

April 4, 2013



Patrick Fahn, Director Compliance and Competitive Markets
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

RE: Third Party Damage Complaint (Case No. PU-13-129)

Dear Mr. Fahn:

This letter is in response to the Third Party Damage Complaint that was filed by the North Dakota Gas Pipeline Safety Inspector/Program Manager on March 20, 2013 ("Complaint"). The Complaint is related to an incident in which a third party excavator struck a 2" lateral transmission line ("Taylor Lateral") owned and operated by WBI Energy Transmission, Inc. ("WBI Energy" or "Company").

WBI Energy received a one-call ticket (#13004602) from the National Ticket Management System ("NTMS") at approximately 8:30 AM (MST) on Monday, January 21, 2013. The line locate was called in to North Dakota One-Call by Aevenia, a third party contractor, who was installing an electric mainline for Roughrider Electric. A WBI Energy employee was assigned to perform the line locate within an hour of receiving the one-call ticket. The employee arrived at the location that was listed on the one-call ticket later that morning. The employee hooked up the transmitter portion of the pipe locator directly to the pipeline at the intersection of WBI Energy's mainline and the Taylor Lateral and proceeded to locate the mainline pipe within 100 feet on either side of the staked crossing. Flags were inserted every 10 to 15 feet. After the mainline was marked, the employee proceeded to mark the Taylor BTA Lateral. The Taylor BTA Lateral is a receipt point and associated short section of small diameter pipe which is located just north of the intersection of WBI Energy's mainline and the Taylor Lateral. Although the employee marked the Taylor BTA Lateral, he unfortunately failed to locate and mark the Taylor Lateral despite having the necessary information to do so. The employee called Aevenia after he put away his locating equipment to advise them that the proposed excavation route crossed the Company's mainline and he would therefore need to be present when the excavation crossed the mainline. Aevenia notified WBI Energy on the morning of Monday, January 28, 2013 that it planned to excavate across the Company's mainline the next morning.

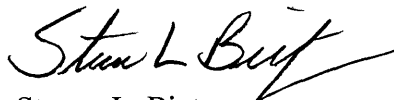
WBI Energy's gas control center received a call at 4:40 p.m. (MST) on Monday, January 28, 2013 reporting that Aevenia had struck a gas line with their trencher. Company personnel were immediately dispatched to the site. WBI Energy maintained the pressure downstream of the hit lateral until Company personnel arrived on the scene. Maintaining the downstream pressure

allowed Montana-Dakota Utilities Co. ("MDU") to shut off service to the affected customers prior to Company personnel isolating the damaged line and reestablishing natural gas service. This reduced the time necessary to purge air from MDU's service lines before relighting customers. WBI Energy began marking repairs at approximately 9:47 PM on January 28, 2013. The repairs resulted in the interruption of natural gas service to approximately 111 residential and commercial customers in Taylor, North Dakota. The pipeline was placed back into service at 12:05 AM (MST) on January 29, 2013. WBI Energy will reimburse MDU for the expenses MDU incurred as a result of this incident.

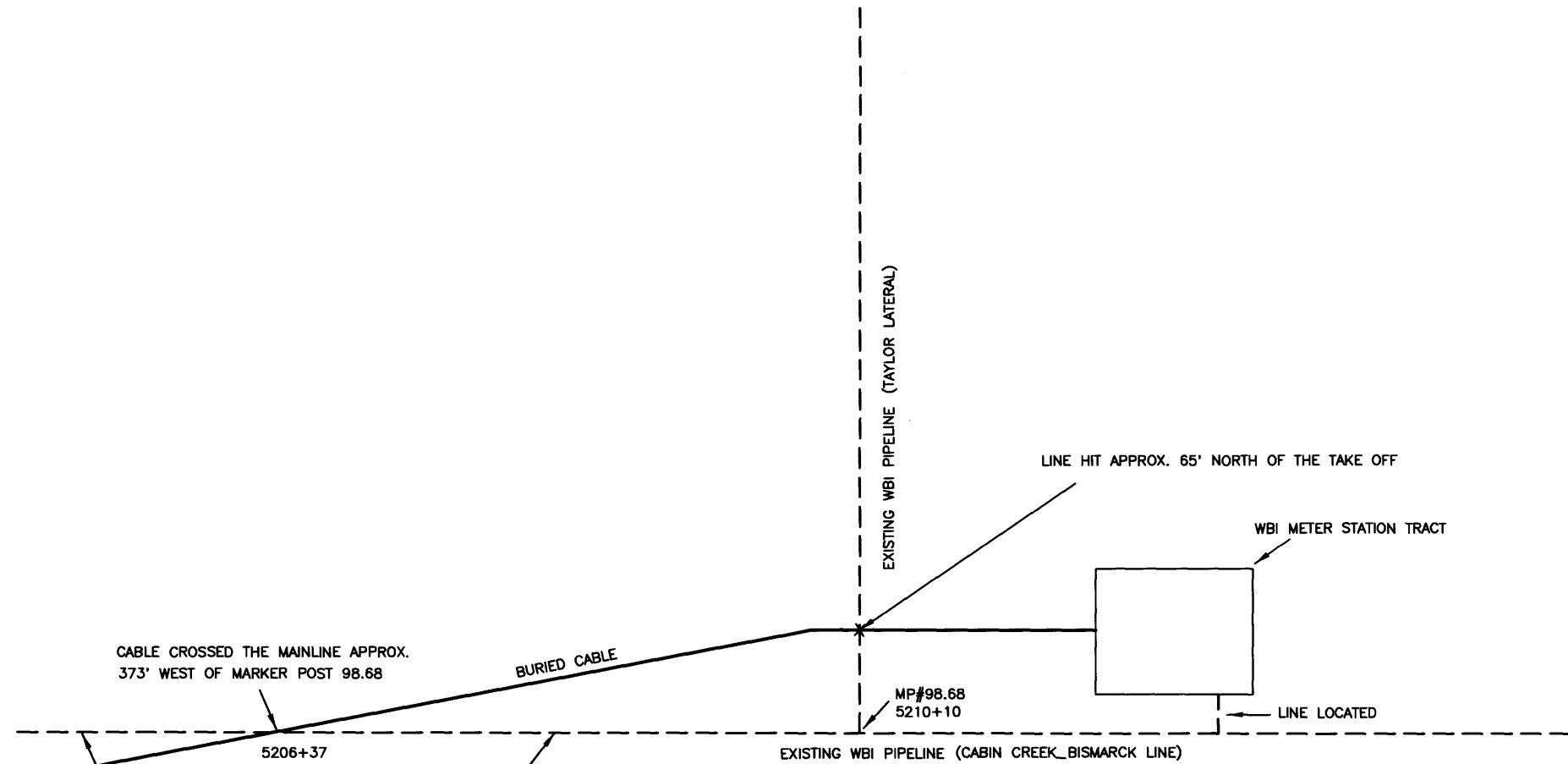
WBI Energy accepts responsibility for the incident and takes the matter very seriously. WBI Energy is committed to the prevention of future incidents. The employee that was involved in this incident was immediately disqualified from performing additional line locates and was required to submit to a post-accident drug test, which he passed. WBI Energy has also taken a fresh look at its entire line locate process in response to this incident. Company personnel who are responsible for performing line locates have historically used hard copies of line maps to verify the location and number of pipelines involved in each line locate. The Company is in the process of providing all applicable personnel with internet access while they are in the field. The internet access provides employees with up-to-date information about the Company's facilities and, perhaps more importantly, gives employees immediate access to the NTMS system so they can close out one-call tickets while they are still fresh in their mind. WBI Energy has also requested that NTMS add several new fields to the one-call ticket to serve as a reminder to employees to check that all pipelines have been properly located. In addition, the Company has made all of its line locators aware of the incident and is using the incident as an example in its training program.

For your information, I have also enclosed an aerial photo which contains a rough sketch showing the excavation route relative to WBI Energy's pipelines. Please do not hesitate to contact me if you need any additional information.

Sincerely,



Steven L. Bietz
President and Chief Executive Officer



CABLE CROSSED THE MAINLINE APPROX.
373' WEST OF MARKER POST 98.68

BURIED CABLE

5206+37

LINE LOCATED

MP#98.68
5210+10

EXISTING WBI PIPELINE (TAYLOR LATERAL)

LINE HIT APPROX. 65' NORTH OF THE TAKE OFF

WBI METER STATION TRACT

LINE LOCATED

EXISTING WBI PIPELINE (CABIN CREEK_BISMARCK LINE)



1" = 100'

NO	DATE	BY	REVISION

WBI ENERGY
TRANSMISSION
A Subsidiary of MDU Resources Group, Inc.

TAYLOR LATERAL/BTA AREA
SECTION 21 TWP. 139N RGE. 83W
STARK COUNTY, NORTH DAKOTA

DATE	DRAWN BY	SCALE	COMP. NO.	DRAWING NO.
4/4/13	RBP	NOTED	TAYLOR	A-8458-9