

Memorandum

To: Commissioners Kalk, Christmann and Fedorchak

From: Sara Cardwell, Public Utility Analyst SC

Date: June 14, 2013

Re: Response to Montana-Dakota Utilities Request for an Amendment to its Application for a Corridor Certificate and Route Permit
Case No. PU-11-680

On June 13, 2013, Montana-Dakota Utilities (MDU) filed a request for an Amendment to its Application for a Corridor Certificate and Route Permit for its proposed 24-mile 10-inch diameter natural gas pipeline in Morton County, North Dakota.

As discussed at the May 3, 2013, hearing, MDU needed waivers from 23 homeowners and two businesses for the project. At the time of the hearing only one waiver request was outstanding for a homeowner located on 38th Street between Highway 1806 and the Heskett Station. The Company has not been able to secure this remaining waiver.

In order to proceed with Company's planned construction schedule, the Company decided to not pursue further attempts to obtain this waiver but reroute the pipeline slightly in order that the pipeline fall outside the 500 foot avoidance requirement. Note that the residence in question is 491 feet from the original proposed route. Thus, by proposing a slight reroute to the pipeline location within the proposed corridor, the Company can proceed without needing a waiver from this homeowner. Because the Commission has not yet issued a corridor certificate and a route permit, the changes to the siting laws contained in House Bill No. 1147 do not apply to this situation.

Staff has determined that the applicable guidance for the processing of this change is found in North Dakota Administrative Code 69-06-04-01(5) which states:

Amendment of application. The commission may allow an applicant to amend its application, consistent with North Dakota Century Code chapter 28-32 and North Dakota Administrative Code article 69-02, at any time during the pendency of an application. A rehearing may be required if the commission determines that a proposed amendment, which is received after the hearing process has been completed, materially changes the authority sought.

It should also be noted that no members of the public appeared at the May 3, 2013 hearing to testify in regards to the proposed pipeline.

Staff therefore recommends that the Commission deem the amendment to the applications for a corridor certificate and route permit do not materially affect the applications and that a rehearing in Case No. PU-11-680, Montana Dakota Utilities Co.'s proposed 24-mile 10-inch diameter natural gas pipeline in Morton County, North Dakota is not required.

The Company plans to submit its Late Filed Exhibit MDU-13 and a proposed Order in this case within the next several weeks.

cc: Tamie A. Aberle