

Memorandum

To: Commissioners, Randy Christmann, Julie Fedorchak, and Brian Kroshus

From: Victor Schock - Public Utility Analyst



Date: December 21, 2017

Re: Targa Badlands LLC, Little Missouri Gas Plant Expansion - McKenzie, Siting Application

Case No. PU-14-853

On September 16, 2015 the Commission issued an order granting Certificate of Site Compatibility number 45 for the construction, operation and maintenance of a natural gas processing plant expansion owned by Targa Badlands LLC (Targa).

At the time the approval was given by the commission, Targa did not plan to start construction in the immediate future, but rather wait until demand rose to a level requiring the additional capacity. For reference, it is only the 3rd expansion of this plant that took the capacity above the threshold requiring commission siting approval.

On or about November 2, 2017 while requesting an update from Targa as to when they plan to begin construction, staff learned that construction of this 3rd expansion had already begun during the summer of 2017. Staff informed Targa at that time of the requirement to notify the commission and conduct a preconstruction conference prior to beginning construction, and advised that further investigation would be conducted. Targa then requested a preconstruction conference be scheduled.

On December 12, 2017 a preconstruction conference call was conducted including commission staff, Targa's company coordinator, project manager and environmental specialist as well as the commissions third party inspector E3 Environmental in attendance. At the start of the call staff requested additional information about what has already been done at the site including ground disturbance, tree and shrub removal and any other construction related activity. It was determined that excavation had been started and concrete poured for footings and piers for a compressor building, skirt walls and for various components that are part of the 3rd plant expansion. Staff and Targa agreed that this activity would constitute the start of construction and that it took place prior to the preconstruction conference.

Since this particular site has been in use for many years by Targa and undergone two previous expansions, the impact of this is virtually nil. Prior to the existing plant, the area was an agricultural use property with no trees or shrubs present.

Staff believes that this minor oversight by Targa was not intentional and did not have a negative impact on any aspect of the site. Staff also believes that even though this may be considered a violation of the commission order and associated Certification related to order provisions for an energy conversion facility, that the commission take no further action in this case.

C: David McQuade, Targa