

October 13, 2014

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505-4080



**RE: Paradigm Midstream Services - ND, LLC,
Case No. PU-14-620 — Request for
Supplemental Information**

Dear Mr. Nitschke:

This letter is in follow up to a request received from your office for supplemental information in support of Paradigm Midstream Services - ND, LLC's ("Paradigm") application for Certificate of Public Convenience and Necessity. Please find enclosed for filing an original and ten (10) copies of detailed financial information to satisfy such request. This information is intended as a supplement to the Application for Certificate of Public Convenience and Necessity, specifically Appendix E, currently before the Public Service Commission.

Also enclosed is a CD containing the above-referenced document in PDF format. If you have any questions, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence Bender".

LAWRENCE BENDER

LB/dmk
Enclosure

cc: Chip Lang (via e-mail)
Jason Stelzer (via e-mail)

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PU-14-620 Filed: 10/13/2014 Pages: 4
Supplement to Application for Certificate of PC & N

Paradigm Energy Partners, LLC - Consol
Income Statement (Unaudited)
For the Nine Months Ending, September 30, 2014

	Year to Date
	<u>Actual</u>
Gathering Services and Other Fees	\$0.00
Product and Condensate Sales	0.00
TOTAL REVENUES	0.00
COST AND EXPENSES:	
Cost of products sold	0.00
Operation and maintenance	6,512.87
General and administrative	3,783,002.29
Depreciation and amortization	90,057.07
TOTAL COSTS AND EXPENSES	3,879,572.23
OTHER EXPENSE/INCOME	
Other Expenses	0.00
INCOME (LOSS) BEFORE INCOME TAXES	(3,879,572.23)
INCOME TAX EXPENSE	0.00
NET INCOME (LOSS)	(\$3,879,572.23)

Paradigm Energy Partners, LLC - Consol
Balance Sheet (Unaudited)
For the Nine Months Ending September 30, 2014

	September 2014
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$10,079,428.58
Other Current Assets	65,306.25
Total Current Assets	\$10,144,734.83
Non-Current Assets	
Net Property and Equipment	\$28,571,621.61
Intangible Assets - ROW	5,350,345.58
Goodwill	27,618.24
Investments	2,125,408.96
Other Non-Current Assets	519,761.05
Total Assets	\$46,739,490.27
LIABILITIES & STOCKHOLDERS' EQUITY	
Current Liabilities	
Accounts Payable - Trade	\$2,535,521.79
Accrued Bonus	937,626.82
Other Current Liabilities	2,019.29
Total Current Liabilities	\$3,475,167.90
Long-Term Liabilities	
Other Non-Current Liabilities	3,461.64
Total Long-Term Liabilities	\$3,461.64
Total Liabilities	\$3,478,629.54
Stockholders' Equity	
Equity	45,172,919.00
Paradigm Energy Partners, LLC	1,967,513.96
Retained Earnings	(3,879,572.23)
Total Stockholders' Equity	\$43,260,860.73
Total Liabilities and Stockholders' Equity	\$46,739,490.27

Paradigm Energy Partners
Consolidated Statement of Cash Flows (Unaudited)
For the nine months ended September 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (loss)	\$	(3,879,572.23)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	\$	90,057.07
Amortization of favorable and unfavorable contracts	\$	-
Amortization of deferred loan costs	\$	-
Class B membership interest unit-based compensation	\$	-
unit based compensation expense	\$	-
Loss on asset sale	\$	-
Changes in operating assets and liabilities:		
Accounts receivable	\$	-
Receivable from affiliate	\$	-
Other assets	\$	(320,580.54)
Accounts payable - trade	\$	44,629.86
Change in deferred revenue	\$	-
Ad valorem taxes payable	\$	-
Accrued interest payable	\$	-
Other current liabilities	\$	939,646.11
Other noncurrent liabilities	\$	3,461.64
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Cash provided by (used in) operating activities	\$	(3,122,358.09)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions	\$	(1,967,513.96)
Proceeds from asset sale	\$	-
Capital Expenditures - ROW	\$	(5,375,202.00)
Capital Expenditures - PP&E	\$	(26,145,930.33)
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Cash provided by (used in) investing activities	\$	(33,488,646.29)

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions from Sponsors	\$	47,140,432.96
Contributions from Unitholders	\$	-
Distributions to Sponsors	\$	-
Distribution to Unitholders	\$	-
Issuance of Senior Notes	\$	-
Borrowings on Revolving Credit Facility	\$	-
Repayment under Revolving Credit Facility	\$	-
Debt Issuance Costs	\$	-
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Cash provided by (used in) financing activities	\$	47,140,432.96

NONCASH ITEMS

Property Additions Accrued	\$	2,490,891.93
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NET INCREASE IN CASH	\$	10,529,428.58
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CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$	-
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CASH AND CASH EQUIVALENTS, END OF PERIOD	\$	10,079,428.58
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