

From: Aberle, Tamie [<mailto:Tamie.Aberle@MDU.com>]

Sent: Friday, December 07, 2012 1:50 PM

To: Jacobson, David

Cc: Edwards, Kristen; Steffensen, Patrick

Subject: RE: NG12-006 Data Request No. 2

Hello, following are responses to your Data Request No. 2

Please contact me if you have any questions. Thank you. Tamie Aberle

From: Jacobson, David [<mailto:David.Jacobson@state.sd.us>]

Sent: Tuesday, November 20, 2012 11:48 AM

To: Aberle, Tamie

Cc: Edwards, Kristen; Steffensen, Patrick

Subject: NG12-006 Data Request No. 2

Tamie:

Just a couple of additional questions regarding this filing.

1. Please describe the inter-operational process between MDU and South Dakota Intrastate Pipeline in providing transportation service to East River customers and describe any concerns MDU may have

Montana-Dakota has notified Northern Border Pipeline(NBPL) that effective January 1, 2013 the Point Operator duties at the interconnect between NBPL and SDIP will be transferred to SDIP. Up to this time, Montana-Dakota has handled the scheduling of gas on SDIP as Montana-Dakota was the only customer being served

transportation services on SDIP. With an additional transportation customer to be served on SDIP the scheduling of gas at the NBPL and SDIP interconnect should be managed by SDIP.

Montana-Dakota will submit daily nominations to SDIP for the quantity of gas necessary to meet its sales customers' demand. Constellation Energy, agent for the transportation service customer will be required to submit daily nominations to both SDIP and Montana-Dakota for the amount of natural gas necessary to meet their downstream demand. SDIP will be required to confirm Constellation's nominations, those submitted to Montana-Dakota and SDIP, for accuracy. The requested volumes must then be submitted to NBPL in accordance with the FERC mandated scheduling cycles by SDIP.

SDIP should provide to Montana-Dakota daily and/or monthly balancing statements indicating the over or under receipt and delivery of natural gas on SDIP's system. At month end SDIP will need to provide to Montana-Dakota shipper statements indicating daily usage for Montana-Dakota and Constellation.

SDIP must be staffed to accept and place nominations for the four different scheduling cycles in accordance with the FERC rules.

Montana-Dakota is in continued discussion with SDIP regarding SDIP's obligations as the pipeline operator.

2. Please describe the inter-operational process between MDU and Constellation Energy Resources in providing transportation service and describe any concerns MDU may have.

Constellation Energy is required to provide daily nominations for the amount of gas they desire to meet their customer's needs downstream of Montana-Dakota's town border station. Montana-Dakota will provide the daily usage metered at the customer to Constellation so as they are able to monitor the natural gas used and keep imbalances to a minimum. Constellation understands the scheduling and balancing process and Montana-Dakota does not anticipate any problems.

If you have any questions, please reply or call me at the number below.

Thank you,

Dave Jacobson
SDPUC
605-773-3201