

Capacity Readiness Natural Gas Distribution in South East North Dakota

Strategic Assessment Draft

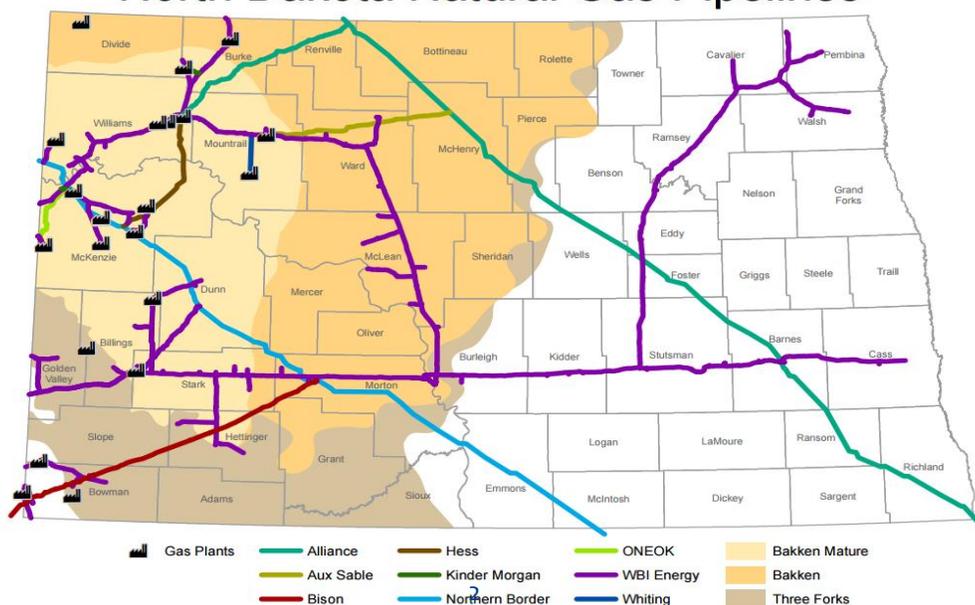
Wahpeton, ND

July 6, 2016

Natural Gas Distribution in ND

- * 3 Primary Natural Gas Pipeline Companies
 - * Northern Border Pipeline
 - * Alliance Pipeline
 - * Williston Basin Pipeline

North Dakota Natural Gas Pipelines



Vision for Improved Natural Gas Capacity in South East ND

- * **Williston Basin Interstate Energy Transmission, Inc. (WBI) is a subsidiary of Montana-Dakota Utilities** currently providing natural gas transmission pipeline services in ND adjacent to the I-94 corridor, the Hwy. 83 corridor and the Hwy. 52 corridor.
- * **WBI is currently planning the strategic development of increased natural gas pipeline capacity** targeting primary sector industries with significant regional economic impacts in south east North Dakota.
- * **Proposed Valley Expansion project to provide firm capacity** from the Viking Transmission line in western MN to Mapleton, ND and continuing to Wahpeton, ND

Access Opportunities in Uninterruptible Natural Gas

- * **Access to clean, uninterrupted, high capacity energy source** is essential to the expansion of value added agriculture.
- * **Natural gas distribution is a current priority in the ND legislature**, public and private investment scenarios have been proposed including WBI and the Bank of ND.
- * **Expansion of natural gas transmission lines in SE ND** are currently under consideration. Open Season opportunity to have a gas pipeline sited directly to the MDFC factory.

Economic Opportunities in Uninterruptible Natural Gas

- * **Firm uninterruptible natural gas capacity** current proposal is to add capacity for an additional 40,000 equivalent dekatherms per day (dkt/d). The estimated demand capacity for Minn-Dak Farmers Cooperative is approximately 13,000 dkt/d.
- * **Per user distribution costs** to be incorporated into a negotiated rate between WBI and MDFC
- * **Energy source risk mitigation** adaptability for MDFC to address fuel commodity pricing volatility and the potential limitations imposed through federal legislation.
- * **Strategic Competitive Advantage** for future expansion and production alternatives at MDFC with dependable, uninterruptible natural gas.

Implementation of Increased Natural Gas Capacity

- * **Contact Larry Oswald** with Great Plains Natural Gas/MDU – request a meeting to discuss the current open season, proposed rate schedules, and the anticipated pipeline construction time frame.

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- * **Evaluate the opportunity costs** – there are no guarantees additional capacity will be made available after the conclusion of this open season which ends July 2016. If you have questions please contact

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