

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Dakota Natural Gas, LLC
Natural Gas Pipeline – Larimore & Arvilla, ND
Public Convenience & Necessity

Case No. PU-23-300

ORDER

October 24, 2023

Preliminary Statement

On August 31, 2023, Dakota Natural Gas, LLC (DNG) filed an application for a Certificate of Public Convenience and Necessity to construct and operate a natural gas distribution system to serve Larimore and Arvilla, North Dakota and their environs.

On September 6, 2023, the North Dakota Public Service Commission (Commission) issued a Notice of Opportunity for Consolidated Hearing providing until October 20, 2023, for receiving written comments or requests for hearing. No requests for hearing were received. The notice identified the following issues to be considered.

1. Is there a need for the service?
2. Is DNG technically, financially and managerially fit and able to provide the service?
3. What is the effect on other public utilities providing similar service?
4. Is the proposed service adequate?

On October 9, 2023, the City of Larimore filed comments in support of DNG's application.

On October 11, 2023, the Commission discussed these matters with DNG and Commission staff during an informal hearing.

Discussion

During the October 11, 2023 informal hearing the following was offered and accepted into the official record.

DNG is a limited liability company organized under the laws of North Dakota. DNG is a wholly owned subsidiary of Greater Minnesota Transmission, LLC, a Minnesota

limited liability company (GMT). GMT is a subsidiary of Greater Minnesota Synergy, Inc., a Minnesota corporation (GMS). GMS and its subsidiaries have provided similar natural gas service in Minnesota since 1995. DNG has provided natural gas service to the Drayton, North Dakota community and its environs for the 2020-2021 heating season, which was DNG's first project in North Dakota. Since that time, DNG has provided service to the Hillsboro and Mayville communities and their environs for the 2021-2022 heating season and the Portland community for the 2022-2023 heating season.

DNG proposes to construct and operate a distribution system service the cities of Larimore and Arvilla, North Dakota and their environs. The distribution system will begin at an interconnection point with Northern States Power Company near the Grand Forks Air Force Base. The total cost of the distribution system is estimated to be approximately \$3.46 million. DNG proposes to supply the distribution system via a combination of 2", 4" and 6" plastic main line.

The residents in the subject service area currently rely on alternative heating sources such as propane, coal, electricity, and wood. DNG anticipates signing approximately 320 customers in the proposed service territory within the first two years of operation, and increase to 430 customers within five years of operation.

DNG has service centers located in Hillsboro and Drayton, North Dakota, and is a member of the American Gas Association, which has a larger mutual aid agreement with other natural gas companies for emergency response. Neither GMS nor any of its subsidiaries have filed for bankruptcy, temporarily or permanently ceased operation, had difficulty remaining competitive with an alternative heating source, or been subject to a revocation proceeding. GMT and GMS are guarantors of DNG debt and DNG benefits from shared management, personnel, scalability, and overhead of GMS. DNG also stated that it has the financing available to add service to the area. The Company will have insurance dedicated to DNG sufficient to cover any emergent liability.

Based on the record and having received no objections, the Commission finds:

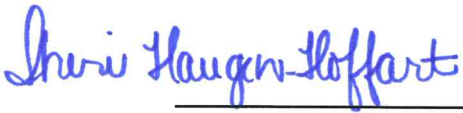
1. There is a need for the service.
2. DNG is technically, financially and managerially fit and able to provide natural gas service in North Dakota.
3. There is no effect on other public utilities providing similar service.
4. The proposed service is adequate.
5. It is in the public interest that the Certificate of Public Convenience and Necessity be issued to provide natural gas service to the service area including Larimore and Arvilla, North Dakota and their environs.

Order

The Commission Orders:

1. DNG's application for a Certificate of Public Convenience and Necessity to construct and operate a natural gas distribution system to serve the towns of Larimore and Arvilla, North Dakota and their environs is granted.
2. Certificate of Public Convenience and Necessity No. 5984 is issued to DNG to construct and operate a natural gas distribution system to the towns of Larimore and Arvilla, North Dakota and their environs.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5984

This is to certify that public convenience and necessity require, and permission is granted for Dakota Natural Gas, LLC, to construct and operate a natural gas distribution system to serve the towns of Larimore and Arvilla and their environs location in Grand Forks County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated October 24, 2023 in Case No. PU-23-300, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Dakota Natural Gas, LLC securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, October 24, 2023.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner