



Public Service Commission

State of North Dakota

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December 31, 2008

Lawrence Bender
Fredrikson & Byron, P.A.
200 North Third Street, Suite 150
Bismarck, ND 58501-3879

RE: Case No. PU-08-831
Pecan Pipeline (North Dakota) Inc.
Natural Gas Pipeline Extension – Mountrail County
Jurisdictional Determination

Dear Mr. Bender:

Thank you for your letter dated October 14, 2008. The Commission has asked me to respond to your request on behalf of Pecan Pipeline (North Dakota), Inc., (Pecan) for a jurisdictional determination regarding siting an extension of a gas gathering facility from Palermo, North Dakota to Alliance Pipeline Interconnect near Towner, North Dakota.

After considering your filings, the staff memorandum, and research, and discussing the matter at an informal hearing and at a work session, the Commission has concluded that the proposed extension is not subject to the Energy and Transmission Facility Siting Act (Siting Act). North Dakota Century Code section 49-22-07 prohibits a utility from beginning construction of a transmission facility without first obtaining a certificate of site compatibility from the Commission. North Dakota Century Code Section 49-22-03(12)(b) defines transmission facility as:

b. A gas or liquid transmission line and associated facilities designed for or capable of transporting coal, gas, liquid hydrocarbons, liquid hydrocarbon products, or carbon dioxide. This subdivision does not apply to an oil or gas pipeline gathering system. For purposes of this chapter, a gathering system includes the pipelines and associated facilities used to collect oil from the lease site to the first pipeline storage site where pressure is

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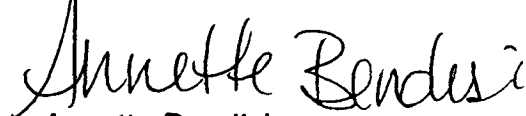
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increased for further transport, or pipelines and associated facilities used to collect gas from the well to the gas processing facility.

The Commission has concluded that the facility described in your letter does not meet the definition of transmission facility in the Siting Act.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Annette Bendish". The signature is written in black ink and is positioned above the printed name and title.

Annette Bendish
Staff Counsel