

Tim Mahedy, Rice Street
Northern States Power Company
825 Rice Street
St. Paul MN 55117

Sean Walker, Rice
Northern States Power Company
825 Rice Street
St. Paul MN 55117

Dan Woehrle, Rice
Northern States Power Company
825 Rice Street
St. Paul MN 55117

John Ness, Fargo
Northern States Power Company
2302 Great Northern Dr
Fargo ND 58108-2747