



1900 Cardinal Lane | Faribault, MN 55021  
Main: (888) 933-9743 | Fax: 701-922-5092  
Visit our Website: [www.dakotaturalgas.com](http://www.dakotaturalgas.com)  
Send us an email: [dng@dakotaturalgas.com](mailto:dng@dakotaturalgas.com)

May 29, 2020

Mr. Steve Kahl, Executive Secretary  
North Dakota Public Service Commission  
600 E. Boulevard Ave., Dept. 480  
Bismarck, ND 58505-0480

RE: Application for Certificate of Public Convenience and Necessity  
Dakota Natural Gas, LLC

Dear Mr. Kahl:

Enclosed herewith, please find Dakota Natural Gas, LLC's (DNG's) Application for a Certificate of Public Convenience and Necessity, submitted pursuant to N.D. Admin. Code § 49-03.1-01. The Application seeks such a Certificate to allow DNG to construct and operate the facilities described therein to provide natural gas service to parts of the Traill County, North Dakota area and to a large commercial customer located in the Hillsboro area.

Please note that there are two versions of the document; namely, one that is redacted for public viewing and one that includes a non-public attachment containing trade secret information. The trade secret version is so marked. Ergo, DNG's Application for Trade Secret Protection is also enclosed, seeking protection for certain information appended to the Request as Attachment C along with a sealed envelope containing the protected Attachment.

DNG respectfully requests that the Commission consider the Application; that it give notice of an opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, that it waive the hearing in accordance with N.D.C.C. § 49-03.1-05; and, that it enter an Order approving DNG's Application and issue a Certificate of Public Convenience and Necessity authorizing DNG to construct and operate the natural gas distribution facilities at issue in the Application.

DNG's filing fee in the amount of \$10,000 is also enclosed, submitted herewith subject to refund of any unused portion.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 209-2110 and my email address is [kanderson@greatermngas.com](mailto:kanderson@greatermngas.com).



May 29, 2020  
Mr. S. Kahl  
Page 2

Sincerely,

DAKOTA NATURAL GAS, LLC

A handwritten signature in blue ink, appearing to read "Kristine A. Anderson".

Kristine A. Anderson  
Corporate Attorney (Minnesota) & Regulatory Affairs

Enclosure

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA**

Brian Kroshus  
Julie Fedorchak  
Randy Christmann

Chair  
Commissioner  
Commissioner

Case No. \_\_\_\_\_

**In the Matter of the Application of  
Dakota Natural Gas, LLC for a  
Certificate of Public Convenience  
and Necessity to Construct and  
Operate a Natural Gas Distribution  
Line to Serve Parts of Traill County,  
North Dakota**

**APPLICATION FOR  
CERTIFICATE OF  
PUBLIC CONVENIENCE  
AND NECESSITY**

***PUBLIC DOCUMENT:***

***TRADE SECRET DATA REDACTED***

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Dakota Natural Gas, LLC (DNG), respectfully requests that the North Dakota Public Service Commission (Commission) grant a Certificate of Public Convenience and Necessity pursuant to N.D.C.C. Ch. 49-03.1-01 for DNG to construct and operate the facilities described herein to provide natural gas service to some residents in Traill County, North Dakota and a large end-use retail natural gas customer located in the Hillsboro area.

**OVERVIEW**

Representatives of Traill County and the cities of Hillsboro and Mayville, North Dakota reached out to DNG inquiring about whether DNG could provide natural gas service to those currently unserved communities. As part of its effort to develop an economically viable option to provide retail natural gas service to the area, which lies just west of the Minnesota border, DNG negotiated with potential anchor customers; and, DNG secured an agreement that, subject to regulatory approval, will make it feasible to serve some Traill County residents with natural gas. DNG plans to initially market retail natural gas service to residential and commercial customers located in and around the Hillsboro and Mayville communities and to its large retail customer. DNG is hopeful that additional Traill County communities may be added in the future if there is sufficient pipeline capacity available and if extending service is economically viable.

In order to provide the requested service, DNG will need to construct a distribution pipeline from a point at the North Dakota – Minnesota border to the designated service locations. A map of the proposed distribution system is appended hereto as Attachment A. DNG proposes construction of a pipeline described as follows:

- The distribution line will be fed from an interconnect point with the Viking pipeline line in Minnesota. The line, constructed of 4" steel pipe, will pick up gas from the Viking pipeline at a Town Border Station (TBS) near Beltrami, Minnesota where the pressure will be reduced to 270 psig at a DNG owned regulator station for transport to DNG's distribution line.
- DNG will run approximately 10.3 miles of 4" steel pipe in North Dakota from the border to a regulator station from which the Mayville community will be served. At that regulator station, part of the line will continue for approximately four miles to a regulator station from which the Hillsboro community will be served. From that point, a final stretch of the line may run for approximately one-half mile to a regulator station to serve DNG's large retail customer.
- At the Mayville and Hillsboro regulator stations, additional sections will be added to the line to serve the communities' retail customers. Those sections of the line will be constructed using 6", 4" and 2" HDPE pipe and will likely total approximately 35 miles, cumulatively.<sup>1</sup>

Without the line, natural gas distribution to the Traill County area will not be possible. DNG's timeline for construction of the line is subject to the requisite regulatory processes; but, DNG is approaching its regulatory requirements expeditiously<sup>2</sup>; and, DNG's goal is to secure regulatory approvals and permits by late summer or early fall of 2020, with construction beginning late in 2020 and in-service occurring in 2021. Hence, DNG hereby respectfully requests that the Commission determine that public convenience and necessity requires or will require such construction and operation and issue a Certificate of Public Convenience and Necessity to DNG.

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<sup>1</sup> DNG estimates that approximately 12 miles of 6" HDPE will run from the Mayville regulator station to the Mayville city limits; approximately 3 miles of 4" HDPE will run from the Hillsboro regulator station to the Hillsboro city limits; and, the remaining 3 miles of 4" HDPE and 17 miles of 2" HDPE will be used to construct the end of the distributions systems within those communities.

<sup>2</sup> . DNG has requested FERC approval by August 31, 2020. As of the date of this Application, no objections or adverse comments have been noted in DNG's FERC proceedings and there are no anticipated delays at this time. Since a service area determination by FERC does not create any unusual procedural or legal responsibility for the NDPSC, DNG will simply be subject to normal regulatory procedures and the jurisdiction of the NDPSC.

## GENERAL FILING INFORMATION

N.D.C.C. Ch. 49-03.1-03 requires DNG to provide certain information in its Application. Each of the requisite areas is addressed below.

### A. Name, Address and Telephone Number of the Applicant

Dakota Natural Gas, LLC  
1900 Cardinal Lane  
P.O. Box 798  
Faribault, Minnesota 55021  
Telephone: (888) 933-9743

### B. Applicant Business Authorization

Applicant is a limited liability company organized under the laws of North Dakota. As a public utility, it is subject to the jurisdiction of and regulation by the Commission pursuant to Title 49 of the North Dakota Century Code. DNG's Articles of Organization and Certificate of Organization issued by the North Dakota Secretary of State are appended hereto as Attachment B.

### C. Financial Statement

DNG is a relatively new company and its first project in Drayton, North Dakota will not be put into service until late 2020. As such, it does not have sufficient financial information to provide at this time. A financial statement for the parent of the family of companies to which DNG belongs is appended hereto as Attachment C. **NON-PUBLIC ATTACHMENT—CONTAINS TRADE SECRET DATA.** *Greater Minnesota Synergy, Inc.'s (GMS) complete, audited financial statements for 2019 are included in the document appended hereto prepared by Weber & Deegan, Ltd., Certified Public Accountants, entitled "Greater Minnesota Synergy, Inc. and Subsidiaries Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018." DNG respectfully requests that the content of the appended financial statements and notes be treated as protected data because the information was supplied by DNG; DNG and the entire GMS family of companies are privately held and their financial information is not publicly available; DNG and the entire family of GMS companies have taken reasonable efforts to maintain its secrecy by redacting it from public view and protecting private financial from non-organization individuals; and, DNG and the GMS family of companies derive independent economic value from its private financial information not being known by competitors, suppliers, and/or other members of the public who could obtain economic value from its use and whose use of the information could deleteriously impact DNG and the GMS family of companies.*

#### **D. Service to be Offered**

DNG seeks authorization to construct, operate, and maintain a natural gas distribution system for the purpose of providing the benefits of natural gas to parts of the currently unserved area of Traill County, North Dakota and a large commercial customer near the Hillsboro community. DNG intends to operate pursuant to its existing tariff, including rates and service provisions; and, DNG contemporaneously submitted a proposed tariff modification to add the Traill County service areas. DNG will not provide any distribution services until the requisite approvals have been received from the Commission.

#### **E. Area to be Served**

A map of the proposed distribution system is appended hereto as Attachment A. DNG anticipates serving the Hillsboro and Mayville communities, the large commercial customer, and other interested customers located on the line. DNG anticipates that approximately 749 residential, commercial, and industrial customers will take service within the first three years of the line's operation.

#### **F. Other Public Utilities Providing Similar Service in the Area**

The Traill County, North Dakota area is not currently served by any other natural gas provider. No other natural gas public utility will be affected by the construction and operation of the proposed natural gas distribution system.

#### **G. Franchise Authority**

The cities of Hillsboro and Mayville have awarded natural gas franchises to DNG. Additionally, the cities of Hillsboro and Mayville, the Traill County Commission, the Traill County Economic Development Commission, the Hillsboro Economic Development Corporation, and American Crystal Sugar Corporation have expressed support for DNG's project in the Federal Energy Regulatory Commission docket addressing DNG's request for a service area determination, as evidenced by their letters appended hereto as Attachment D.

### **DISCUSSION AND ANALYSIS**

A utility must obtain a certificate of public convenience and necessity from the Commission prior to beginning construction or operation of a natural gas distribution system. N.D.C.C. § 49-03.1-01. Upon an application for such a certificate, the Commission considers the need for service; the fitness and ability of the applicant to provide service; the effect on other public utilities providing service; the adequacy of the proposed service; and, the technical, financial, and managerial ability of the applicant to provide service. N.D.C.C. § 49-03.1-04.

In the instant case, the need for service is indisputable. While many people living in urban areas or communities close to natural gas pipelines take the availability of natural gas service for granted, those communities that are unserved lack access to an essential service to their detriment. Currently, residents and business in the Traill County area are unable to avail themselves of the benefits of natural gas service and are forced to rely on alternate heating sources such as propane, coal, electricity, and wood. Traill County has agricultural operations, businesses, and local residents that will benefit from access to safe, reliable, and affordable natural gas. Bringing natural gas to the area will enhance the ability of Traill County and its communities to compete in a new and changing economy. The presence of natural gas is a benefit to attracting, creating, and maintaining commercial and industrial anchors, bringing a competitive advantage to the area. Lower energy costs for residents and commercial competitiveness will all serve to increase the area's prosperity. The issuance of natural gas franchises for DNG by the City of Hillsboro and the City of Mayville, the support for the project exhibited by those communities and Traill County, and DNG's proposed agreement with its large customer all provide empirical evidence of community interest in and the need for natural gas service, thereby demonstrating that the public interest will be fostered by DNG's proposed project.

Since the Traill County area is currently unserved by natural gas, DNG's proposed distribution system will not have any effect on other public utilities. Further, because DNG plans to provide new service to the designated communities and is willing to provide service to any interested party along the line pursuant to its service requirements and tariff, DNG's proposed service is adequate.

Although DNG is a relatively new company, it is part of a family of companies with a well-developed history and reputation for expanding gas to rural, unserved areas. DNG's initial project in the Drayton, North Dakota area is proceeding as expected. DNG has an established service center staffed by dedicated technicians in Drayton, North Dakota. Similarly, DNG intends to open a new service center in Hillsboro; and, the technicians operating out of the Hillsboro service center will provide emergency response for the area, which will be augmented by DNG's Drayton staff. The family of companies to which DNG belongs has an excellent knowledge base that DNG will continue to leverage in order to provide the same exceptional operational and customer service that its Minnesota family of companies provides. With safety and operational excellence as the companies' top priorities, DNG is fit and able to provide responsive, exemplary service to the Traill County area. Since it is led and operated by the same personnel as its Minnesota family of companies, DNG has the technical, financial, and managerial ability to provide service.

DNG has live telephone answering 24 hours per day, 7 days per week available to handle any customer issues. DNG does not use automated "phone tree" call management technology. Issues of an emergency nature will be dispatched to local technical personnel for immediate response. Issues of a non-emergency nature will be handled as expeditiously as possible with the goal of providing exceptional customer service. The GMS family of companies has a proven history of providing excellent customer service and technical and safety response service; and, the same standards are applied to DNG. The GMS family of companies are also members of the

American Gas Association which has a larger mutual aid agreement with other natural gas companies that can be used to respond to larger emergencies.

DNG's live staff speaks with customers any time they call. In the event that a call is received during normal business hours, customer care representatives do everything they can to answer each customer's questions and address any concerns during the initial phone call. To the extent that a customer care representative is not able to provide a response, the representative obtains all necessary information, researches and communicates with internal staff, and reaches out to the customer with the answer. In the event that a non-emergency customer call is received outside of normal business hours, answering staff will take a detailed message and a customer care representative will respond at the first available opportunity during business hours.

Any time an emergency call is received, a dedicated technician is dispatched to the scene. A complete dispatch message, including all emergency information, is sent to the technician being dispatched. The responding technician arrives on scene as quickly as possible and works through an industry-prescribed series of steps to identify and address the emergency situation. Additionally, when the emergency call is received, DNG's customer care personnel provide the caller with safety instructions and use a series of scripted emergency response questions and answers to ensure that complete information is both obtained and shared.

#### **REQUEST FOR COMMISSION ACTION**

DNG is confident that the proposed project serves the public interest and is soundly planned. The proposed distribution system will deliver immeasurable benefits to the Traill County area that would otherwise not be available to it. Therefore, DNG respectfully requests that the Commission give notice of an opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, that it waive the hearing in accordance with N.D.C.C. § 49-03.1-05; and, that it enter an Order approving DNG's Application and issue a Certificate of Public Convenience and Necessity authorizing DNG to construct and operate natural gas distribution facilities necessary to serve the Traill County, North Dakota area, beginning with the communities of Hillsboro and Mayville and its large commercial customer, as well as other customers in and around those areas.

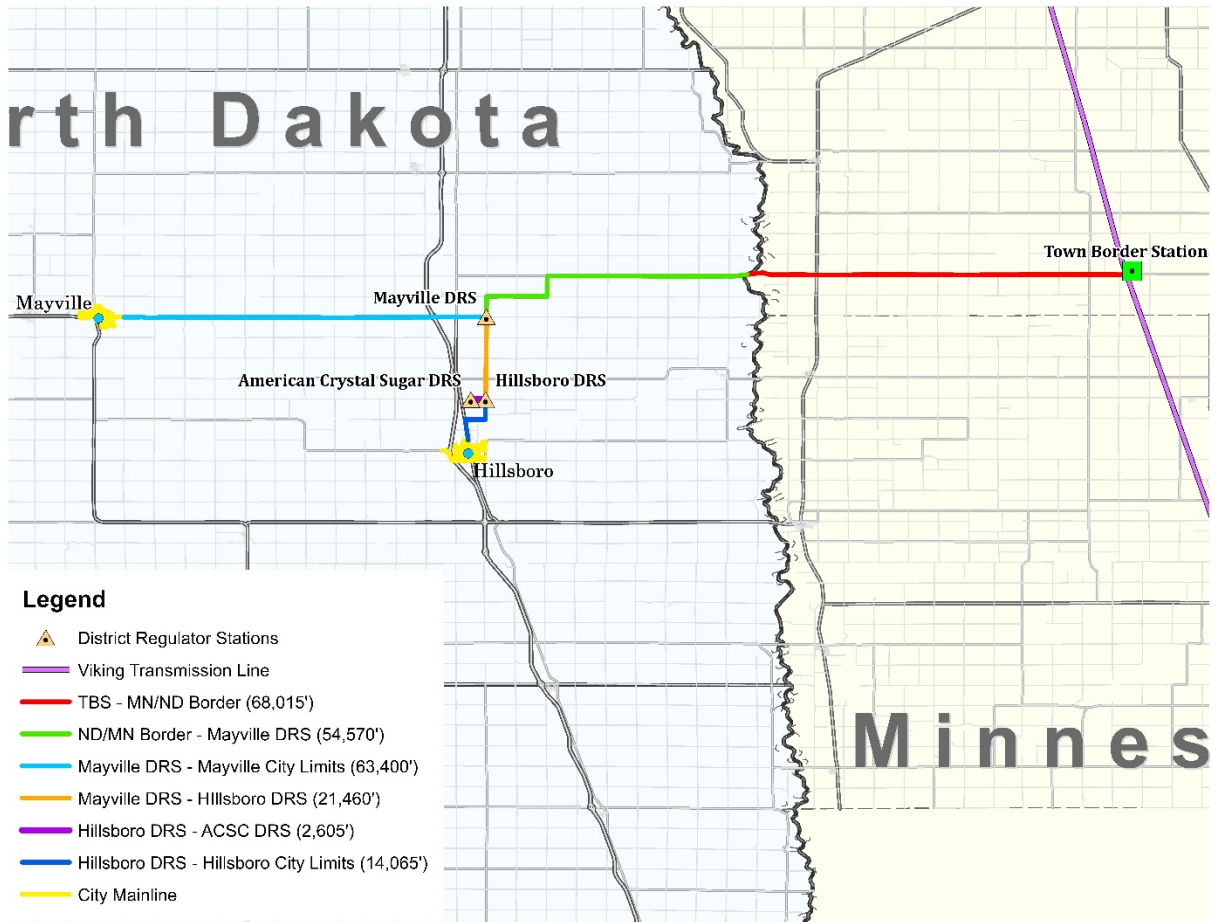
Dated: May 29, 2020

Respectfully submitted,



Kristine A. Anderson  
Corporate Attorney (Minnesota) and Regulatory Affairs  
Dakota Natural Gas, LLC  
1900 Cardinal Lane  
P.O. Box 798  
Faribault, MN 55021  
(888) 933-9743  
Direct: 507-209-2110

ATTACHMENT A  
Map



# *State of North Dakota*

## SECRETARY OF STATE



### CERTIFICATE OF ORGANIZATION OF

DAKOTA NATURAL GAS, LLC  
Secretary of State ID#: 45,372,300

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that Articles of Organization for

DAKOTA NATURAL GAS, LLC  
duly signed and executed pursuant to the provisions governing a North Dakota LIMITED LIABILITY COMPANY, have been received in this office and are found to conform to law.

**ACCORDINGLY** the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Organization to

DAKOTA NATURAL GAS, LLC

Effective date of organization: June 25, 2018

Issued: June 25, 2018

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger  
Secretary of State

45,372,30  
1653002

**ARTICLES OF ORGANIZATION OF  
DAKOTA NATURAL GAS, LLC**

Pursuant to North Dakota Century Code, Chapter 10-32.1, the Uniform Limited Liability Company Act (the "Act"), the undersigned organizer, being a natural person 18 years of age or older, hereby adopts the following Articles of Organization:

**ARTICLE I**

**Name and Principal Office**

The name of this Limited Liability Company is Dakota Natural Gas, LLC. The principal executive office of the Company is 202 South Main Street, P.O. Box 68, Le Sueur, Minnesota 56058.

**ARTICLE II**

**Registered Office**

06/25/18

The Company's commercial registered agent in North Dakota is MMRA LLC, ~~120 West Sweet Avenue, Suite 9, Bismarck, North Dakota 58504.~~

**ARTICLE III**

**Effective Date**

The Company shall be effective at the time that the Company's Certificate of Organization is issued by the Secretary of State.

**ARTICLE IV**

**Duration**

Unless dissolved earlier according to law, the existence of the Company shall be perpetual.

**ARTICLE V**

**Purpose**

The Company shall exist for any general lawful business purpose.

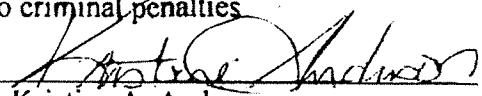
**ARTICLE VI**

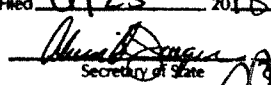

**Organizer**

The name and address of the organizer of the Company is Kristine Anderson, 202 South Main Street, P.O. Box 68, Le Sueur, Minnesota 56058.

I, the above-named organizer, have read the foregoing Articles of Organization, know the contents thereof, and believe the statements made therein to be true. I further authorize the Secretary of State to correct Article 2 if not correctly reflected. I understand that if I make a false statement in this document, I may be subject to criminal penalties.

11/25/18  
Date

  
Kristine A. Anderson  
202 South Main Street  
P.O. Box 68  
Le Sueur, MN 56068  
(507) 665-8657  
kanderson@greatermngas.com

NORTH DAKOTA  
Filed 06/25 2018  
  
Secretary of State  


**ATTACHMENT C**  
Financial Statements

**ENTIRE ATTACHMENT IS NON-PUBLIC – CONTAINS TRADE SECRET DATA.**



SMALL TOWN. **BIG** OPPORTUNITY.

ATTACHMENT D  
FERC Letters of Support

# City of Hillsboro

19 S Main Street / P.O. Box 400  
Hillsboro, ND 58045  
(701) 636-4620 / Fax (701) 636-4621  
[www.hillsboro-nd.com](http://www.hillsboro-nd.com)

May 6, 2020

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: Dakota Natural Gas, LLC Application for Service Area Determination  
Docket No. CP20-155-000

Dear Ms. Bose,

Hillsboro, North Dakota is a rural, agricultural community of approximately 1600 people, perfectly located between two of North Dakota's largest cities along Interstate 29, the Burlington Northern Railroad, and the Goose River. The City of Hillsboro has a progressive, forward-looking city commission, striving to be that small, high-tech community in eastern North Dakota. The Hillsboro Airport hosts the first unmanned aerial system's (UAS) beyond visual line of sight (BVLOS) test corridor in the country and works closely with North Dakota's two largest universities on a variety of projects.

Additionally, the City of Hillsboro owns and operates a municipal electrical utility system, providing another strategic advantage compared to similar sized cities in North Dakota. The City of Hillsboro purchases power from a variety of sources, including coal, wind, solar, and hydroelectric, however, natural gas service is currently not available from any supplier in Hillsboro or the surrounding Traill County area - this is a major disadvantage for our residents, farming community, and economic development. The City of Hillsboro has worked with community leaders and businesses for many years trying to gain access to natural gas for the area. Approval of Dakota Natural Gas LLC's application will enable natural gas service to be provided to the city, subject to regulation of the North Dakota Public Service Commission.

In conclusion, the City of Hillsboro requests that the Commission issue a determination on this application as soon as reasonably possible in order to enable Dakota Natural Gas LLC to construct the required facilities to allow natural gas service to be provided by August 1, 2021. Prompt approval of this petition will greatly improve the economic viability of our businesses, our community, and our region.

Sincerely,

Terry Sando  
Hillsboro City Commission President



# *City of Mayville*

*21 1<sup>st</sup> Street NE*

*PO Box 220*

*Mayville, ND 58257*

May 3, 2020

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: Dakota Natural Gas, LLC Application for Service Area Determination  
Docket No. CP20-155-000

Ms. Bose:

On behalf of the citizens of Mayville, North Dakota, I am writing to express our enthusiastic support for Dakota Natural Gas, LLC's application to provide natural gas service to Traill County, North Dakota.

I have been a resident of Mayville, North Dakota for the past 33 years. During that time, our business community has diminished by about fifty percent; and many people that work in our community prefer to commute because of amenities available for their families in larger communities.

Natural gas service continues to expand in many more populous areas in North Dakota. But service to our rural county and communities has not happened. Dakota Natural Gas, LLC. researched and endorsed expansion into Traill County, North Dakota. This is wonderful news for an unserved area.

With natural gas service, our citizens will realize sizable heating and cooling cost savings for their businesses and homes; and because natural gas provides a consistent supply of product through an underground pipeline, there is no worry about running out, which can be a concern in our extreme winter conditions. Natural gas is also more environmentally friendly than other fossil fuels.

The lack of natural gas service in our community and county has been a detriment to business and residential development for years. I can only imagine the increased opportunity for growth when natural gas service is available. The City of Mayville appreciates the opportunity to partner with Dakota Natural Gas, LLC. to bring natural gas service to our city and county.

Sincerely,

Steven P. Bensen,  
Mayor

**Web Site:** [www.mayvilleportland.com](http://www.mayvilleportland.com)  
**Phone:** 701-788-2166  
**Fax:** 701-788-4205  
**TDD#** 1800-366-6889

**The City of Mayville is an  
Equal Opportunity  
Employer and Provider**

**TRAILL COUNTY GOVERNMENT**

Commission District #1 Thomas Eblen  
Commission District #2 Kurt Elliott  
Commission District #3 Kendall Nesvig  
Commission District #4 Larry Young  
Commission District #5 Les Amb

**TRAILL COUNTY COMMISSION**

PO Box 429 Hillsboro, ND 58274 701-636-4458

April 30, 2020

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First St. NE,  
Washington, DC 20426

Dear Ms. Bose;

We were contacted by Jim Murphy, the Executive Director of the Traill County EDC to write a letter in support of Dakota Natural Gas, LLC's project to build the necessary infrastructure and deliver natural gas to the Traill County, North Dakota cities of Hillsboro and Mayville. Traill County EDC is a taxpayer funded organization that works alongside the county with attracting new businesses and enhancing the businesses that currently exist.

We support the project that Greg Palmer and his group at Dakota Natural Gas, LLC have presented to us. Traill County has signed the agreement with Dakota Natural Gas, LLC and intend to use the natural gas they will provide when the project is complete.

There are many reasons why we support this project. This letter will spell out a few.

The biggest reasons we support the project is the savings that Traill County government will realize with the lower cost of natural gas versus our current heating sources (propane and fuel oil) in Traill County facilities. As a small county with limited resources, and as good stewards of taxpayer funds, it is important to us to be sensitive with taxpayer money.

The other reason we support this project is opportunity the efficiency natural gas as an energy source brings to the residents of the cities of Hillsboro and Mayville. The majority of Traill County residents live in these two cities. Dakota Natural Gas will bring a choice of energy source for these residents.

Our third reason to support this project is the fact that new businesses we seek to attract to Traill County require natural gas as an option. This project will make us more competitive for future growth.

Thank you for taking our letter into consideration.

Sincerely,

Thomas Eblen  
Traill County Commission Chair

*Traill County places significant importance on the safety and well-being of its employees and the public it serves.*

April 30, 2020

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First St. NE  
Washington, DC 20426

Dear Ms. Bose;

First of all, thank you for taking the time to read my letter. I am the Executive Director of the Traill County Economic Development Commission, and our organization has been working with Dakota Natural Gas, LLC to deliver natural gas service to the region (Traill County, North Dakota) – specifically Mayville, ND and Hillsboro, ND, the two largest cities in Traill County. We are a county on the eastern side of North Dakota bordered to the north by Grand Forks County and to the south by Cass County, both of which currently have natural gas service available.

Our office works closely with businesses and governments to provide the best opportunities for the economic growth of Traill County's cities and citizens. Traill County's unique geographic position between two of the larger counties in the state of North Dakota has a lot of advantages. For example, the residents here can enjoy a beautiful rural lifestyle, and fantastic schools for their children with a great teacher-to-student ratio, and still have access to the amenities offered by the larger cities to the north and south.

However, there are disadvantages as well, one of which is the lack of access to natural gas – both for our businesses as well as local homeowners. Having to pay more for higher-priced propane and fuel oil has been a hindrance in our ability to attract new businesses to our communities. I can personally recall – as can other economic developers who were in this office before me – the numerous times businesses have called to inquire about site selection options in Traill County only to hang up as soon as they hear natural gas is not available. I checked with some of the members of our board of directors who have years of experience with the EDC and was told that in last 10 years “at least 6 to 8 businesses would not build in Hillsboro and chose other cities or other states” due to the fact that natural gas was unavailable. These ventures would have been an economic boost to Traill County, its cities and the state of North Dakota. To our small Traill County community – 8,037 people – the impact of new businesses can be enormous.



On the residential side, homeowners choose between propane, fuel oil, and electric heat, all of which are higher-priced options than natural gas. This puts us at a disadvantage, but one that we are hoping to remedy with the help of Dakota Natural Gas. There also are new housing developments planned in both Hillsboro and Mayville, and those potential new homeowners would reap the same benefits of natural gas versus other energy sources.

This project, to bring natural gas to this county, has been a long time coming. Many previous attempts have been made to secure natural gas in the county in past decades. In fact, in recent decades, gas companies wouldn't even entertain the possibility of a pipeline when local representatives attempt to start those conversations – even though Traill County is only 30 miles from other area cities that already have natural gas. Over the years our organization has sent representatives to speak on behalf of natural gas to the state Legislature, worked with countless companies on plans for the needed infrastructure and ultimately been unsuccessful.

A Traill County EDC board member recounted the following story: “I have been in the heating and air conditioning industry for 45 years. I remember customers coming to me when LP prices were soaring to almost \$5 a gallon and asking what they could do because they couldn't afford those prices. The prices for LP have always been moving up and down, with customers never knowing what they will be paying from one fill to another – or this year and others, in the fall, when our farmers are trying to dry their grain and have pre-purchased but still can't get their LP, whether it be because of transportation issues or better profit to ship out of country. It seems the natural gas prices have been very stable; there's been a constant supply of natural gas, so much so that we are burning it off in western North Dakota. It is the distribution or cost to build the distribution pipeline that has stalled the supply of natural gas to Hillsboro. Now that we seem to have the technology and the cost to build has become more affordable, we need to move forward and have the supply line built into the county. Now we have a supplier that wants to build it. It has been asked for, it is wanted, and it is needed.”

We also reached out to Melissa Beach, a local banker who serves as president of the Hillsboro Business Association. Melissa also is the former Executive Director of the Traill County EDC. Melissa stated, “As the former economic developer for Traill County for nearly 10 years, we encountered numerous business opportunities in which natural gas was the critical missing piece of infrastructure for the area. Existing businesses were also limited in expansion capacity and competitiveness due to the lack of natural gas – others considered relocation or relocated due to cost analysis. It is my opinion that Traill County has been at a disadvantage for manufacturing and business development for many decades. Additionally, one of the major challenges encountered was the potential for natural gas to be introduced, only to be later countered by the propane industry at the state level.”

Other even earlier attempts also bore no pipeline. We have found local newspaper stories dating back to the '50s that detail how, in October and November of 1952, the city of Hillsboro was in talks with both Montana-Dakota Utilities and Minot Gas Co. In December of 1957, the paper's editor addressed rumors of a gas line coming to Traill, noting that it had been determined that two separate lines would run to Grand Forks and Cass counties, without a connection in between. A decade later, several cities in Traill County held meetings with United Natural Gas of Minneapolis, Northern States Power and Ransom

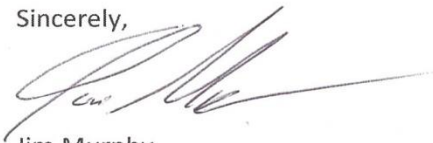
and Co. Inc. of Kansas City; those cities signed franchise agreements with United Natural Gas in 1968, but that project later fell through, as well.

The prospect of Dakota Natural Gas bringing natural gas to Traill County represents new possibilities for economic expansion. Not only will this level the playing field for Traill County as we look to recruit new businesses and opportunities, but it also will allow our existing businesses to take advantage of the cost savings to complete planned expansions. The lower costs for our homeowners and existing businesses would free up monies for these citizens and business owners to invest in their own lives; churches, schools, charities and to spend these savings with businesses (local and non-local) and help push our local economy higher and higher – and that is something that is needed now more than ever.

This is the right project at the right time.

Thank you very much for reading my words and thoughts. I know this letter got a little long, but I wanted to be thorough. If you would like to contact me, I am currently working out of my home office. Therefore, my email would be best – [director@traillcountyedc.com](mailto:director@traillcountyedc.com). We do check messages on the office voice mail, as well at 701-636-4746, and we will get back to you as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Murphy', with a long horizontal flourish extending to the right.

Jim Murphy  
Traill County EDC  
102 1<sup>st</sup> St. SW  
Hillsboro, ND 58045

**Hillsboro Economic  
Development Corporation**  
PO Box 502 | Hillsboro, ND 58045  
[www.growhillsborond.com/](http://www.growhillsborond.com/)



April 29, 2020

**Re:** Dakota Natural Gas, LLC Application for Service Area Determination; Docket No. CP20-155-000.

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, NE, Washington, DC 20426

To Ms. Bose:

The Hillsboro Economic Development Corporation is in support of bringing natural gas to Traill County because we are currently an unserved area. Having natural gas will benefit our community in recruiting businesses to build and grow in Hillsboro. Not having natural gas available has had detrimental consequences to our community because builders and businesses have requested it and it wasn't an option. Therefore, the businesses move down the road until they can find natural gas and build in the next community. Having a natural gas service in our area will help our economic development by continuing to build our community and be able to compete with other bedroom communities in our area.

Sincerely,

A handwritten signature in blue ink that reads "Paula Suda". The signature is written in a cursive, flowing style.

Paula Suda, HEDC President



American Crystal  
Sugar Company

April 30, 2020

Ms. Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: Dakota Natural Gas, LLC Application for Service Area Determination  
Docket No. CP20-155-000

Dear Ms. Bose:

American Crystal Sugar Company (ACSC) is an agricultural cooperative specializing in the production of sugar and related agri-products. ACSC is owned by nearly 2,800 shareholders who raise approximately one-third of the nation's sugar beet acreage in the Red River Valley of Minnesota and North Dakota.

ACSC operates a processing plant in Hillsboro, North Dakota which currently relies on coal for fuel since natural gas service is currently not available from any supplier in Hillsboro or the surrounding Traill County North Dakota area. ACSC has worked with surrounding community leaders and businesses for over 20 years trying to develop a viable alternative to gain access to natural gas for the area. Approval of Dakota Natural Gas LLC's application will enable natural gas service to be provided to the area, subject to regulation of the North Dakota Public Service Commission.

ACSC requests the Commission issue a determination on this application as soon as reasonably possible in order to enable Dakota Natural Gas LLC to construct the required facilities to allow natural gas service to be provided by August 1, 2021. Access to natural gas by August 1, 2021 will enable ACSC to install and test the gas burning equipment necessary for the 2021/2022 production run and improve the economic viability of sugar production for ACSC and its member owners.

In 2019, ACSC growers dealt with severe flooding and weather conditions throughout the Red River Valley. In 2020, our entire growing area faces the economic challenges created by the Covid-19 virus. We ask the Commission for timely approval of this petition not only on behalf of American Crystal Sugar Company, but, on behalf of all Traill County residents in order to improve the economic viability of our region and businesses.

Sincerely,

A handwritten signature in blue ink that reads "David Braseth".

David Braseth  
Vice President of Operations  
American Crystal Sugar Company