



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

August 30, 2023

ORIGINAL VIA FEDERAL EXPRESS

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
for Larimore, North Dakota and Arvilla, North Dakota

Dear Mr. Kahl:

Enclosed herewith, please find a collection of documents related to 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 the Larimore, North Dakota and Arvilla, North Dakota areas. Specifically, the following documents are filed herewith:

1. Request for Jurisdictional Determination;
2. Application for Trade Secret Protection;
3. Application for a Certificate of Public Convenience and Necessity (both trade secret and public versions); and,
4. Application for Tariff Revision.

Please note that there are two versions of the Application for a Certificate of Public Convenience and Necessity; 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, also enclosed, seeks protection for certain information appended to the Request as Attachment C. The trade secret version of the document is being sent via Federal Express along with a sealed envelope containing the protected Attachment.

In order to mitigate the impacts of continuing increases in material costs and to allow for construction to begin promptly, DNG respectfully requests expedited treatment of its requests. DNG is hopeful that a jurisdictional determination can be made quickly. Additionally, DNG is both cognizant and respectful of the Commission's time and, in order to maximize efficiency, DNG respectfully requests that the Commission consolidate the matters into one docket and allow the timeline for notice and an opportunity to be heard to run contemporaneously, such that the Commission give notice of an opportunity to request a hearing to interested parties and, if no



August 30, 2023

Mr. S. Kahl

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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 Applications 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 and that it approve the associated tariff provisions.

Finally, DNG respectfully requests that the Commission reduce the requisite filing fees to one combined filing fee of \$10,000 on the basis that \$10,000 is sufficient for cases requiring publication of notices and, accordingly, DNG submits a check herewith for that amount, including in its Federal Express package.

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.

Sincerely,

DAKOTA NATURAL GAS, LLC

/s/

Kristine A. Anderson

Corporate Attorney (Minnesota) & Regulatory Affairs

Enclosures

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

Randy Christmann
Julie Fedorchak
Sheri Haugen-Hoffart

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 Larimore, North Dakota
and Arvilla, North Dakota**

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

PUBLIC DOCUMENT:
TRADE SECRET DATA REDACTED

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 the communities of Larimore, North Dakota and Arvilla, North Dakota and their environs.

OVERVIEW

As part of its commitment to expand natural gas service in North Dakota, DNG continues to assess unserved areas to identify those where a viable and feasible project might be possible. DNG determined that it might be able to develop such a project to serve the broader communities of Larimore and Arvilla, both of which are currently unserved communities. DNG reached out to those communities and, based on their interest and the commitments of some potential customers that would likely use substantial amounts of gas, as well as DNG reaching an agreement to secure capacity from Xcel Energy, DNG developed a project plan. DNG will initially deliver the benefits of natural gas service to the communities of Larimore and Arvilla; and, DNG is hopeful that additional communities may be added in the future if there is sufficient interest, pipeline capacity, and extending service is economically viable; and that, potentially, the line at issue in this request may be connected to existing DNG facilities to provide a looped system.¹

¹ DNG's Application herein seek a Certificate of Public Convenience and Necessity only for the Larimore and Arvilla communities and their environs.

In order to provide the service, DNG will need to construct a pipeline from a point near Emerado, North Dakota to the communities of Larimore and Arvilla. 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 Xcel Energy pipeline line near Emerado, North Dakota. The line, constructed of 6” HDPE and 4” HDPE pipe, will pick up odorized gas from the custody transfer point with Xcel where DNG will reduce the pressure for its distribution system which will have at a system MAOP of 125 psig but which will be operated at or below that level.
- DNG will run 6” HDPE pipe from the custody transfer point, transitioning to 4” HDPE pipe as it approaches Arvilla. A line constructed of 4” HDPE pipe will continue to Larimore. Cumulatively, that pipe will likely total approximately 13.25 miles.
- In both the Arvilla and Larimore communities, additional sections will be added to the line to serve the communities’ retail customers. Those sections of the line will be constructed using 4” and 2” HDPE pipe and will likely total approximately 10.8 miles, cumulatively.²

The anticipated total cost of the proposed system is approximately \$3.46 million. Without the line, natural gas distribution to the Larimore and Arvilla communities will not be possible. DNG’s timeline for construction of the line is subject to the requisite regulatory processes but DNG would like to lock in the purchase of pipe for the project as soon as possible, as well as possibly beginning early construction in late 2023, weather permitting, with in-service occurring in 2024. To that end, DNG respectfully requests that the Commission consolidate the dockets related to DNG’s proposal and that it act as expeditiously as possible to review DNG’s requests related to the line. 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.

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

² DNG estimates that, combined, approximately 1.3 miles of 4” HDPE and approximately 9.5 miles of 2” HDPE will be used to construct the distributions systems within those communities.

Faribault, Minnesota 55021
Telephone: (888) 933-9743

B. Applicant Business Authorization

DNG 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 current Certificate of Good Standing and Certificate of Organization issued by the North Dakota Secretary of State, as well as its Articles of Organization, are appended hereto as Attachment B.

C. Financial Statement

A financial statement for DNG is appended hereto as Attachment C. *NON-PUBLIC ATTACHMENT—CONTAINS TRADE SECRET DATA. DNG's complete audited financial statements for 2022 are included in the document prepared by Boeckermann Grafstrom Mayer, Certified Public Accountants, entitled "Dakota Natural Gas, LLC Financial Statements For the Years Ended December 31, 2022 and 2021", appended hereto in Attachment C. 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 is privately held and its financial information is not publicly available; DNG has taken reasonable efforts to maintain its secrecy by redacting it from public view and protecting private financial information from non-organization individuals; and, DNG derives 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.*

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 communities of Larimore, North Dakota and Arvilla, North Dakota and their environs. DNG intends to operate pursuant to its existing tariff with some modifications related to the instant project, including certain rate components; and, DNG contemporaneously submitted a proposed tariff modification to add the service areas at issue herein and to establish a new rate area for the project. DNG will neither begin project construction nor provide any distribution services until all of 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 Larimore and Arvilla communities and other interested customers located on the line. DNG anticipates that approximately 320 residential, commercial, and

industrial customers will take service within the first two years of the line's operation and that the total number of customers will increase to approximately 430 within the first five years.

F. Other Public Utilities Providing Similar Service in the Area

Neither the Larimore nor Arvilla areas are 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 city of Larimore anticipates awarding a natural gas franchise to DNG, for which the first reading of the ordinance occurred on August 7, 2023 and the second reading and City Council passage of which is anticipated to occur on September 5, 2023.

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 businesses in the Larimore and Arvilla areas 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. The areas have 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 the Larimore and Arvilla 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 a natural gas franchise for DNG by the City of Larimore provides 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 Larimore and Arvilla areas are 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.

In the past four years, DNG brought natural gas service to four previously unserved communities in North Dakota and it is part of a family of companies with a well-developed history and reputation for expanding gas to rural, unserved areas. DNG's projects in the Drayton, Hillsboro, Mayville, and Portland, North Dakota areas were successful. DNG has two established service centers staffed by dedicated technicians in Drayton and Hillsboro. The technicians operating out of the Hillsboro service center will provide emergency response for the instant project, 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 it already provides in North Dakota and 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 Larimore and Arvilla areas. 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.

REQUEUST 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 Larimore and Arvilla areas that would otherwise not be available to them. Therefore, DNG respectfully requests that the Commission expeditiously 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 Larimore, North Dakota and Arvilla, North Dakota communities and their environs.

Dated: August 30, 2023

Respectfully submitted,

/s/

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

Proposed Larimore & Arvilla Project

Legend

- 2" HDPE
- 2" HPDE
- 4" HDPE
- 6" HDPE

ATTACHMENT A
Project Maps



4 mi

17

Emerado

Grand Forks AFB

Arvilla

Larimore

Google Earth

11

2

2

4

4

U.S. Rte 2

2

4A

4A

4B

18

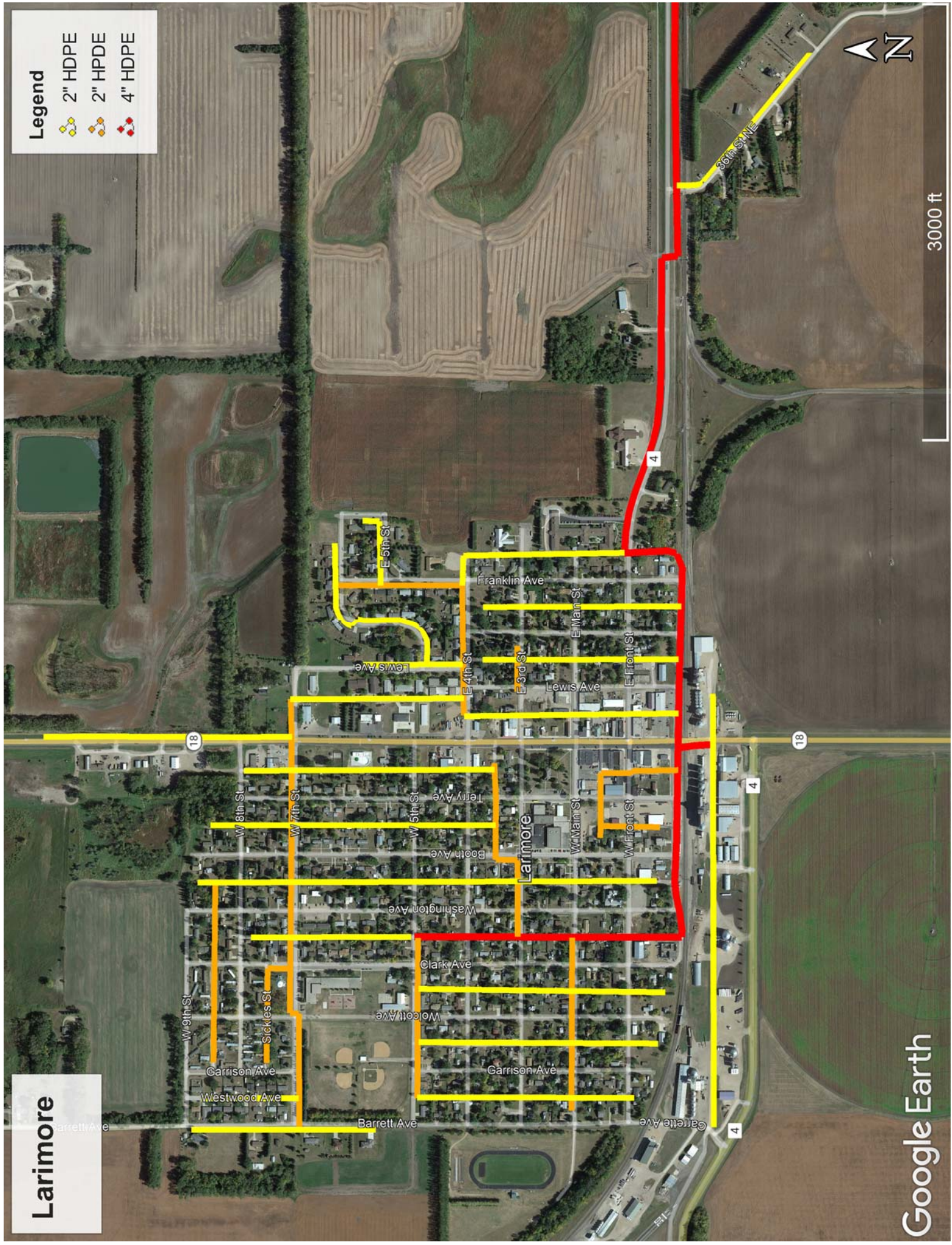
18

4

Larimore

Legend

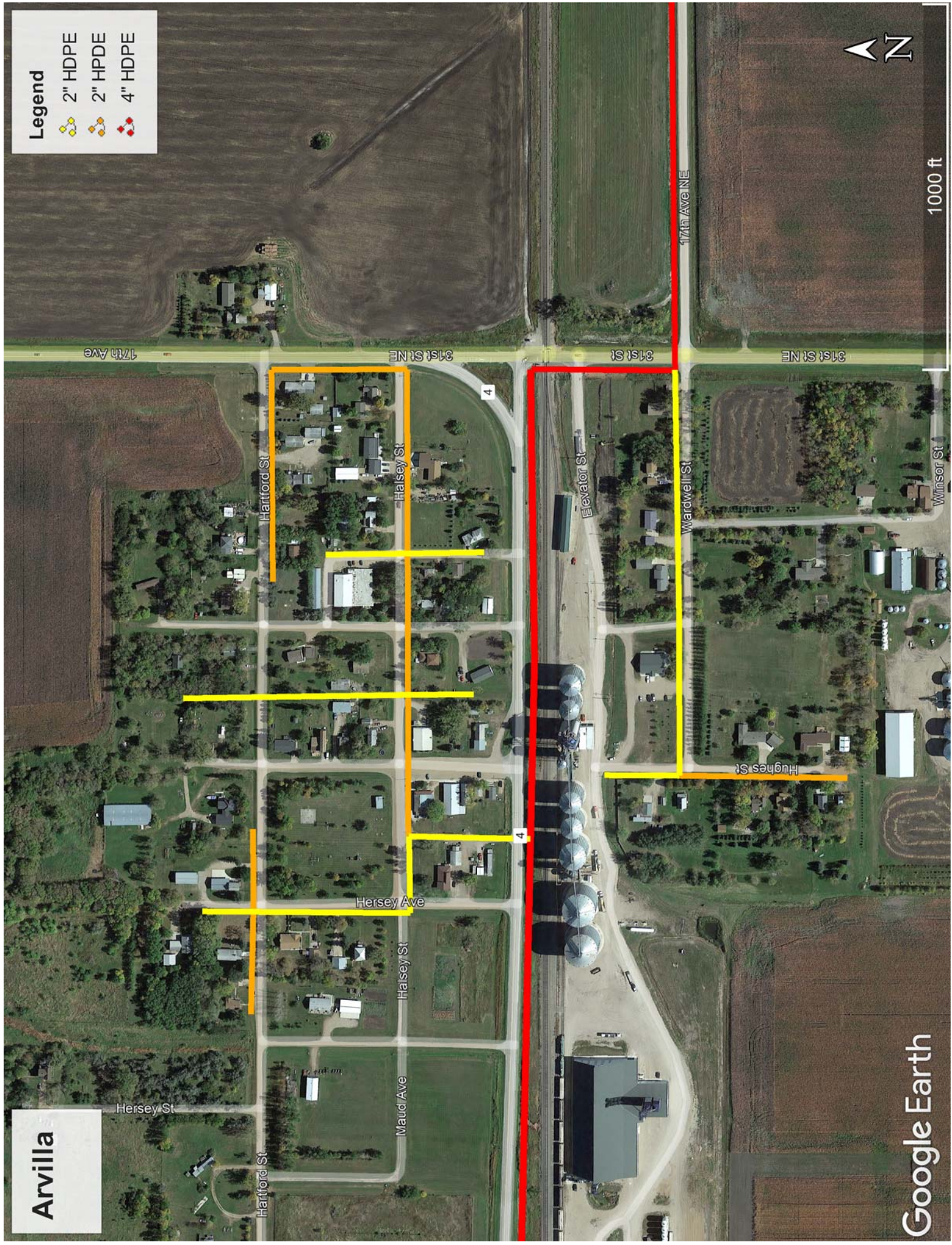
- 2" HDPE
- 2" HPDE
- 4" HDPE



Arvilla

Legend

- 2" HDPE
- 2" HPDE
- 4" HDPE



1000 ft

State of North Dakota SECRETARY OF STATE



Certificate of Good Standing of DAKOTA NATURAL GAS, LLC

SOS Control ID#: 0000170040

Certificate #: 024012114-1

The undersigned, as Secretary of State of the state of North Dakota, hereby certifies that, according to the records of this office,

DAKOTA NATURAL GAS, LLC

a Limited Liability Company - Business - Domestic was formed under the laws of NORTH DAKOTA and filed with this office effective June 25, 2018. This entity has, as of the date set forth below, complied with all applicable North Dakota laws.

ACCORDINGLY, the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing.

DATE: August 28, 2023

A handwritten signature in black ink that reads "Michael Howe".

Michael Howe
Secretary of State

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**

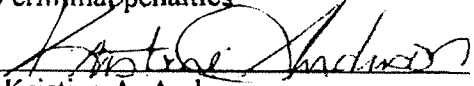
The Company shall exist for any general lawful business purpose.



**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


**Entire attachment is submitted
under trade secret protection.**

Dakota Natural Gas, LLC
FINANCIAL STATEMENTS
For the Years Ended
December 31, 2022 and 2021