



April 1, 2015

North Dakota Public Service Commission
Mr. Victor Schock, Public Utility Analyst
600 E. Boulevard Ave, Dept 408
Bismarck, North Dakota 58505-0480

RE: Proposal for Professional Inspection Services PU-14-853

Delivered Via Email

Dear Mr. Schock,

On behalf of E3 Environmental, LLC (E3), I am pleased to respond to your recent proposal seeking professional inspection services. We understand this request is to serve as an independent third party representing the North Dakota Public Service Commission (Commission) and to conduct inspections of the construction of regulated facilities. These efforts shall document conformance to relevant environmental permits and Commission orders or lack thereof. All inspections shall be recorded and documentation shall be supplied to the Commission. One final report shall be compiled to document all inspection efforts and may be subject to the public record.

E3 is currently on the list of approved vendors for the State of North Dakota and has no conflict of interest that would preclude the Commission's consideration of these services. Over the preceding 12-month period, E3 has received approximately \$2,225 in fees for professional services provided to the Commission. Upon your review, should you have any questions or require additional informational needs please contact me at 651-282-0652 or via email at kschmidt@go2e3.com.

Best regards,

Katie Schmidt, Operations Manager
E3 Environmental, LLC

Attachment: Proposal

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Proposal to provide professional inspection services
E3 Environmental, LLC
Katie Schmidt

PROPOSAL FOR PROFESSIONAL INSPECTION SERVICES

Prepared for:

NORTH DAKOTA PUBLIC SERVICE COMMISSION-PU-14-853

E3 Environmental, LLC (E3) understands that the Commission is seeking proposals to provide professional inspection services on behalf of the North Dakota Public Service Commission (Commission) for the Targa Badlands, LLC (Targa) Little Missouri Gas Plant Project (PU-14-853 or Project). E3 staff will comply with all provisions as set forth by the Commission. E3 is currently an approved vendor for the State of North Dakota and E3 does not have a conflict of interest.

Project Personnel:

E3 would staff the field inspections from its Watford City, North Dakota office while project management support would be provided from its St. Paul, Minnesota office.

Katie Schmidt would serve as Project Manager providing senior oversight. Ms. Schmidt has extensive experience siting energy conversion and jurisdictional transmission facilities in North Dakota.

In addition, E3 employs several individuals with skills and experience required to complete the requested inspections and subsequent reporting. E3 has been providing Environmental Inspection Services to the Bakken since 2011. During this tenure E3 has provide inspection services for multiple ND PSC regulated projects. E3's Inspectors have experience with construction permitting requirements and the Commission's siting rules.

Project Scope:

Based upon a review of the information available via the Commission's website it is E3's understanding that the Project's scope includes the new construction the Little Missouri Gas Plant (LMGP) IV expansion and an electrical substation. The siting application also addresses the existing LMGP I, II, III, and an existing natural gas storage area. The previous and planned plant expansion will raise the net capacity fo the plant to 273 MM SCFD. It is estimated that the Project will take approximately 6-months to complete expansion IV and the substation with construction beginning the 2nd quarter of 2015. It is expected that the expansion and substation would be in-service by November 2016.

Preconstruction Conference:

E3 would attend (via telephone) the preconstruction conference with Commission representatives and project personnel. This task shall include orientation of E3 staff to the project documents including but not limited to application, agency correspondence, and Commission orders.

Field Inspections:

To ensure the Project is constructed in accordance with the Commission's Orders and Findings of Facts, E3 proposes that one active construction inspection and associated report be conducted and one post-construction inspection and associated report be conducted. Inspections shall be recorded on inspection forms and augmented with photographs. Inspections shall document compliance, non-compliance and issues of potential concern. All inspections are to be completed in 2015.

Reporting:

Inspection reports shall be compiled and submitted to the Commission within seven (7) business days of the completed inspection.

In the event that a suspected non-compliance issue is identified, reporting shall be expedited and provided to the Commission no more than five (5) business days after identification.

Upon completion of the final inspection, E3 shall review relevant documents and inspection reports and shall compile a final report. The final report shall assess the compliance with siting laws and rules as well applicable Commission orders. The final report shall be delivered to the Commission within thirty (30) days of the last site inspection. Inspection reports shall be delivered to the Commission in an electronic format. The final report shall be delivered to the Commission in both a paper and electronic format.

Assumptions

1. E3 will be provided unfettered access to the entire project(s) site and will be escorted by knowledgeable field staff.
2. All relevant documentation will be provided to E3 a minimum of three (3) days prior to the preconstruction conference.
3. Project scope and schedule will not change after the work has been awarded.
4. E3 will be provided alignment sheets/construction drawings for each facility to be sited.
5. A digital file of the facility location (kmz or ESRI format) will be provided to E3 prior to the commencement of inspection services.

Cost Estimate

Professional inspection services associated with the conversion/construction of facilities associated with PU-14-853 to be sited in a McKenzie county. Services rendered include:

- Review of relevant project(s) documents;
- Attendance, via telephone, of one (1) preconstruction conference;
- One (1) active construction inspection and associated report;
- One (1) post construction inspection and report; and
- One (1) comprehensive final report.

The not to exceed amount includes necessary travel, meals and report production to support the professional inspection services.

Not to Exceed Budget:

\$6,750