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FEDERAL ENERGY REGULATORY COMMISSION

Technical Conference:	Docket No.
Northern Border Pipeline Company	RP20-859-000

TECHNICAL VIDEOCONFERENCE

Federal Energy Regulatory Commission

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10:00 a.m.

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P R O C E E D I N G S

(10:00 a.m.)

MR. MARTINIC: Okay good morning everybody. Thank you for arriving this morning and looking forward to your Conference. My name is John Martinic. I'm an analyst with the Office of Energy and Market Regulation.

So staff is conducting this Technical Conference to examine and discuss the filings in Docket RP20-859, in which they proposed to establish a gas quality safe harbor limit for gas on its system. I'll be the lead moderator for today's Conference, and while we have other Commission staff members available, they will also help facilitate the Conference flow.

The other staff members will be participating in today's groups. Regarding Conference logistics, Staff have chosen to forego the verbal introductions which would be timely, so assuming the process this morning everybody should have received a copy of our attendee and registration list, for reference, the various parties or people with their companies that they're representing and positions.

We're also going to go over a couple of the rules for today's Conference regarding WebEx and I'll begin with essentially thank you for everybody's patience with our learning how to use WebEx. The virtual conference setting is new to many, if not most of us. Also, with our normal

disclaimer -- staff may express certain opinions which are the opinions of those individuals, but they do not necessarily represent those of the Commission.

And likewise this Conference will be transcribed for which everybody will have access after the Conference. I also want to mention that for most of us, most of the staff today this is a first virtual conference that we will be taking part in, so please bear with us as we adapt to this format, as many of you may as well.

We've had some practice runs and some have gone smoother than others, but we've learned a great deal along with the way. Of course, as the Conference proceeds today, there will be some glitches we assume, and we appreciate your patience with that.

Also to clarify as we try to get various people registered as they arrived this morning as presenters or panelists, what people will be attendees, and that means that your mic will automatically be muted. However, it's a point of Q and A during the questions today, even attendees may want to speak, will we be able to activate your mic and to please submit your request here raising your hand or in chat messages feature of WebEx.

Let's see. We'll have two Q and A sessions over the course of today's meeting. So in order of the agenda the first will be after the presentation of Northern Border

this morning. And the second will be at the conclusion of the day, following the presentations of all the other parties. We will have a total of seven presentations and the current slide reflects those various parties that will present.

Let's see here -- as we go through these presentations people may have concerns or comments to express, or perhaps questions referring to the attendees. Please have your raise your hand, using that feature on WebEx and as well submit in your chat feature the question you have in mind or comment. But when you do that, please also have that selected as being sent to all attendees so everybody is aware of your request.

And one further comment on that, we also request of anybody that's not speaking, that they turn off their camera, so as to minimize bandwidth usage and make the connectivity for all of the other parties as smooth as possible. There will be a total of eight presentations today and we ask that you hold off on any comments and questions you may have until the conclusion of the presentation, as we'll monitor the various requests or hand raises that there are in an orderly fashion and submit those requests or comments at the conclusion.

So as noted on the agenda that you received already, we'll begin with Northern Borders after my

comments, followed by a 60 minute Q and A session, which following the Q and A session we'll break for lunch for an hour and then after we return from lunch, that's when we'll begin with the various other parties who would like to do their presentations, of which there will be seven.

Let's see -- we'll begin the afternoon with two presentations given by WBI and then by Indicated Shippers, represented by Floom Energy Law. We'll follow that with a 10 minute break after which we'll continue with five more presentations given by Targa and Andeavor, Oasis Intervenors, Flatirons Field Services, Continental Resources and Hiland Partners Holdings.

At the conclusion of those presentations, we'll then ask -- I'm sorry, we'll ask all presenters to introduce themselves prior to the presentation and then we'll have after those presentations, a 50 minute period for a Q and A session.

So we also want to note that while we understand that many will have questions or comments of the presenters, it's a possibility we may not have enough time during the course of today's Conference, so we wanted to remind you that after today's Conference, there will be a period where I'm sorry, where people participate and we'll have an opportunity to file briefs, so there will be a secondary chance for people to provide for just a bit

more information or comments regarding their concerns.

Staff also expects to issue a notice shortly after the Technical Conference and will request initial briefs by August 27 and reply briefs by September 17. So yes, we're working on this tight schedule to meet the suspension deadline to issue an order by November 1, so we appreciate your patience and cooperation with that.

Let's see, before we start with Northern Borders' presentation, I would just like to check with Commission staff if anyone on the team would like to submit any other comments or other information.

MR. MAREINO: Sure, this is Vince Mareino of Commission staff. I just want to make sure that all of our participants know that under a normal WebEx setting, at the bottom of your screen you see a series of mostly gray or blue circles. If the one that looks like a cartoon speech bubble is currently gray for you, click on it to make it blue and you should see on the right side of your screen a chat panel open up.

And you'll notice that many people have been using that so far to send messages to staff about technical things, making sure that the system is working properly. The chat area is also the best place for you to record any questions that you might have that come up during a presentation if you want to make absolutely sure that staff

sees you and that you get called on when the presentation is over and it's easier for everyone to talk.

So you can use the chat to either write down your actual question, or just to write down ask a question. There's also a hand raising button that is in here. If you click on the gray circle that looks like a cartoon person so that when you'll see a list of everybody who is a panelist or participant. And then at the bottom of that list of panelists and participants, there's a very tiny icon of a hand.

And people who are looking over at it right now should see that I'm making my hand raised, turning off my hand from getting raised. And so this is an option you can use if you want to indicate that you have something more urgent that might need to happen during the Conference, and also it's a way for you to indicate that you would like to be placed in the queue of people who will be asking questions after presenter's responses. So that's all I have, back to you John.

MR. MARTINIC: Okay, thank you Vince. At this point as well, if there's any presenters that have any questions before we begin please unmute yourself. Silence. Do any of the presenters have any concerns? Everything looks good. Okay, well very good. Okay and then if it's all right with you, at this point I'll turn it over to David

Alonzo of Northern Border.

At this point for others, I'll be muting my mic as well and minimizing my screen. David are you ready? Hello David?

MS. BERTOLDI: And we see your screen, but it looks like you're unmuted, but we don't hear you.

UNIDENTIFIED SPEAKER: This is -- can anybody hear me.

MS. BERTOLDI: Yes we can.

MR. ALONZO: David Alonzo on my screen has all the triangle, a yellow triangle which looks like it also has an exclamation mark in the upper right-hand and upper left-hand corners, so I don't know if that means anything to you all or not.

MS. BERTOLDI: Okay. Thank you for that information. We will find out what that means.

UNIDENTIFIED SPEAKER: That actually indicates a bandwidth issue on David's end.

MS. BERTOLDI: Okay.

MR. MARTINIC: Anybody who is an employee for Northern Border or an attorney representing Northern Border, feel free to check your microphones right now to see if you're able to talk. If -- everyone else keep the line clear to see if we can get David Alonzo's microphone working.

MR. WILLARD: This is Andrew Willard. Can you all hear me?

MS. BERTOLDI: Yes we can.

MR. FONDA: This is Bill Fonda just checking in again.

MS. BERTOLDI: Hi, we hear you Bill.

MR. FONDA: Thank you.

MR. ALONZO: Okay, can anybody hear me now?

MR. MARTINIC: There you are David.

MS. BERTOLDI: We hear you David, great.

MR. MARTINIC: David, do you have control of the slide deck?

MS. BARTOLDI: I think it might be cutting in and out.

MR. MARTINIC: I'll take that as a maybe.

MS. BERTOLDI: Is there anyone else from Northern Border that can potentially be the voice and say they could flip through the slides?

MR. FONDA: Oh sure, I'm sorry. This is Bill Fonda again. And I will be first, I'd like to say thank you to John and staff for putting this together, but you know from all of us at Northern Border, I'd like to thank you for joining us on the call today. My name is Bill Fonda, and I'm in the marketing department and I'll be kicking off our discussion and then I'll turn it over to others who will

introduce themselves as we proceed. Can you go to the next slide David?

Thank you. Safety is a guiding principle in everything we do at TC Energy and we start every meeting with a safety moment. We'll be filing the presentation materials and I hope you'll find out safety share on ladder safety helpful. I know it's come in handy for me a few times.

One more -- thank you. The agenda for today is we'll be reviewing the need for our proposal. We'll show that we're seeing increasing Btu levels on the system and discuss the impacts high Btu gas has not only on our system, but on those of our customers and our markets.

We'll review our proposal which is as flexible as it can be while still providing an effective Btu management tool. You'll hear this a few times during the discussion, but we want to make sure that we clear up one aspect of our proposal and that is that we're not proposing a hard cap Btu limit. We'll also be discussing pairing, which is a concept suggested at our meetings with the point operators and we've had several additional meetings on this topic.

Yes, thank you very much. We wanted to start off with a map of the Northern Border system and I know it might be hard to see, but we wanted to illustrate a few things and those are circled in red. As we go through our

presentation, we'll be referring quite a bit to Port of Morgan, the Bakken and Glen Ullin. And we want to show you where they are on the system and talk about the significance of the points.

Port of Morgan, which is the upper big red circle is the interconnection with Foothills pipelines on the U.S. Canadian border. The capacity of Port of Morgan is 2.2 BCF per day. And I hope you can see Empress. It is upstream of Port of Morgan on the Alberta Saskatchewan border and nearby is the location of a world class petrol chemical complex.

The gas received at Port of Morgan comes from the western Canadian sedimentary basin and goes through massive processing facilities at Empress to feed the petrol chemical business. Now because of the aggressive processing of gas, Port of Morgan is one of our lower Btu sources.

So when you see WCSB in the presentation, we're talking about Canadian supply. Glen Ullin is the second big red circle downstream of Port of Morgan, and it's located near our compressor station 6, and there's a main line chromatograph at the point. We use Glen Ullin to measure our overall system gas quality because it's downstream of our last supply point.

I would also note that we receive Powder River Basin supply from Bison Pipeline near Glen Ullin. Between Port of Morgan and Glen Ullin, these smaller red circles

show our Bakken receive points. We receive gas at 13 Bakken area points and it's an important component of our supply portfolio. The gas received at Bakken point is primarily processed gas, with various processing technologies at the upstream plants that deliver to us.

But collectively, Bakken supply is our highest Btu source. We can go to the next slide David. Thank you. The need for our filing continues even with the recent economic disruptions. As we go through the materials, you'll see that our system-wide Btu levels are increasing because of decreased receipts of lower Btu Port of Morgan supply and increasing receipts of higher Btu Bakken gas.

Increasing system Btu levels impact Northern Border's facilities and those of its markets, commercial end users, local distribution companies, and electric generators. Northern Border does not have a stated upper Btu limit or really any other tariff provisions to manage these issues, which is why we filed our proposal. Thank you.

As Bakken production has displaced WCSB and other lower Btu sources, our system-wide Btu levels have increased from 1,080 in the 2017 timeframe to at times recently approaching 1,120. Our system-wide Btu levels are more consistently over 1100. Btu levels over 1100 is described in our filing, or the level where markets push back and have

rejected our supply.

Further at these higher levels, we see long-term impacts to our facilities. Likewise parties have also expressed safety and reliability concerns to its facilities and its customer facilities at high Btu levels. If Bakken production reaches historical levels without tariff provisions to address heat content, Northern Border's system-wide Btu level will exceed 1100 on a permanent basis.

The charts below show illustrative Btu levels assuming various Bakken receipts in Btu levels. In the chart on the left we've assumed the Port of Morgan Btu level at 1030. And unless there's an outage, 1030 is a very representative Btu level at that point. We have specific information in a few slides, but our Bakken Btu levels from the processing plants range from 1011 to over 1200 Btu, so the bar on the left-hand side of the graph shows various assumptions for collective Bakken Btu.

But the graph shows that at 1.3 BCF of Bakken production, which is about where we are today, system Btu levels can exceed 1100. On the right-hand graph, the first two bars show -- I'm sorry, thank you. On the right-hand graph, the first two bars show the actual increases in our system Btu levels from 2016 to 2019, where Btu levels went from 1064 to 1091.

The bar on the right shows an illustrative scenario with 2 BCF of Bakken supply and about .4 BCF from Port of Morgan, with the resulting system Btu of 1122. This assumes a composite Btu factor from the Bakken of 1,140. This data shows the increasing role Bakken gas plays in our supply portfolio. But I'd like to emphasize, and it's shown in red on the graph is that Bakken receipts bottomed out on June 20 at about 1 BCF per day, but within one month, Bakken receipts are now back to 1.3 BCF.

So Bakken's production can come back quickly and so do increasing system BTU levels. In fact, Continental, the largest Bakken producer said recently that most of its flows that were curtailed in the second quarter will be restored in August.

This shows our historical Btu data and there is an increasing heat content trend. There are two periods I want to focus on. The first circle, the one on the left shows Btu levels during an outage of one of the upstream Empress processing plants in the May to July 2018. The result of that outage was we received much higher Btu levels at Port of Morgan.

And you know, the significance of this is here before we had been able to blend our system Btu levels to reach acceptable levels, but we found that during this outage, our ability to blend gas was completely eliminated

and during this time our system Btu levels reached 1,118.

The next circle, which encompasses kind of May through July of 2019, what this data reveals is that during the summer period when demand on our system is lower, you know, Canadian gas may have the opportunity to seek other markets, but Bakken gas really doesn't have alternate markets.

So the higher percentage of Bakken supply is reflected in our system Btu content. Finally, it is shown in November of 2019, Bakken gas continued to be our predominant source of supply and the resulting system Btu content, even during our peak winter demand season, was consistently over 1100 and again, this is resulting in the elimination of our ability to blend gas.

This suggests that higher Btu supply in excess of 1100 will become a year 'round occurrence. I would point out also that with the increased Bakken flows shown on the previous slide, our system Btu's are currently running as high as 1096. And on the spot basis, have reached higher levels. I'd also mention that we're now receiving about 100,000 MMBtu per day upon the river basin gas near our Kurtz point from Bison pipeline.

The Btu level on Bison is right at 980 and absent this lower Btu source, our system Btu levels would be approaching and likely exceeding the 1100 Btu level. We

wanted to focus on the specific Bakken region interconnects showing flow data, Btu level and ethane content for the points.

What the data shows is that with few exceptions, both the Btu content and ethane levels at the Bakken area points are extremely high. Without the ability of lower Btu points, either in the Bakken region, or Port of Morgan to blend high Btu Bakken supply, the safe and reliable transportation of gas on our system and its acceptance in the market comes into question.

You'll see here that I mean we're seeing ethane percentages upwards of 24 percent at some of our Bakken points. The need for our filing continues and in fact may be more urgent as flow dynamics and Btu levels change. We did see a drop off in system Btu levels during the trough of the economic downturn to the 1082 level, but with Bakken production resuming, we're seeing system Btu levels of 1,096.

And again I would mention that our Btu levels include Bison receipts at a Btu level around 980. But the transportation contracts on Bison terminate at the end of January 2021, so there is some uncertainty over the continuation of those flows. With our current system flows around 200,000 MMBtu per day less than our capacity, when system demand increases, if the void is filled solely with

higher Bakken Btu gas, our system Btu ratings will likely reach levels where we have operational and market issues.

Our gas control department and our gas control departments of our inner-connecting pipelines are among the best in the business and they've worked very hard to take whatever action they could to accept our flows during high Btu periods. But even on a temporary basis, the ability to blend gas has its limits. Our gas has been rejected by downstream markets due to quality concerns.

In June of 2018 we advised our inner-connecting pipelines that because of an out of stream outage, we are seeing higher Btu values. The outage was at the Empress processing plants that I mentioned earlier. As a result of higher Btu levels, deliveries to our Joliet point where we interconnect with Vector Pipeline, were curtailed from 268,000 dekatherms to 76,000 dekatherms for a 31 day period from June to July of 2018.

Also, Midwestern Gas Transmission made several postings regarding restrictions due to high Btu content at the Shanahan Point and our deliveries there were curtailed from 339,000 dekatherms to 90,000 dekatherms. In March 2020, again because of high Btu levels, we were requested by Vector to curtail flows by 50 percent.

We've had many internal discussions about the blended Btu level of our gas stream. Using an 1100 Btu

level, allows us to stay within equipment manufacturer's specifications for ethane content. Also, 1100 is at the upper Btu limit prescribed by many of our interconnecting pipelines.

To set a higher limit negatively impacts our system operation and market access. The recognition to address increasing heat content has been provided by the North Dakota Pipeline Authority in several meetings. WBI's Tioga to Emerson project open season, advised potential shippers that they would need to meet the gas quality specifications of the downstream interconnecting pipelines.

In this proceeding, 10 parties representing owners and operators of distribution facilities and end use equipment filed comments expressing concerns that higher BTU gas transported on Northern Border caused operational and safety concerns. These parties collectively provide electric and natural gas service to millions of retail and industrial consumers in at least 12 states.

MR. WILLARD: Hi everyone. My name is Andrew Willard. I am in the engineering group here with TC Energy and I lead the gas quality group. So I want to talk to you for a few minutes about the impacts of the high BTU gas. So there are two places where we would see these impacts. One would be with the end users, the commercial end users, the LDC's, electric generators, and then of course within

internally within our own system.

And so with the end users, some key points would be the power generation facilities. You know, those units are designed with the very specific gas compositions in mind. And so the higher Btu's can lead to premature turbine hot section failures, and of course reduced service life. Also of concern, our facilities' open burners -- glass plants are an example of those.

And they do not tolerate the higher Btu's well or the Btu changes, mainly due to their tight tolerances on process temperature inverter designs. We could also have issues with the higher content of heavy hydrocarbons on Knox production and so on you know, internal combustion engines that would lead to the fail emissions test.

Specific, any engines, generators, things like that that -- they're susceptible to detonation and so when that occurs due to the presence of the heavier hydrocarbons, they do have reduced component life within that engine. Carbon monoxide production as well -- that's an issue with incomplete combustion of gas in burners. And then of course on the end user and the damage to appliances due to their burners being designed for the lower Btu gas that's traditionally been present in that region.

And so on our system, we do have 13 RB211 Siemens turbines, or Avon turbines. And so we have correlated the

higher Btu to the higher ethane levels, and so those 13 units actually have a manufacturer's recommendation for the limit on ethane at 13.9 -- I'm sorry, at 12 to 13 percent, depending on which unit we're talking about, the 211's are 12 and the Avon's are 13.

And then on 13 of the 16 units, we've actually seen levels well above that between 14 and almost 25 percent ethane. And so you know, as a prudent operator, we focus heavily on system reliability and you know, in alignment with the gas quality policy statements, we do not want to run our pipeline to failure. We want to make sure that we are addressing those issues, you know, as we see them coming to ensure that we have a highly reliable system that can deliver the gas to the market at the time of need.

And I'm hearing silence here. We are looking for David. David is supposed to go through these next few slides, so if you'll give us just a few minutes, he was having trouble earlier with some bandwidth issues he's presenting and so we'll make sure we can get his microphone working here in just a second so you can go through this so please bear with us. Okay, thank you very much.

MR. MAREINO: This is Vince at FERC. Anyone who's having bandwidth issues, a couple of recommendations. One is to make sure that nobody in the household is doing streaming video at this time. The other is that if you are

connected to your corporation's VPN and you don't need to be, it's usually best to get off the VPN to free up the full connection for the WebEx. So that's something that everybody can try both people presenting now and people who expect to be presenting later so that we don't have these bandwidth issues in the future.

But in the meantime, we'll hang tight and see if we can solve this.

MS. NG: Hi this is Christine Ng from Northern Border. Would you mind making me the presenter? I'm going to try to run the PowerPoint to see if that will free up some of David's bandwidth. Just a second.

MS. BERTOLDI: Just a note Christine, once I do that it may disconnect from the presentation because only one person can have their screen shared in this role. That should be fine, okay.

MS. NG: Can you see the screen?

MS. BERTOLDI: Yes we can. We do see a foot screen though, so it's not a full view of one page.

MR. ALONZO: This is David Alonzo here can everybody hear me?

MS. BERTOLDI: Yes we can David.

MR. ALONZO: Thank you. I'm so sorry. I called in on my phone too, but I don't know since I called in on my phone just separately here, just you know, I wasn't

registered to speak and so I'm kind of through that.

MS. BERTOLDI: We can hear you now so great.

MR. ALONZO: Thank you.

MR. FONDA: David we're glad to have you.

MR. ALONZO: Me too.

MR. FONDA: I was getting worried I was going to have present your section. It would have been rough.

MS. NG: Is that the correct view?

MS. BERTOLDI: Yes it is, much better.

MR. FONDA: Slide 16 David are you ready?

MS. BERTOLDI: It looks like David is still having bandwidth issues.

MR. MARTINIC: If we can give David just a few more minutes, and then we can have someone else move through the presentation if need.

MS. BERTOLDI: No problem.

MR. FONDA: Can you hear me Andrew? This is Bill Bonda.

MR. WILLARD: Bill we can hear you.

MR. FONDA: Okay great. Thank you. When we get David up, it looks like David may be a little bit challenged on the bandwidth, so when we get the slides up I'd be happy to go through that.

MR. WILLARD: Great, yeah we can do that and then I can pick up on 18.

MR. FONDA: Sure perfect. Oh wait a minute let me -- oh, let's see. Let's see. I'm sorry everybody there we go. Christine if you can go back to slide 16 we can start from there.

There we go. This is Bill Fonda again, so you have the B team in here explaining the tariff modifications. But essentially we're proposing two mechanisms with regard to addressing high heating value gas specifications.

The first is our safe harbor provision where we are going to implement a safe harbor in which the delivery of gas with the Btu between 1100 and 967, may not be refused by Northern Border because of the Btu value of the gas. The second aspect of the proposal is what we're calling posting an upper Btu limit. And this is a mechanism whereby we'll post an upper Btu limit to assure that the gas will not have an adverse impact on Northern Border's operations or be accepted for delivery into interconnecting pipelines.

So essentially what we would be doing is -- and it's very easy for me to say this because Andrew is the brains behind the system. But you know, we'll take a look at Glen Ullin. And we talked about Glen Ullin. It's really where we measure our system overall gas quality. And you know, in order to achieve a Btu level through Glen Ullin, Andrew will look at his flow models at the Btu levels, and come up with an upper Btu limit. And that posted upper Btu

limit will ensure that the gas meets the requirements through Glen Ullin.

And so I mean for instance, today there wouldn't be an upper limit. You know, to the extent that the heating value of the gas increased, we would you know, if we needed to, we'd post an upper Btu limit. And Andrew has a couple of examples to walk through that, but I just kind of wanted to give you a high level overview of that.

We have also proposed an optional pairing service to assist parties in blending their gas to the lower heating values. We proposed a pairing mechanism, and as I said earlier that was suggested to us in meetings with our point operators. And essentially what that would do, there'd be kind of a pseudo point established, and if point A paired with point B, we would ensure that the collective strain met any upper posted Btu limits.

And we've also provided clarification that a party who operates multiple receipt points is allowed to pair gas among its own points rather than having to pair it with a third party. The proposal will allow the Northern Border on a not unduly discriminatory basis, excuse me, to receive gas above 1100 Btu.

We'll be able to blend that stream to ensure the safe and reliable transportation of gas.

MR. WILLARD: Hey Bill, one thing I do want to

mention. You might have given me too much credit. This is Andrew again. We actually followed gas quality policy statement paragraph 41 where they encourage blending and pairing and other strategies to you know, ensure that we are delivering as much gas as possible.

And so they even bring up the safe harbor provisions in that statement.

MR. FONDA: Thank you Andrew. The next slide if you can. Thank you. And so we're also providing a clarification that the well, thank you. We're providing clarification as well. The tendering parties were intended to refer to receive point operators in the tariff provisions for pairing eligibility. And so we're, you know, pairing proposals need to be submitted to Northern Border and we'll evaluate those proposals as expeditiously as possible, and not on an unduly discriminatory basis.

Receipt points, including Glen Ullin, points upstream can be used for pairing. And the point doesn't necessarily have to be below 1100 Btu to be used for pairing. And we've also developed a pairing proposal document that will help facilitate the exchange of information needed for pairing. And we've started posting current Skata flows and Btu values for each of our receipt points on our internet website.

And that will allow point operators to determine

if they're within the safe harbor or in compliance with any applicable upper Btu limit. And we will not collect any fees associated with the evaluation and implementation of a pairing proposal.

MR. WILLARD: All right. So we are getting back on track here. So when we take a look at the receipt point data and the proposals, Bill touched on this a little bit. You know, one of the things that we wanted to do is to ensure that we had as much -- just to be open with this process right, and ensure that everyone has visibility into what's going on in real time, so that all of the former operators on our system can make decisions they need to operate their business and ensure that we have supply and market.

And so what we did is we actually took our EBB and we put all of our receipt points on the EBB in real time, as real time as possible right. You know, the data that's coming back into the system so that everyone has access to that to see what's going on in the pipeline.

And so as you see here on the screen, we actually have a document. It's a proposal document. So once the operators -- the point operators get together and work in the background to determine who's going to do what as far as flows and guaranteed minimums and things like that for pairing, they put together this document. Everyone signs

and they can tell us either in a percentage, or they can guarantee a minimum volume for those points.

And then we actually have an internal system that we create those fictitious points with the documents and data that we have and then it monitors them in real time and so it just creates a point and keeps an eye out for it and we're able to see those flow rates and Btu's of those creative points and then of course, that system can also send us an alarm, let us know when things get you know, outside of the balance for which they've been set. The next slide Christine.

And as a head's up, the things you're viewing on the screen we can see. All right. So if we're looking at a few of the implementation scenarios. We're cut-off over there on the left but it's okay. We talk about really two different scenarios right, so number one is there is no actual requirements. All of our sights are blending down to a less than 1100 Btu downstream of our compressor station.

And then no action required right, the system just keeps operating, we keep flowing gas. And then in scenarios where we actually have a blended volume above 1100 downstream from Glen Ullin, we have to take action right? And so in those cases again, you know, with the openness here and the visibility into what's going on, it wouldn't be a surprise to anyone as those BTU's start creeping higher

and higher.

And so also, like with everything else, we try and work with the point operators as much as possible. And so we want to provide as much prior notice as we can. You know, if there's going to be an outage -- Bill mentioned earlier in the inference conflicts right, when they have outages their Btu goes up because they're not processing out all of those heavies. And so in scenarios like that, we might have a three month to six month heads up advance notice that hey, there's going to be an outage from this date to this date.

In those cases we're going to let everyone know as soon as absolutely possible and make sure that they understand during which periods we'll need some help keeping that Btu down. But if we do have a scenario where we go above 1100 Btu, we would post an upper limit right? We would do our calculations and determine what that limit needs to be to keep our Btu's at that 1100 level downstream from Glen Ullin.

We would post that, reach out to all of the producers to make sure everyone's aware and of course then reach out specifically to those over the limit and talk with them, understand what's going on, why they are you know, above or why they're putting in gas that's so hot. You know if they can adjust operations at their facility, we'll take

that route. And then of course if not, we'll have to restrict the points that are above that posted limited.

And so you know, we keep talking about Glen Ullin, and you guys all that map there -- I think it was on slide 5, that point is useful to us because again there's a main line gas chromatograph there at the compressor station. And then 19 of our 23 receipt points are actually upstream from Glen Ullin. And again you saw it there on the map as soon as you come into North Dakota we have a number of receipt points for that block in gas. And then nothing of any significance either Bt-wise or volume-wise downstream from Glen Ullin.

So you know, we can be relatively confident that the gas that comes in upstream from Glen Ullin and then hits the compressor station is properly blended such as everything coming out downstream as a nice uniform Btu.

So we'll go over three scenarios here starting on the next slide. One scenario will be a no upper Btu posting. Another scenario is an upper posting with no pairing and then an upper posting with pairing. And so we'll go through a fictitious very straightforward example, and then we'll slide into a real life example with real numbers from a particular time on our system.

So taking a look here at scenario 1. This is our no upper Btu limit posting. And so as you see there in red,

our downstream -- downstream from Glen Ullin heating value is 1098. And so in this scenario we have no issues whatsoever. We're not blending -- I'm sorry, we're not restricting anyone.

And you will notice there that some of those receipts, you see A, B, C, D and E, some of those receipts, especially receipt E -- 1200 Btu right, is significantly over 1100 Btu. And so this brings us back to Bill's point earlier in that you know, we are not proposing an upper Btu limit, which you'll see on a lot of other pipelines. We do want to again staying with the gas quality policy statement, we want to maximize supply. And so the way we can do that -- our part in this, is to facilitate blending where we can. So we have that ability and you see that example.

So if we grab scenario 1A here on slide 21, this is the same thing right. So we have a downstream from Glen Ullin, a blended Btu of 1098, so we're below 1100, so we don't have any issues. And you will see that all of our receipt points here, a number of these, you know, Hay Bute 1238, you know, these -- a lot of these receipt points are well above 1100.

And again we're bullied by that Port of Morgan 750 million at 1027. And so that, and then there's usually some others there that are well below 963, you know, we have

a lot of other points well below 1100 that allows us to do that blending without having to restrict anybody.

So scenario 2 is an upper Btu limit posting with multiple receipt points. And so in this scenario, we do have an issue right? We have a heating value downstream of Glen Ullin of 1108. And so you'll see that receipt B and receipt E are both at 1200 Btu and they are our high receipt points. And so we would run the numbers, do the calculations and determine what we have to set our limit at.

And so we set it at 11 -- we set our limit at 1195. And so that then allows us to go back. We post that limit and we go back, and we reach out to receipt points B and E and we talk with them, find out what's going on, see if we can make any adjustments on their end that would get them down. If not, then we have to start curtailing their production.

And so we would do that, we would curtail their production until either we satisfy that upper Btu limit of 1100, or I'm sorry, we'd satisfy the upper Btu limit of 1195. They put together a pairing proposal, right, that brings on someone else with lower Btu gas that we can, you know, that we can blend and get down below that 1100, or the aggregate delivery's change right, and everything drops back down below 1100.

At that point we can then bring them back on. So

then we can take a look at scenario 3 -- I'm sorry, 2A. So 2A is actually the same thing except in a real life scenario. So this was on Gas Day January 11, 2020. And so we had our blended gas downstream from Glen Ullin at 11:07. And so in this scenario, what we would have to have done is to put an upper Btu limit at 1166.

And so once we got there, you would see that there are a number of sights highlighted in red that are actually over that 1166, so Charbonneau, Hay Bute, North Roosevelt and Squaw Creek. So again, with the way we do this, non-discriminatory starting top to bottom, those with the highest Btu are getting shut in first. So you see that in this case Charbonneau, Hay Bute and Squaw Creek, they went to zero.

Their rates had to go to zero. And then North Roosevelt, we cut their rate back until we got to the point that we needed to be to be under 1100. So again, high Btu first, they get shut in, and then whoever's down there at the bottom, they are curtailed until we get there. Again, that stays that way until we're able to either satisfy that upper Btu limit, or we have additional gas coming back on from lower Btu points that would get us back below 1100 and allow us to bring the other C points back on the system.

So scenario 3 -- this is an upper Btu limit posting with the pairing. So we wanted to make sure that

this makes sense to everybody. And so you'll see here that receipt points A and C have a pairing agreement, they're both in green. And so then receipt points B and D also have a pairing agreement and so they're in blue.

And so of course, this is all being done in real time by our system. But for the example here, you know, we're taking a snapshot. And so even though receipt A is 967 and receipt C is 1262. We just do a flow weighted average on those and their combined Btu is actually 1058, at their total flow rate.

And then of course, B and D same scenario. They're 1207 and 1048. And so flow weighted average on those, they're at 1096, you know, at around 203 million. And so what that means then is when we set that upper Btu limit, again we're looking at our system and we run the calculations and we know that we need to set a limit at 1160.

And so when we do that, both the paired points A and C and B and D are both actually below the 1160. And so those points are paired. They're good to go. They're both paired below 1100 and so in fact they would actually -- they would never be at risk of being curtailed because they are paired below 1100. And so then we have to go out and look at receipt point E.

Receipt point E is you know, 1200 Btu at 20

million a day. And so we then curtail them, and we get down below 1100 at Glen Ullin. So then for a real life scenario, we take a look again at that January 11, 2020 day. And so the only difference now between 2A and 3A is that we have Charbonneau and State Line have actually paired up and their combined blended BTU is 1106. And so we take a look at everything again. We're looking internally at our system and we're saying hey, you know, we're seeing Charbonneau and State Line as one point at 1106 with their high flow rate.

And so we run the numbers and we have to post a limit of 1163. So in that case again, starting top to bottom with those high Btu's first, we're shutting in Alexander, Hay Bute, North Roosevelt Squaw Creek and then Little Missouri is at the bottom end of that at 1163. And so we curtail them back to 27. So that then gets us down below that level of blended Btu that we can deliver on to our downstream customers and ensure that we don't have any issues either internally with our equipment, or with the end user's equipment. So Bill we'll slide back over to you.

MR. FONDA: Thank you. We just wanted to comment a little bit about our stakeholder outreach and some of these points have already been mentioned. But we've engaged with stakeholders on the gas quality vertical proposal. We've had numerous individual meetings and we've held a meeting in Chicago for all stakeholders to attend.

We also held separate sessions in April and July, excuse me, to further discuss pairing. We've appreciated the exchange of information and ideas. From these meetings we've started the post Btu values for all of our receipt points, and we'll post accepted pairing proposals.

We have also agreed to specify that a party with multiple compliance is permitted to pair gas among its own points, and we'll provide clarification that the pairing proposals will be administered in a transparent and non-discriminatory manner and we continue to engage in these discussions. I want to thank all of you for your attention and with that I'll turn the meeting back to staff.

MS. BERTOLDI: Thanks Bill. We are going to go ahead and open it up to questions now. We did receive some of the chat remarks earlier on your presentation, so we'll go ahead and start with the folks that we have listed and then we'll open it up to others to ask questions as well. If you could please use either the chat box or the raise your hand feature, and we'll try to get to everyone in the order that you received them.

We first got a message from R.J. Caldwell and Targa and then Andeavor will have some questions, so if you want to go ahead and start you have the floor.

MR. OLSON: Yeah thank you. This is James Olson for Targa and Andeavor and appreciate the pipeline's

presentation. I did have a number of questions. The first one is on slide 5. I believe that was the map that we showed, yes thank you. So the question I have is, and I think you talked about it a little more in your presentation as well.

So you've chosen Glen Ullin to be the monitoring point and I think you said when you got here it was basically all supplied upstream of Glen Ullin. But I wanted to clarify, and I think you touched on this later, but you do have four receipt points downstream of Glen Ullin right?

MR. FONDA: Yeah, and I apologize James. Is my mic on?

MR. OLSON: Yes, we hear you Bill.

MR. FONDA: Thank you. The answer is yes.

MR. OLSON: Okay thanks, and have you -- do you have any blending studies that you can share with us that show what blending looks like downstream at Glen Ullin, given those receipt points?

MR. FONDA: Andrew, I'm going to give you an answer there. The receipt points that are downstream of Glen Ullin, they're pretty sporadic seasonal type flows, predominantly by storage. So the flows really aren't -- I would say that the flows aren't reliable on an annual basis to really be a reliable and good pairing party. Andrew, do you have anything to add to that?

MR. WILLARD: Sure. No I mean that's a good answer and also I'll mention that the language is written such that we can use any other point as far as blending is allowed, and also for main line monitoring. Again, we just focus on Glen Ullin because there's a main line GC there, and the vast majority volume-wise of all of our receipt points are upstream from there.

And I will also mention that we do have a number of delivery points downstream, really downstream from Glen Ullin as well that we have to be concerned about.

MR. OLSON: Yeah, no thank you. That's helpful. So but I guess to my question you don't have a flow study that you can share that's showing the limiting characteristics downstream of Glen Ullin?

MR. WILLARD: No. We do not have any particular study for that reason because that's not the region with the vast majority of volumes and hottest gas. The volumes are insignificant on those receipt points and they are seasonal, so we focused on our highest priority sequence.

MR. OLSON: Okay. And I actually wanted to follow up on something you said a second ago. You said something to the affect that Glen Ullin doesn't necessarily have to be the point, that you could use other points for establishing receipt points specs. Could you elaborate on that a little bit? It's just the first time I'm hearing of

that.

MR. WILLARD: Okay. Yeah so the language is written such that we can have blending anywhere on the system. And so again, Glen Ullin is convenient because there is a main line GC there, and we have all of our -- the vast majority of our receipt forms upstream from there. But theoretically if we needed to, we could say at compressor station 7 for instance, we're looking at all the blending from everything above compressor station 7, instead of compressor station 6 which is Glen Ullin.

So we do have that ability. And again it's all about flexibility James. We are looking to make sure we maximize supply.

MR. OLSON: Okay. That's interesting. I mean we have a lot of questions and concerns obviously, with you know, the proposal you have, and so far all along it's been at Glen Ullin. And now I guess what you're saying is you could basically use any point on this system and establish the key point limitations based off of that and you know, all of the examples you've given have been --

MR. WILLARD: Yep, thank you. We talked about that a bit in Chicago, but you're right, again the vast majority of examples -- in fact all of them, have been using Glen Ullin as that point.

MR. OLSON: The next question I have and I'm not

sure really what slide this ties to but I think there was some discussion about your compressor station and your going to tie this in I guess the compressor station. There are a couple of questions on that. One is have you studied whether or not you could retrofit this compressor station and take the higher Btu gas.

MR. WILLARD: Sure. We do have the ability. And you're a bit muffled now James, so I think I heard your question correctly though. We do have the ability to retrofit our facilities to take the higher Btu gas. It would be a significant cost, capital upgrades, and we can't do that. But then we still do not cover the issue with all the downstream users, which is probably the larger issue in that their facilities -- every molecule that gets burned, those facilities would need to be upgraded as well to ensure that they don't have the exact same issues that we have.

MR. OLSON: And you said it would be a significant capital expense, do you have like a ballpark number?

MR. WILLARD: Sure. Yeah we would have to actually go through each compressor station and upgrade the hot sections at a cost of around 1.5 million a piece per unit, so you're looking at 20 million plus to upgrade the compressors in that region, along the pipeline.

MR. OLSON: Okay. So 29, maybe a little more?

MR. WILLARD: Sure.

MR. OLSON: Okay. Thanks. Sorry, I appear to be having trouble with my video, so I'll just turn that thing off. On slide 16 you are explaining there the safe harbor and where you would issue the C point limit and what it says is you will set a limit so that it will not adversely impact Northern Border's operations or be accepted for delivery? Again, all of the discussion so far has been tied to you know, Glen Ullin, you know, making sure that Glen Ullin is 1100. Is this saying that you might choose to issue a limit even if Glen Ullin is at 1100 or below?

MR. WILLARD: I mean the language is such that we can set the limit anywhere on the system. And so the more likely scenario would be that we would expand the blending zone. If you know, the idea again, the system is always changing right. So when the system was built in the '60's, it was very much low Btu gas coming from Canada. Again, that's why you don't see an upper Btu limit.

And so as things have changed, we're trying to use a little foresight to see that you know, there's a possibility that other receipt points would come on downstream from Glen Ullin, right? It's very reasonable that there would be other Bakken gas receipt points in the future.

And so, I wanted to make sure we had the

flexibility to accommodate those receipt points in our blending scenarios as well.

MR. OLSON: Okay. I appreciate that. It's a lot of money. You could under this language, issue a receipt point limit even if Glen Ullin is at 1099.

MR. WILLARD: Well sure. I mean theoretically Glen Ullin could be at 1000 and then there is a receipt point downstream from Glen Ullin that runs at 1400, right? And so then we're looking at CS 7 to get below 1100. But again the idea here is that our downstream markets are receiving that 1100 Btu.

There are a lot of various scenarios. Again, we wanted to be flexible.

MR. FONDA: Andrew it's Bill. I just wanted to weigh in to say I think James, you're -- we may be asking or we're looking at many assumptions, but I think as Andrew went through his scenarios, the way the system is structured today, his examples were if the Btu coming through Glen Ullin is less than 1100, we wouldn't be taking any action.

And Andrew, I'm not sure if you were kind of assuming that we've had more receipts downstream of Glen Ullin or not, I just wanted to clarify that.

MR. OLSON: Right, I appreciate that Bill, but you're I guess, what I took from the prior discussion is you're not committed to not implementing a receipt point

spec if Glen Ullin is below 1100. You still have the ability to do that under what you've proposed.

MR. FONDA: I'm going to let Andrew answer that. I'm sorry James, I might be confusing the issue. I'm not sure that I'm following your question. So I'll turn it over to Andrew.

MR. WILLARD: I'm not sure what we're circling here either James. Again, flexibility is key here. Gas quality, policy statements maintains that we should maximize supply at all times, and we've written language to do so.

MR. OLSON: I appreciate that, but I guess my point is Bill is saying that as long as you're below 1100 at Glen Ullin, you're not going to issue a C point limitation. But what I heard from you a minute ago was that's not necessarily true. You're not committed to that. You might issue a limitation.

MR. WILLARD: Sure, yeah, yeah. And again, future expandability right? So the scenario that I mentioned where we install receipt points downstream from Glen Ullin, that we would want to include in the blending scenarios, then yeah sure, we would move that point that we're concerned about downstream from Glen Ullin. So that's certainly again in the flexibility.

MR. OLSON: And one question I have on the -- and I'll have a number of questions about it on some of the

further slides as well. But conceptually, you know, your point is well we've got to take harbor it's not a hard and fast limit, but conceptually if Bakken production does in fact decrease as you're suggesting, at some point their C point limitations, I mean they're going to continue to get lower and lower as that happens and at some point you're going to get close to or at 1100 at the C points, keeping Glen Ullin at 1100 right?

MR. WILLARD: That's certainly a potential scenario.

MR. OLSON: Okay. And I guess the other question I had on this slide, on slide 16, I'm talking about pairing and added flexibility you think that provides to the proposal. So I just want to clarify pairing doesn't change the Btu at Glen Ullin does it? I mean you're still going to have to curtail receipts right?

MR. WILLARD: So the pairing encourages the lower Btu supplies and again, in alignment with the gas quality policy statement, we are implementing the strategies that they have recommend for us to assist the market in meeting the gas quality required.

MR. OLSON: Right. But I guess my -- what I'm curious about is so, if someone was going to get curtailed but they ran into a pairing range, now they're not curtailed. But doesn't that necessarily mean that it's an

easier Btu limit at Glen Ullin, or whatever monitoring point you're using, but you're going to have to curtail somebody else then?

MR. WILLARD: It very much depends. So when they enter into that agreement, the pairing agreement, there are a number of things that can happen right? But at the end of the day those two points have that reduced Btu. And so, whatever means require to reduce the Btu to the levels, then that's what they'll have in their agreement.

MR. OLSON: Right, but if that point the higher Btu point that was going to get curtailed but pairs, but if they're not curtailed, then you're going to have to find somebody else to curtail to meet your target right?

MR. WILLARD: Again it depends right. That could be the scenario, or the scenario is that they've brought on lower Btu supplies that have -- that balanced everything back out to 1100 and there's no curtailment. So there again, the scenarios are very broad.

MR. OLSON: I don't think I understand what you just said works, could you explain that a little more?

MR. WILLARD: I'm so -- when someone goes out for a pairing agreement, they pair up with somebody who has a supply of lower Btu gas. And so then those two supplies together are blended to a number that is lower than the original number. Or again like you said -- and you can see

that in one of our scenarios where there were points that paired and then other points that have to be curtailed.

So again, the scenarios are there and that is possible.

MR. OLSON: I think I understand what you are saying. So what you're saying is it's possible that somebody else would have to be curtailed, but it's also possible that if the pairing arrangement you entered into with the low Btu party, if the low Btu party starts getting you much more volume, then you might not necessarily have to curtail somebody else?

MR. WILLARD: Absolutely. Very much so. You are correct on both points.

MR. OLSON: Okay.

MS. BERTOLDI: This is Danielle from staff. In the interest of allowing everyone to ask their questions, since we have quite a long list of people that would like to ask questions, we might have to circle back around to the remaining questions that you have. I apologize, we just want to make sure that everyone has an opportunity to ask.

MR. OLSON: Yeah that's totally fine. I understand. I really just one to ask him one more question.

MS. BERTOLDI: Sure go ahead.

MR. OLSON: So on slide 26 you're talking about stakeholder outreach and just to be clear, do the

stakeholders at the meeting in Chicago and the subsequent meeting express concerns and pushback with your proposal and ask for flow studies from the pipeline, would you agree?

MR. FONDA: No we can't hear you. And I apologize for that. James, I will tell you look. I certainly stand by our comments and as you well know there are people on both sides of the argument. We have made the outreach. We've traveled far and wide to have individual meetings with the point operators because we know it impacts them.

I mean we tried you know, tried everything we can to be helpful and understanding some of the suggestions including pairing, really were not in our original proposal. So you know, people have asked us for information. I mean we've provided as much as we can. A flow study -- do you have a specific kind of flow study in mind? I mean people have asked us all kinds of questions and we've tried to respond as best we can. So you know, and I apologize. I'm not a technical guy. But a flow study is a pretty general question. I'm trying to understand.

MR. WILLARD: Yeah and I'll say Bill, yeah the flow study is very, very generic language. And so we have put together a system that actually real time calculates the values for the Btu and the flow rates on the system. So at any point in time, we are aware of exactly what's going on

at all points on the pipeline.

And so we would use that real time data to administer the language in the tariffs.

MR. OLSON: Yeah, I know, and I appreciate that. But in response to what Bill said and also to -- so what we asked for in Chicago and we asked for again in the WebEx, what we've asked for every time is that we like the flow charts show when you take the flow out of the system and then the values as the production profile, and you have never provided that information to us.

MR. WILLARD: Well I mean we've made predictions as to what values would look like when you look back at the presentation to see where we've had growth and we've predicted what the values could look like at certain levels. And so that is available here earlier in the presentation.

MR. OLSON: I think the value at certain levels that have already been achieved like the 1108 and 1107, is the norm, and at that point when they can vary from 1160 to 1195, what happens if it's 1160 to 1120, what's there?

MR. WILLARD: I'm really having trouble hearing the details in what you're saying, but yeah again, it's all there and our system is able to deal with any number of variables right, in regards to the flow rates and Btu's. And again, we wouldn't go through and predict -- the possibilities are limitless right, so we wouldn't be able to

go through and predict all of the scenarios that are possible, because we have those -- all of the receipt points right, the 13 receipt points and each one of them can have a varying flow and varying Btu and those numbers do vary minute to minute.

And so then of course day to day there are changes, and so again we built a system that can deal with all of those changes. And as far as the predictions go, you know, they are just that. We have seen a growth in the Bakken production, and we are quite confident, and you can see that in the slides above, that as that Bakken production grows, the ethane is still -- the Btu's will continue to rise.

MS. BERTOLDI: Thank you for your responses to those questions and James, thank you for all of the questions that you're presented to this point. If it's okay, we're going to go ahead and move on to questions from CenterPoint Energy. If you could go ahead and unmute yourself and you also now have the floor. Well we will move down the list if I don't hear anything from anyone at CenterPoint to John Paul.

MR. FLOOM: All right, thank you Danielle. Are you able to hear me?

MS. BERTOLDI: Yes we are.

MR. FLOOM: Okay great. So I really just have

two questions that are on slides 16 and 17, so I think we can start on 16. And I'm really just trying to get an understanding of what exactly it is that Northern Border is proposing because the tariff language that you submitted is not necessarily consistent with what you are now saying today.

In particular, one point that I have raised with you guys repeatedly with respect to the language in your safe harbor definition of 1100, it does state that notwithstanding the foregoing except under an operational flow order, a company may not refuse to accept gas, if the gross heating value is equal to or less than 1100.

So my concern with that language is that it gives -- at least it appears to give Northern Border an out on the safe harbor and I would like some clarification from you guys on how you intend to use the OFO provision set forth in that portion of your tariff with respect to the safe harbor.

MR. WILLARD: So I'll say I don't know if this was directed to me or not, but the OFO language currently exists in our tariff, and so we would continue to use that OFO language as we have in the past.

MR. FLOOM: The OFO language has a limitation though that you wouldn't go beyond what's in the gas quality specifications in 6.2 of your tariffs. And actually Andrew, thanks if you're doing the tariff questions I apologize for

not addressing the question directly to you.

MR. WILLARD: Well I don't know if it was Bill or I, but that's the end result is that, you know, the OFO language is currently there and we would use it as we have previously. The OFO language is kind of that emergency stop button that has to be there to allow us to maintain the integrity and the liability of the system.

MR. FLOOM: So are you saying then that the 1100 is not a safe harbor if you have to issue an OFO?

MR. WILLARD: The 1100 is a safe harbor. I'll say that in my two years we have not issued an OFO on the system and I don't expect we would. But again, the OFO language is always there and always has been there.

MR. FLOOM: Great, but as I said before Andrew, the OFO language specifically references your gas quality standards and says you would not go beyond what's in the gas quality specification so, but this new language that's been added with this filing implies at least that you would be using an OFO to go around the safe harbor, that a shipper would not necessarily be able to rely upon a safe harbor.

I'm just trying to figure out how firm this safe harbor is, or is Northern Border intending, or does it see that it has the flexibility to use the OFO provisions in its tariff to go around the safe harbor to eliminate the ability of a shipper to rely on that safe harbor.

MR. WILLARD: So from an engineering perspective no. We don't intend to have any issues with that, but it's a pretty deep legal question that I may need to refer back to someone on our legal team, so I'm sorry if I can't answer it for you.

MR. FLOOM: Okay. It's a question I've raised with you guys repeatedly, so it would really be helpful to have some clarification on this. The second point of clarification that I'd like is that it appears now that you are changing the definition of tendering party to only refer specifically to a receipt point operator and the tariff provisions that you provided, particularly 6.5.2 references both operators of a point of receipt, any producer, purchaser, supply aggregator or shipper could be a tendering party that could pair.

That was our understanding of the proposal from back in February. That's been our understanding all along, and it appears with this in slide 16 and potentially in slide 17 if I recall correctly, that only receipt point operators will be allowed to pair now, not producers, not plant operators, not aggregators and not shippers. So I'd like some clarity on that as well please.

MR. WILLARD: Yes. That's a technical perspective is that we don't have the ability to monitor producers or plant operators. We can only see the point

operators. And so that was the part and there may have been some language issues there, but as you've seen in all of our scenarios, starting in Chicago until now, we are dealing with the points.

We are dealing with the places where we have the data to monitor so that we can help facilitate those agreements.

MR. FLOOM: The tariff language that you proposed though does not state that. It gives producers the opportunity to pair with other producers if they wanted to, so this is something that's been a change from the filing.

MR. WILLARD: Yeah And --

MR. FLOOM: Those are the only questions -- I'm sorry, go ahead.

MR. WILLARD: Oh no, that's okay. And we brought that up and again it was a language issue and so we brought that up in some comments previously, but yeah, you are correct. That was a language issue in the filing.

MR. FONDA: And John Paul, this is Bill. Can you hear me, I apologize?

MR. FLOOM: Yes.

MR. FONDA: Okay. Sorry I wanted to go back to your first point. I mean I can assure you this, that any OFO that would come about, we're not looking to work around here, but the OFO could be issued for other reasons. So I

mean I just wanted to point out that there could be something going on with an OFO that means that we just can't cover every eventuality and you probably need to keep a provision in place where if you had to issue it you would, but I think as Andrew said, by and large we want to take as much gas as we can on the system.

So if you -- I mean if there's something you need to talk to about us, I mean we'd be certainly happy to listen.

MR. FLOOM: No, I appreciate that Bill. And I think that the point that you're making is one that we -- or my clients as producers also would like to make and that's that you know, we want to make sure that whatever gas we're putting on your system is going to flow.

MR. FONDA: Sure.

MR. FLOOM: And so the change and the language for point operator or tendering party is a big change for us on pairing. It actually impacts on particularly on one of my clients who was intending to pair goings where they're behind the plant with goings where they are the received point operator.

And so that's an issue for them. And on the OFO language you know, if I have two clients that have gas that's coming in at 1100 they are going to want to make sure that that gas is going to flow. So they want to know how

firm the safe harbor is. And if Northern Border has the ability to issue an OFO and that safe harbor is not honored -- and I understand there could be an OFO for other issues.

But if the gas is flowing at 1100 and an OFO is issued for gas quality reasons, that's a problem if my clients can't get their gas on the system if they're at 1100. So we just need to know how firm that safe harbor is. So those are the only questions I had so thank you.

MR. WILLARD: Thank you John Paul.

MS. BERTOLDI: Thank you John. We're going to circle back around to CenterPoint, that was actually my fault. I should have unmuted John. John I have connected your audio. Wait a second to see if it actually works. I'll go ahead and make you a panelist and perhaps that will fix the issue.

MR. HEER: Hello?

MS. BERTOLDI: Yes. We can hear you.

MR. HEER: Oh great. Great, thank you.

MS. BERTOLDI: You're welcome.

MR. HEER: Thank you for unmuting me.

MS. BERTOLDI: Sure.

MR. HEER: Yes. This is John Heer from CenterPoint Energy and we'd just like to say we strongly, strongly support Northern Border's proposal here. You know, we're all for having as much gas in the market as possible,

but we also have to remember the reason the natural gas business exists is because of the end use customers. And we represent 850,000 customers in Minnesota that receive gas from Northern Border via the Northern National Interconnect.

So we are very concerned about the quality of gas that we receive, and you know, in line with the FERC's request for flexibility and for negotiation with all the parties, we think Northern Border has come up with a really good solution. And as we watch these BQ contents go up and up over the last couple of years, we've been more and more concerned for our end use customers, so we appreciate what Border is presenting.

We strongly support it. We think it fits exactly with what FERC has asked the parties to do and we look forward to this Technical Conference and hope that the FERC sees to approve this docket, so thank you. That's all we have to say.

MS. BERTOLDI: Thank you John. Next we're going to go to Erica Rancilio from Continental.

MS. RANCILIO: This is Erica. Can everyone hear me?

MS. BERTOLDI: Yes we can.

MS. RANCILIO: Great thanks. I have one clarifying question and then a few substantive ones. Going

back to what Mr. Floom was just discussing with regard to the change to the pairing language where Northern Border is now proposing to change the term "Tendering Party" to "Receipt Point Operators." Do you plan to make a supplemental filing to actually put that presentation before the FERC?

MR. WILLARD: Yeah. I did receive a note from legal that you had planned a response.

MS. RANCILIO: Okay, I lost you at the very end there Mr. Fonda.

MR. FONDA: That was Andrew, but this is Bill, the answer is certainly yes.

MS. RANCILIO: Will you do that before comments are due?

MR. WILLARD: Eva give us a sign. We're looking for some -- in our legal group and they did mention that they will do it in a written response and that's the information we have.

MS. RANCILIO: Okay. Yeah, we're struggling with that a little bit because we're in the same position as NCO and ConocoPhillips. Our presentation -- that position is not before the FERC right now, so we don't really know what we're signing to. It seems like we have got to move the target. I suppose we'll have to respond to both, but I just want to raise that for the record.

And then on the substantive question, in the presentation and throughout this proceeding, Northern Border has pointed to the fact that a few pipelines in a few instances have refused deliveries from Northern Border, and as we understand it, those curtailments or shut-ins occurred during extraordinary activities, when upstream supplies, low Btu supplies were shut in.

And we're really wondering, you know, the record also shows that the upstream segment has determined that it will have to incur hundreds of millions, if not a billion dollars to retrofit existing processing plants to be able to comply with the 1100 Btu benchmark which we think is material. Because you don't meet the benchmark, you can't flow on the system. You're not guaranteed to flow on the system.

So we fail to see how these two instances of -- and limited instances of shut ins on downstream pipelines under extraordinary conditions justifies the hundreds of millions of dollars you want upstream entities to incur and to spend in order to comply with the filing, particularly when you can invest 20 million dollars to your compressor stations to resolve any issues there.

MR. FONDA: Sure. Erica, this is Bill Fonda and I'll take that one. And I was wondering if we could and kind of get the correct slide, but it would be the slide

showing the increasing Btu levels on our system, and we'll try to get there in just a sec.

But you know, we -- I understand the circles here really kind of I agree with you that the first circle reflects kind of an unusual situation with the outage and what I'm going to call the D reef facilities at the Emperor's complex. Really as we move forward to the right, I mean really with the increasing Bakken in production and higher Btu's, all we're trying to tell people is we've seen circumstances where the markets have rejected our gas.

And what we're trying to tell everyone in that graph, I'm sorry -- in the circle on the right, if these aren't extenuating circumstances anymore, higher Btu gas is going to be a way of life on Northern Border, unless we have an effective Btu management tool.

And I think we just heard from CenterPoint saying that they have extreme concerns over the high Btu level gas on our system.

MS. RANCILIO: So it's your position then that the fact that Btu levels of the system gas are higher than they historically have been justify requiring the upstream entity to incur hundreds of millions of dollars in capital costs to comply with the filing?

MR. FONDA: Well sure, and look the fact that it's an expensive proposition of restraint, that fact is not

lost on us. That's really why we proposed the pairing concept. But likewise, you know, the prospect of losing markets on the system kind of impacts our abilities to flow gas at our certificated service levels and I think anytime there's going to be a disruption in markets, that's an event that concerns us as well.

So again, I would answer your question and say it's a fair question and we're coming up with is as good of a solution as we can for everybody to flow absolutely as much gas as we can provided that it's going to result in the safe and reliable transportation of gas on our system and acceptance in the markets.

MS. RANCILIO: Thanks. And I think in our presentation we'll get into the issues about relying on downstream customers, downstream entities to justify the filing in particular customers like CenterPoint, who don't even take their gas directly off this modeling floor.

I think we can defer that discussion until our presentation. Thanks. Thanks Mr. Fonda, for and Mr. Willard your responses.

MS. BERTOLDI: Thanks Erica. We have an additional question that was submitted by Brian Jeffries. And we're going to have staff go ahead and read that, so John Martinic go ahead.

MR. MARTINIC: Yes. This is John Martinic. And

this is from Brian Jeffries with Outrigger Energy. He states, "In order to allow various parties to enter Northern Border to monitor, anticipate and plan for gas movements on Northern Border, basically the potential of safe harbor exceedance provide details of currently effective pairing arrangements on the EBD would be tremendously useful to receive operators, receive point operators, shippers and purchasers of gas on Northern Border, and with significantly advanced transparency goals.

For example, it would allow a receive point operator to correctly assess whether receive point stands in the queue for potential flow restriction to plan according. Making reference to slides number 24 and 25 in Northern Border's presentation."

Brian continues, "However, if the existing pairing arrangements are not disclosed, an assessment of the ability to take well thought out, preventive action by a receive point operator would not be possible. Whether Northern Border's top three reasons for not planning or providing that sort of real time information on the EBB."

MR. WILLARD: So we are going to be posting the agreements on the EBB, so that will be visible. So you will know who is paired to what volumes and then we will also have the real time volumes on the EBB. And John, I might have lost -- that was a pretty long question. I may have

lost a few things, sorry.

MR. MARTINIC: I think you captured it. The first sections of the comments were just you know, statements, but the question -- I think you captured the answer, your response captured an answer to the question. Brian are you available to --

MR. WILLARD: Yeah. I've the answer I was hoping for, yes, as I understood the answer. Yes. Pairing arrangements will be visible to everyone and so we can assess where we are in line and whether we're at the head of the line or at the back of the line, absolutely.

MR. MARTINIC: All right well great.

MS. BERTOLDI: Great. All right, so we'll move on to Greg Hills from Oasis. Do you have some questions?

MR. HILLS: Yeah. Good morning, thank you for taking my questions. We have three areas to discuss. The first of which I know Bill talked about the decline in production from the Williston Basin and the reduction volume. And the fact that the production comes from you know, 1 BCF back up to 1.3 BCF a day, showing the resiliency of the basin coming back slightly.

But the other key point there that I want to make sure you're taking into account is the activity level in the basin has dropped off substantially. And the decline rates in the basin are going to be significant, because of the

released activity over a period of time. And we'll address that in our presentation.

But I wanted to ask the question -- have you taken that into consideration in looking at the rig count, the frack count and the production capability in the basin that's going to occur over the next several years, making this proposition unneeded at this time.

MR. FONDA: Greg thank you. It's Bill and during our presentation you know, we said our Btu levels right now are at 1096 and that really includes about 100 million a day of Bakken supply that's at 980 Btu. I mean if that supply goes away, I mean -- and I'm sorry, I have done the math, but I would suggest we're well over 1100 Btu right now. And you know Continental just said they're going to turn a lot of balls back on.

I think I saw Marathon's adding some rigs to the basin. I mean look, I agree with you that there is a down turn, but business is coming back.

MR. HILLS: Yeah Bill, that probably leads into my second, you know point, is that during this time you're showing on the slide now, we had positions or Btu's above 1100. All the upstream volume flowed. The market worked and moved the volumes to you know, the points it needed.

We didn't have any curtailment on the upstream side. Everything flowed, the pipeline moved in volumes and

the downstream pipes made it work. That's my second point. I guess the third point unless you have any comment on that.

MR. FONDA: I do Greg. And really what I would say to that is again, people have worked very hard to deal with things that have occurred on a temporary basis, and we've gotten pushback from the markets on a temporary basis what we're suggesting here is that the temporary aspect of high Btu levels are going away, and we're going to be at higher Btu levels on a permanent basis and I think these supporters in this proceeding, have certainly acknowledge that you know, high Btu gas causes them some issues and some of our downstream markets are protected with hard cap upper Btu limits.

MR. HILLS: We'll get into that because I think the volumes are very small compared to the overall 2.5 BCF a day that moves on a line in our presentation, so we can further talk that. But the fact is up until this point, certainly we've been over 1100 Btu per cubic foot and all the gas has moved and the markets have worked.

So let's -- we'll go on to that in a little bit in our presentation. The last thing that I wanted to talk about was just to ask the question in regards to the fees and benefit on pairing. I believe though that you stated there would be no fees on the -- or benefit, on the pairing. Can you state whether or not an affiliate of -- or whether

Northern Border primarily affiliates or Northern Border, will benefit from pairing or from the implementation of this process?

MR. FONDA: In our presentation again Greg, we said we weren't going to charge a fee, or any other charge associated with this. I can't really respond to the rest of your question.

MR. HILLS: And I'll just -- I'll say then that for purposes of the technical review, and the review of this filing, it needs to be discussed and it needs to be understood how this will affect that whole process. And we'll speak to that more in our filing as well.

I would like to also address quickly you talked about the pairing process and the fact that it -- when you do pairings you're pairing a low Btu with a high Btu. As you do that, and as those pairings occur, it leaves a kind of a lower Btu, but it's above 1100 that causes more volume to have to be curtailed -- not less volume.

And so pairing in itself does nothing to reduce the Btu and in addition, when those pairings occur, I want everybody to understand that it's going to cause additional volume, higher volumes to be curtailed with a certain Btu coming into the system because the pairing taking off those high Btu points as opposed to curtailing them on a basis.

And if you guys could do an example of that, we

could certainly provide one if you like but everybody recognizes as you pair, you're going to be curtailing higher amounts of NCF volumes on the remaining non-paired points. And that's all I had at this point. Thank you for the time.

MS. BERTOLDI: Thanks Greg for your questions. We'll go ahead and turn it over to Paul Korman.

MR. KORMAN: Can you hear me?

MS. BERTOLDI: Yes I can.

MR. KORMAN: Okay. This is a point for staff. In response to Erica and John Paul, it's pretty clear that Northern Border has significantly different language to propose regarding receive point operator versus tendering party, how it's going to administer the pairing proposal. I think it's important to know all the parties have exactly what Northern Border's proposing currently, well in advance of the comment deadlines. I would request that staff require Northern Border to file the actual tariff language it's standing behind today no later than a week from today so we can all analyze it and comment on the appropriate docket.

I have a question for Northern Border specifically, which is the gas that comes in generally south of Charbonneau, is that above or below 1100?

MR. WILLARD: You know I actually don't have the numbers in front of me. It's a very, very -- and I do not

have an answer, but I can find out for you.

MR. KORMAN: Okay, well my question is going to be and you can answer this in the comments, is if that gas flows into below 1100, is that going to be factored in to determining what if any action Northern Border needs to take?

MR. WILLARD: Yeah. It certainly can be, and this goes back to the flexibility of the language in that we absolutely want to maximize the supply of gas and the written language such that we can do that. We can include other points downstream. It doesn't have to be upstream flow. Just the easy one to give examples on right now, so certainly a possibility and I can find out on those Btu values, but again the volumes are very low.

MR. KORMAN: So under your proposal how is this going to work timing wise? In other words, how long are point operators, plant operators and producers going to be given to address a high Btu situation?

MR. WILLARD: Yes, it's a great question. And you know when we have advance notice of outages or something that will cause the Btu to spike, then we're going to communicate that immediately -- as quickly as we can to make sure that everyone has all the time possible.

And again, you know, it's a very flexible situation when we do have an overage right -- so we're

watching these values and we're setting alarms in our system when we're approaching that 1100 number. And so we're already working on this prior to actually hitting 1100 to reach out and communicate with people and see where things are going.

And you know, if there's an issue the number is going up because of an outage, someone in the -- in South Dakota, I'm sorry North Dakota, that you know we can talk with them or figure out what's going on. Again, this doesn't change the way we operate as a company. I think that most of our customers, you know, would see that you know, that we're always quick to pick up the phone and make a phone call.

We wouldn't want to just be shutting someone in without communicating. And so I can't give you a good answer that it's always going to take one day or four hours, or 24 hours because the situations are so varied, but again communication is our priority in ensuring that we are talking with the producers, or with the point operators.

MR. KORMAN: I appreciate the good intentions, but as I read the tariff, it seems to give you the right to act immediately.

MR. WILLARD: Yeah, and in order to protect our assets and our downstream customers we can act immediately.

MR. KORMAN: Okay. So we'd like to see something

in there that makes it clear that there will be consultations with parties beforehand.

MR. WILLARD: Yeah we can certainly take note of that with legal and see what the language needs to be. Again, it does -- it is written as such that we can take immediate action to protect our assets, our downstream customers.

MR. KORMAN: All right. And then let's assume for a minute we have something like this in effect and it's a pairing between two parties -- one high Btu and one low Btu. What happens if there's an upset or a shut in at the low -- at the entity with low Btu?

MR. WILLARD: Then they are violating the agreement that they've written, and the pairing agreement is dissolved.

MR. KORMAN: Is it dissolved? Does that mean it's permanently dissolved?

MR. WILLARD: It does not. No. Once they get back within the bounds of that agreement, then they're good to go.

MR. KORMAN: So in other words, somebody who acted in good faith and entered into a pairing arrangement can be significantly impacted by an upset in somebody else's facility?

MR. WILLARD: Somebody that they've signed a

contract with to payer, yes. The agreement is between those two parties and not us, we are just administering it.

MR. KORMAN: So you have no role? You're putting it all on the parties?

MR. WILLARD: The contractor between the two parties that are pairing.

MR. KORMAN: Northern Border's deal is you just communicate what the problem is and then somebody else's issue to fix, is that right?

MR. WILLARD: Absolutely. We do not have the ability to fix up conditions and within our point operator systems.

MR. KORMAN: Okay. Danielle thank you, that's it for the moment.

MS. BERTOLDI: Okay Paul. We will go ahead and move on to Rob Johnson. You have your hand raised?

MR. JOHNSON: Yeah, thank you. I won't take a lot of time here because we -- our presentation will cover most of our issues. But the one thing that came up here that I'd like some clarification on was on one of your slides with your operational concerns, you listed a 12 to 13 percent ethane content for your compressor stations, or compressor units.

And then you showed an example -- a scenario where you were pairing a higher Btu point with a lower Btu

point. And I'm just going to pick two for the purpose of this question. So say if Charbonneau was paired with Interconnect at Bison, and the two points effectively meet your limit on the day.

Yet the pairing party downstream is downstream from one of your compressor stations, so in other words, Charbonneau could be giving you 23 percent ethane, Bison's giving you none so paired together they work.

But going through your compressor stations upstream at Bison, the ethane percentage could be higher. Are you looking to curtail on ethane percentage as well in addition to a Btu limit?

MR. WILLARD: Sure, we're not. So we did look at the scenarios that you're talking about right, and so it's important, but again we wrote our document such that we can manage our system in the future, not just now. And so yes, ethane is a problem today, but frankly, if the market for ethane picks up maybe butane is the problem the next year or the year after right?

And so the nice thing about what you mentioned in that scenario is that that 23 percent ethane -- yeah those two are pairing together, but frankly that 23 percent is also pairing or is blending with all the other gas coming down the pipeline. And so we you know, we do have a lot of volume to work with there.

And so we had to make some assumptions, and the assumption is that you know, as long as we're below 1100 that we're controlling those ethane numbers. And so we do have a bit of cushion there, but yeah, your point is valid, but we've standardized on that Btu level because that's what allows us to manage the system in the future and now, not just you know with current levels of ethane.

MR. JOHNSON: Okay thank you. That's all I have.

MR. WILLARD: Yes sir.

MS. BERTOLDI: Thanks Rob. Let's see next we have Richard Derryberry, your hand is also raised. I may have to unmute you so just give me one second. Richard I have enabled your audio. It may take a second for it to connect. Okay, well I've also enabled your audio Jim Zaltman. So if either you or Richard are able to connect, whoever speaks first may go ahead and ask your question. There's a possibility that you may need to select "communicate" from the drop down at the top of your screen and select audio connection.

And while you're doing that, I believe we have a question from staff. So Scott, if you are able to unmute and ask your question you may go ahead.

MR. MERRITT: Yes, this is Scott Merritt from Commission staff. This is to Andrew Willard. When the Commission had sent the data request out to Northern Border,

and on page 4 of the response, you had stated -- you had it in your discussion that Northern Border developed through system application for analyzing the pairing proposals.

And this application exists, and it said at the bottom of that paragraph that Northern Border will make its technical staff available to any party who would like to discuss the system that has been developed for pairing. And there seems to be some, you know, misunderstanding regarding the interveners and Northern Border about exactly how that system application functions now.

Can Northern Border make that application available to the interveners to actually see or is that considered a proprietary piece of data?

MR. WILLARD: So the data within the application is not proprietary. So every bit of the data -- 100 percent of the data that's being used in the application is available on the EBB.

Okay, but the system in and of itself -- sure, that is an internal application. It was developed in PI, so no we don't have the ability to make the system available to outside parties, but again it all of the data is on the EBB as well as the pairing agreements are on the EBB as well. So you can do the calculation and determine at any point in time what's going on. Sorry I cut you off there.

MR. MERRITT: Okay. But the actual -- the

algorithm itself is proprietary?

MR. WILLARD: It's just a flow weighted average. There's nothing special. The algorithm is not special. But the system itself, our PI system, that is our internal system.

MR. MERRITT: Okay.

MR. WILLARD: We can do to provide that to the outside.

MR. MERRITT: All right, all right, thank you.

MR. WILLARD: Sure.

MS. BERTOLDI: Thanks Matt. Richard Derryberry if you could hear me and you're unmuted you could go ahead.

MR. DERRYBERRY: Thank you Danielle. Is my audio okay?

MS. BERTOLDI: Yes it is.

MR. DERRYBERRY: Thank you. This is Richard Derryberry on behalf of Northern State Power. We are an electric generation and gas LBC customer. We support Northern Border's safety and reliability concerns as expressed earlier by Bill Fonda. Being downstream of this gas, we too have issues with adjusting our gas turbines for bearing the content and even in an extreme case worrying about in-home gas appliances if the heat content is too extreme.

So you know, those are major concerns for us. To

be honest though, the more likely problem for us would be a reliability issue. On a cold winter day if the gas -- if the heat content on Northern Border is too high, and that supply is cut off from us, we cannot -- we simply cannot handle on a cold weather day, losing a bunch of supply because of heat content. That would cause us to curtail a lot of customers and we cannot allow that situation, so we do support what Northern Border is trying to do here.

We believe the proposal that they have offered is balanced and reasonable. It provides some flexibility to plant operators, but there's also a safety valve in there that allows them to act in the case where the heat content is too high. We do support Northern Border's proposal. Thank you.

MS. BERTOLDI: Thanks Richard. We're going to go ahead and try to go back to Jim Zaltman, let's see if your audio is working. Jim it doesn't look like we're able to hear anything. If you -- you did say you're on the phone actually. I'll try to see if we can troubleshoot you in the background and give me one second and I'll try to move the next person. Okay Diaco, I have made you a panelist now and I've unmuted your mic so let's see if you have audio and you can go ahead and ask your question.

MR. AVIKI: Can you hear me?

MS. BERTOLDI: Yes we can.

MR. AVIKI: Okay excellent. This is Diaco Aviki, from Crestwood Midstream. I question I have is what consideration has been given to a party making a sale to an upstream location -- Oakland, from Glen Ullin? Like an end basin sale to a power consumer or any sort of consumer that is upstream of Glen Ullin?

MR. FONDA: The system is set up such that we are monitoring and allowing pairing of the points that we can see, right? And so, I don't really know how to answer the question because it doesn't really fit. The model again is the receipt points we're able to pair with each other and we will monitor those pairing agreements when sure that we keep our Btu below 1100.

MR. AVIKI: Okay. That doesn't necessarily answer my question. I guess the concept that I have in my mind is that gas doesn't contribute to some of the downstream issues and that there ought to be some sort of pairing related benefit for an end basin sale, or end basin consumption.

MR. WILLARD: Oh, I'm looking forward saying sure, sure, sure, sure. Yeah, and so again, if that sale occurs prior to a given again if we're using Glen Ullin, and it occurs prior to getting there, then yeah, it's no problem at all. It doesn't affect that blended Btu.

MR. AVIKI: Yes but will the operator of the

opposite point get any consideration or credit for that end basin sale as it doesn't affect a downstream potential issue? I don't think the tariff addresses that.

MR. WILLARD: Sure yeah, no, there is no issue because again, we're looking at that blended Btu. No matter what happens upstream, it's all irrelevant, it's all blending as long as that downstream Btu is limited. So sure, you can use your logic however, whatever makes sense.

But again, we're watching that downstream Btu and the gas is extracted prior to that and it's not a concern.

MR. AVIKI: Okay, we can follow-up. I'll sign it. That still didn't address my thought concept, sorry.

MR. WILLARD: Sure, no that's okay. And if I'm not getting the question correctly, I'm happy to talk later and figure out what your question is.

MR. AVIKI: Thank you.

MS. BERTOLDI: Next we'll go to Tomasz your hand is up. Do you have a question?

MR. LANGE: Yes Danielle. Hi, can you hear me?

MS. BERTOLDI: Yes we can.

MR. LANGE: Okay. It's more of a comment. It's Tomasz Lange on behalf of Tenaska Marketing Ventures and we are one of the largest firm contract holders on Northern Border as we stated in our initial comments on the filing.

We are fully supportive of the pipeline efforts

and proposal to protect the reliability and integrity of the system. We are concerned about our ability to utilize our firm contractual entitlements and we'll get that proposal as introduced by the bank and the associated flexibility is designed to maximize both the supply and the work -- which will lead to a full utilization of the system, a number of the federal firm contractual agents, so we are supportive of the pipeline proposal, thank you.

MR. MIDDLEBROOKS: Hello?

MS. BERTOLDI: Thanks Jim. Hi Dan, yep we hear you.

MR. MIDDLEBROOKS: Okay, good. It didn't take that long. Okay, so I'm with Ameren Illinois and we're a relatively large shipper also on Northern Border. And we came out in support of the proposal. Basically we have 11 pipelines serving us and Northern Border I believe, is the only one that does not have some type of a sheeting variable in it of some type.

And we are actually required by the ICC standard of service to try to maintain a -- in good faith, a standard Btu range for a customer, so which is kind of difficult because since we do have 11 pipelines, so. We're supposed to stay within 5 percent. We're still with that normally, but if we have Btu's in excess of 1100 coming in to the Northern part of your system, which is where we take

Northern Border, then it gets difficult.

I was also rather concerned to see that there were curtailments that at the -- which is our primary feed into the Midwestern Pipeline, that it continues it could cause us operational issues as well.

In summary, we are in support of it, you know, as a downstream LDC utility and we would hope that this goes forward. That's all I have.

MS. BERTOLDI: Thanks Jim. Right now we don't show that we have any other questions in the queue. If anyone else has a question and wants to unmute themselves, or go ahead and send us an additional chat, or raise your hand. We have a couple more minutes before we are going to break for lunch, so I'll just give it a few seconds.

MR. MIDDLEBROOKS: This is Dan Middlebrooks with Target. Can I ask a question?

MS. BERTOLDI: Sure, go ahead Dan.

MR. MIDDLEBROOKS: Basically the midstream companies have made the investments to meet the current gas quality specifications and if Northern Border or the LDC's would like to change the current spec's, why don't they make the investment to do that instead of asking the midstream and the producer side of it to spend another half a billion dollars to change that spec?

MR. FONDA: Anyone?

MR. WILLARD: So I guess you know from our perspective we are not in the business of picking winners and losers and who makes investments and who doesn't. We are just trying to maintain the integrity and reliability of our system and changing gas composition of our system is affecting the reliability of it.

And so when the system was built in the 1960's there was no high Btu gas and so the -- that has changed and is currently changing and as we do with our tariff when things change, we have to make adjustments and so we don't pick who pays or who doesn't pay.

MR. MIDDLEBROOKS: Thank you. I'm not sure that that answered my questions of why you all don't make the investment versus the midstream, but I understand.

MS. BERTOLDI: I did receive an additional question from Erica on Northern Border's proposal who can pair with volumes coming in at Port of Morgan?

MR. WILLARD: Sure. So again, the system is set up such that point operators are able to pair with each other. And so anyone that can write a contract with the point operator at Port of Morgan can pair with them. They can pair on either a percentage of their volume basis, or a fixed volume basis.

MS. BERTOLDI: Thank you. And Erica, if you have any questions to that response, you can go ahead and unmute.

Any additional actually --

MS. RANCILIO: Hi sorry, this is Erica.

MS. BERTOLDI: Oh go ahead.

MS. RANCILIO: Sorry Danielle. Yeah I was wondering who is the point operator of Port of Morgan?

MR. FONDA: Foothills.

MS. RANCILIO: Okay, thanks.

MS. BERTOLDI: I actually show that a few people also have their hand raised. And they were the same people that asked questions earlier, so if you don't have follow-up questions, if you don't mind putting your hands back down so that we know that your questions are answered, that would be appreciated. I see another hand from Josh Baskett. If you want to go ahead.

MR. BASKETT: Yes, so in the context of point operators you mentioned that Foothills is the point operator of Port of Morgan. Can you tell us who owns Foothills?

MR. FONDA: Yes. Foothills is owned by T.C. Energy. Josh if you're asking something I can't hear you, I'm sorry.

MR. BASKETT: Yeah just to clarify that T.C. Energy does -- is a partner in Northern Border as well and they are a point operator of Port of Morgan?

MR. FONDA: Yes.

MR. BASKETT: Thank you.

MR. FONDA: Sure.

MR. KORMAN: Danielle, it's Paul Korman. I have one question.

MS. BERTOLDI: Go ahead Paul.

MR. KORMAN: How many of the ports on the system is Northern Border the operator?

MR. FONDA: I do not -- Paul, subject to check, I'm not aware of any points where Northern Border is the point operator. Andrew, did you know of any?

MR. WILLARD: I do not. And clarity, Northern Border is not the point operator at Port of Morgan either, right, it's Foothills. They just share that same ownership stake.

MR. KORMAN: Your response may not be correct. I'm not trying to trap you, but it may not be correct.

MR. FONDA: Well you know, again I'm if you --

MR. WILLARD: Yeah let us know. Because I'm curious. I'm talking to an engineering guy. I'm more concerned about the operation and the integrity of the system than the owners of the points. But please let us know and we'll doublecheck on that during the lunch break here because I'm not aware.

MR. FONDA: Do you have a plan in mind Paul?

MR. KORMAN: I think it's one of the W beyond points still.

MR. FONDA: Okay, but believe me if you can give me some specific information we'll look into it for sure.

MR. KORMAN: I'm waiting for somebody to chime in.

MR. JOHNSON: This is Rob with WBI. The point is Manning.

MR. WILLARD: So you're saying that the Northern Border has a stake in that point?

MR. JOHNSON: Yes, the point operator of Manning.

MR. FONDA: Really? And I really appreciate that. I think if we could go back to our slides we haven't had any flows there in quite some time and it's no excuse for not knowing that, but yeah you learn something new every day, thank you.

MR. WILLARD: Is that something referred to in our presentation?

MR. FONDA: Hey is that delivery point or receiving point at Manning?

MR. JOHNSON: Bi-directional point.

MR. WILLARD: So it's a delivery. We are delivering gas, so it wouldn't be eligible for pairing.

MR. FONDA: Well yeah, Andrew, Manning typically delivers into grasslands if I'm correct Rob, but I'm not sure if I am or not, but --

MR. JOHNSON: If I can just clarify that for you.

The Manning interconnect was built to receive gas from our grasslands interconnect. It's become bi-directional. We move a lot of gas to Northern Border and from Northern Border by electrical basis seasonally with respect to storage.

MR. FONDA: Well Rob, thanks. We'll look into that a little more over the break thank you.

MR. KORMAN: So Bill, let me just follow-up it's Paul. Just for clarity, just doublecheck on what weeks you operator, you know, in addition to that if any, and then how those will be treated in any proposal.

MR. WILLARD: The delivery points are not eligible for pairings. So we can only pair receipt points.

MR. FONDA: And to interrupt sorry, I think Bob mentioned if it's a bi-directional point, they can deliver into and to receive gas from it, so Paul thank you. We will look into that for sure.

MR. KORMAN: Thank you. Thanks Danielle.

MS. BERTOLDI: You're welcome Paul thanks. Let me scan and see if anyone else has their hand up. Okay. That's by accident -- I'm not seeing any additional questions at this time. We did go right up to the point on the agenda where we were planning to take a break anyway. So there's nothing further at this time, then we will go ahead and take a one hour break and when we come back from

lunch, at approximately 1:15 we will begin with WBI's presentation.

(Lunch)

MR. MARTINIC: Good afternoon everybody. We welcome you back. I'm John Martinic again, and if everybody can hear me at this point.

MS. BERTOLDI: Yes we can hear you John.

MR. MARTINIC: Okay, very good. So I just would like to share with everybody that we'll have seven more presentations the remainder of the day, this afternoon and we'd like to keep on track with those and remind everybody that for whatever questions or comments you may have to go ahead and submit them via check or by using your raise hand feature, after which we'll have the Q and A session following the conclusion of all those seven presentations.

So with that unless someone may have some further comments at this moment, we'd like to begin with WBI's presentation. With silence at this point it appears we're ready to begin with WBI.

MR. JOHNSON: Yep, so this is Rob. I'm here. John I'm unable to share my screen at this point. Can you allow me to do that?

MR. MARTINIC: Absolutely, one moment.

MR. JOHNSON: So I thank you for the opportunity to present today. We really appreciate it. My name is Rob

Johnson. I'm the Vice President of Commercial for WBI Energy. I've got 37 years of experience with WBI. Clearly, the functional areas that report to my responsibility include regulatory affairs, transportation, accounting, measurement accounting, scheduling and contracts, marketing and business development, system planning group as well as our gas control group.

Other representatives that are on this call today you can see Marc Dempewolf, our Director of Operations will be presenting later in this presentation. I'd like to give you just a quick highlight of WBI transmission. We operate in the five states you can see on the screen, we have about 3600 miles of pipeline, about 2.2 Bcf a day of system capacity, 13 interconnecting points with 6 interstate pipelines.

And we have a significant storage business which we'll talk to a little bit because this does impact that. It's about 193 Bcf of working gas capacity. And it was alluded to earlier about the relationships between the different gas control groups and I'd like just to say that you know, we've had a really good working relationship with Northern Border for over 35 years, working together with them to ensure that our customers gas flows in managing all of our points in conjunction with them so that all gas flows.

You're going to see in our presentation that Northern Border is integral to our business and has been for the better part of 35 years, getting more and more integral as the Bakken as grown. The other comment I would like to make is it's generally not our practice to intervene in other's pipelines -- or the tariff filings.

Nor is it our preference to do so. But this one as you'll see, has a significant impact to WBI if it moves forward as proposed. So I just want to give you an overview of the WBI system. It's in blue, the Northern Border there in orange. And the Bakken, highlighted in the area. That's the key area that we're focused on and where the majority of the supply that we deliver into Northern Border comes to and the focus on our presentation today.

So zooming in to the Bakken. This slide shows a number of processing plants in the Bakken that are directly connected to WBI Energy. There's 23 of them. I think as a total, 32 in the basins. So a vast majority of the plants and a vast majority of the volumes WBI touches, and effectively gets to Northern Border.

So from a contractual perspective currently, you can see down on the lower right-hand corner, WBI has about 1.2 Bcf a day contracted and tapped to Northern Border, a significant amount. And that's contracted volumes. We'll also often see volumes higher at each of these different

receipt points throughout and many of them will vary as you'll see in a few of my upcoming slides.

So a significant amount of gas passed towards the contractual gas passed towards Northern Border. And with that I just wanted to kind of demonstrate how big an impact it has on WBI and Northern Border. Of those contract tabs that we have towards Northern Border, I used the 2 and one-half Bcf of capacity on Northern Border for this calculation.

You can see that. We're about 46 percent currently of Northern Border's overall capacity at 2 and one-half Bcf of firm gas, contractually passed up WBI to Northern Border. And further, I'm showing on the right-hand side chart, WBI total deliveries in the first quarter of 2020, you can see that 80 percent of our flows on WBI went to Northern Border. 20 percent of those flows, to other pipes rather on system point.

So significant and the reason why this change -- potential change will impact WBI. I'll give you a kind of snapshot of three months over the last six or so of volumes into Northern Border off of WBI, specifically out of the Bakken. You can see the various receipt points there, our delivery points, Northern Border's receipt points.

And in the bottom right-hand corner you can see we were doing about you know, almost 900,000 a day in the

month of February. You jump to the month of April you can see that total is 700,000 a day. So what's happening here? The month of April we did have some flows coming off in the Bakken, not significant yet, it was starting to decline.

And you also can see Manning and Glen Ullin on this particular slide are negative, or flow is reversed. These are bi-directional points and what's happening in the month of April is a storage injection season started. So instead of delivering to Northern Border, we're now taking gas off of Northern Border. And we'll talk about this in a bit, but this is significantly going to complicate any type of pairing solution that is proposed.

And then my next slide shows the month of June. Here you can see the total is you know, down from that 900 a day in February to about 370. So a significant reduction in Bakken gas coming into Northern Border. And we still had you know, 100,000 a day on average going to storage. So totals were significantly down overall.

Again, challenging as was mentioned earlier that his view is the -- if I heard him correctly, that earlier volumes down but it's going to take some time for volumes to ramp back up. And we believe that's the case as well. Due to the decline, due to new activity in the drill bit. It is going to take certainly some time to rebound and it's probably a two to three year delay from where we were in our

opinion.

I'm sure others will talk to that later in the day. So we wanted to point out just a couple examples of -- and these are relatively simplistic, but challenges that we see with pairing for the Northern Border gas quality change. In this particular example, we have a processing plant you can see by the white arrow. They're scheduling their gas to Northern Border. But the way our system works on a bi-directional basis, there becomes an off point that moves around on our system and that changes seasonally often times.

But in this particular case, this gas is scheduled for Northern Border. So if this processing entity paired with someone for their gas to be delivered to Northern Border, that gas is never going to get to Northern Border. It's going to flow on system WBI server on system markets, whether it's Minot, Bismarck, Eastern North Dakota, that gas will never find its way to Northern Border.

Reversely to that, this particular processing plant and it doesn't matter if it's just Swan or any number on this other side. They're selling their gas on system. So they could be scheduling their gas to serve the City of Minot. But physically that gas is going to flow to Northern Border.

Again, a challenge of who pairs with who and how.

The third example I have here is a processing plant let's say on the western edges of the Bakken, their gas is scheduled to go to storage on the WBI, but in this case and I'll point that this gas is south of them, so even though they're scheduling their gas to storage on the WBI, that gas is physically flowing to Northern Border.

Someone had a question today about scheduling on Northern Border from one point back upstream. It's similar here. And with our bi-directional capabilities on our pipeline, it's very challenging to understand what gas, what molecules of the gas get to which location at which point in time.

This proposed Btu limit is contrary to the Commission's gas quality policy statement. It will unnecessarily reduce the availability of gas supply. It will certainly decrease WBI's through put in revenue, could lead to a potential rate case, and increase rates on our system, which we strive hard to keep low and competitive. We do have a moratorium placed since our last filing, so we can't do anything up and through May of next year.

And we maintain a safe and reliable service with higher Btu gas on our system which we're going to demonstrate to you later. And with that I'm going to introduce Marc Dempewolf. Marc is the Director of our operations. Marc's got 25 years-experience all with WBI

Energy as well. He was in our compressor engineering department for seven years. He was a manager of our measurement, controls and communications department for 11 years, and now is the Director of Operations for the last seven years.

And is really our expert on gas quality and interchangeability. So with that, I'm going to turn it over to Marc.

MR. DEMPEWOLF: Thank you Rob. Can you hear me?

MR. JOHNSON: Yes.

MR. DEMPEWOLF: Okay. In WBI transmissions tariff the gas quality spec has an upward heating value limit of 1,210 of Btu per standard cubic feet. Our gas quality spec currently aligns with or is more stringent than Northern Border's current tariff. The WBI quality spec was developed to meet the gas quality specification of six interconnecting pipelines, two of which currently have upper heating value limits, equal to or greater than WBI's limit of 1210.

Currently WBI has no interchangeability issues to deliver to or from any of these six interconnecting pipelines. Gas interchangeability has been a long topic in the industry. Back in the early to mid-2000's it became a very hot topic. And out of that came some guidelines. FERC developed their gas quality policy statement. The Natural

Gas Council developed -- put together a group of people called the NGC plus group, and they made recommendations on interchangeability for gas, they came out in basically five interim recommended guidelines which I have listed there.

And then hydrocarbon dew point limits and specifications were also reviewed at that time. Now I want to state that WBI Energy takes the topic of gas interchangeability very seriously. We respect the Commission's policy and we follow it. But we also agree with FERC's statement that the NGC plus recommendations are a good scientific reference point to work from.

But as you will see in the upcoming presentation, WBI has a history of being able to move gas that successfully interchanges and works well in exceeding some of these recommended guidelines. On the WBI Energy system, we currently have heating values that range from 950 through 1010 Btu per standard cubic.

We have successfully transported that gas that exceeds the NGC plus recommended specifications for on-system use. We know from experience that gas that exceeds these recommendations can be successfully interchanged. As the FERC's policy statement states, you know interchangeability has to be used in a lot of different avenues and you know, gas components, you have to look at equipment type and equipment control.

I'm going to give you some specific examples of gas interchangeability on the WBI system. It is five gas supplies that will be compared to and adjust gas, an equipment manufacturer or equipment installer uses to adjust the controls, or the air fuel ratio of an appliance of piece of gas equipment.

The adjust gas that I show here of 1042 Btu with a 1337 Wobbe index is representative of an average gas that used to flow on WBI's system prior to the Bakken gas coming on system. And incidentally, that was actually one of the adjust gases that the Gas Research Institute used in their 2003 study.

As I go through these different examples, I want to point out that the components or the specs highlighted in red actually exceed the end use plus recommended guidelines. Just to give you a quick view there's so much -- we have a play, it's an old 1950's oil play associated gas associated with oil comes out at 1140 Btu. And actually when you look at the Wobbe index variance back to the adjust gas, there's about a 6.6 percent difference.

We actually have a native gas that's produced right from the ground and is unprocessed and it comes at us at 954 and it too also, varies outside that 4 percent range recommended by NGC plus. We have another native gas field that is unprocessed, and it comes at us at 971 and it

actually interchanges very closely within those recommendations.

And then we have a Charbonneau point. This is Bakken gas. It comes at 1184 and a 1406 Wobbe which just slightly exceeds the 1400 limit set forth in the NGC plus recommendations and a variance of about 5.2 percent on the Wobbe index from our historical.

We have our Spring Creek interconnect is 1152 and actually meets all the other interchangeability guidelines. What I want to show you is we deal with a significant variance in pipeline gas quality. And all this gas is interchanging on our system successfully today. WBI operates its own internal combustion engines ranging anywhere from 1950's rich burn units to the latest low emissions units.

We have no problems meeting emissions, either specified by the manufacturer or in our permits. We have no reduced life issues and we have not had to take any reduction of horsepower. We can operate our engines on this gas. We also have all vintages of power turbines. We have coming off of our system, ranging from early '70's model rich burn power turbines, to the latest low emissions service.

And again, no lone interchangeability issues have been brought forward to WBI. We have industrial boilers and

we've been serving this gas to residential customers for over 12 years with no known interchangeability issue.

And as I said earlier we take this very serious -- the safety of the public and our customers is of the utmost importance. So we've been watching this. We've been -- and we have no known documented issue with interchangeability. The impact of the safe harbor limit on WBI are fairly great.

Managing the safe harbor limit at Glen Ullin is going to require complex control of a sequence on Northern Border's system and on WBI Energy's system as Rob alluded to earlier. It's a very sophisticated pipeline system with numerous receipt points and process plants.

To think that you're going to manage this with just a few changes in a control room to a control valve setting on a flow rate is not going to happen. If for some reason, the decision is made to start curtailing volume or shut in points immediately, as presented in Northern Border's presentation, this will be very disruptive to the gas pipeline streaming.

Real time changes to Btu limits simply are impractical. On a mechanical, physical basis, when you look into the field, to think that we're just going to make minor changes to a system to start dialing in a Btu level if you will, it's all -- it's virtually impossible.

When you start curtailing points, you could knock plants offline. You could impact them enough to affect gas quality. You change the dynamics of systems. Gas starts flowing different directions, it could take days before changes out in the field will actually be seen on Northern Border's pipes.

Therefore, real time approaches is not practical. In fact, when you think about the logistics and look at the complexity of this issue, to say -- put a safe harbor limit that went on and physically manage that upstream, you essentially are indirectly setting a maximum BTU limit for all these process points.

Curtailing receipt points will result in immediate flaring from upstream sources. The gas once it stops flowing has to go somewhere, and ultimately if you shut in gas plants, it's been our experience what we have seen during the cold winters that we see in North Dakota, it can take days for these gas plants to get back on and get the feel and get the supply flowing again.

A safe harbor limit will require WBI to change its tune. Current Bakken customers have designed infrastructure to meet current heating values and may need to invest significant capital to maximum upper human value to limited to 1100 Btu percentage. On a thoughtful note, if this maximum heating value that they've designed is WBI's

tariff limit, and currently matches the limit spelled out in the Northern Border tariff, because there is nothing. Lowering the maximum heating value would negatively impact the WBI customers and will decrease the amount of thermal energy capacity to meet the downstream demands.

Some of our on system customers have built processes that have been designed to operate on this higher Btu gas. This slide shows you the history of the Bakken --

MS. BERTOLDI: Marc, I'm sorry, real quick this is Danielle. We had you until 1:45 that leaves two more minutes before the next presenter, so I apologize for the small amount of time that you have, but I just wanted to give you a warning.

MR. DEMPEWOLF: Okay. Quickly, over 10 years you could see the Btu level at Charbonneau has been stable and this is the level that all the producers and plant operators have designed their facilities to. So, which it complies with Northern Border's current gas quality spec and WBI's gas quality spec. I'll turn it back to Rob.

MR. JOHNSON: So to finish up quickly, in our view Northern Border has not satisfied the gas quality policy statements requirement to engage in a collaborative process. And this is specifically with respect to this pairing notion -- very complicated and challenging.

We understand that their intent and we noted that

this morning to place this responsibility on the receipt point operators, that puts significant financial liability on the party, at risk on WBI. We'd never taken title in the gas. Our tariff does not support managing -- management of this pairing proposal, and if we'd be forced to change, we would not have it into effect by the time this option is proposed to go into effect.

And obviously we built this before we heard Northern Border's this morning, you know, the pairing proposal, it is not just unreasonable, we don't rate sole discretion. I think they changed it to not unduly discriminatory, but obviously we want to see those changes in the new filing.

With respect to the tendering party there was a question on this this morning too. We oppose changing it to receipt point operator. This puts all the burden on WBI and it's really unmanageable. For our five points, WBI operates four of them. Northern Border operates the fifth point, which even further complicates the issue if we're trying to aggregate the flows on WBI to manage a pairing solution on Northern Border.

It's really difficult to do. Finally, we don't believe Northern Border has demonstrated this proposal is just and reasonable. We successfully manage interchangeability on our system with current gas specs and

Btu levels. Northern Border's filing causes the cost in management pairing to be placed on WBI, although we don't take title to any of the gas we transport.

The complications in the bi-directional flows on WBI change seasonally and per customer scheduling. The pairing complications and challenges require collaboration by WBI with already on its system, and on Northern Border to make this proposal possible. But quite frankly, it's unworkable in our view. The connection we don't -- the tariff doesn't allow for management of pairing and as Marc alluded to, the real time management of Northern Border's Btu is not practical for upstream operators and processing plants, nor WBI Energy, with respect to flows to and from storage.

Flowing in North Dakota will likely increase and negatively impact producers, processors, WBI and the State of North Dakota as a whole. And with that, that concludes our presentation and we thank you for the time.

MR. MARTINIC: Thank you very much Rob and Marc. We appreciate the information and very good presentation. With that, we will continue on to the presentation of Indicated Shippers and John Paul.

MR. FLOOM: Yes.

MR. MARTINIC: I am not able to share my screen right now.

MR. FLOOM: Give me one moment, let me do that. One moment. All right is the presentation showing up on the screen. It looks like I'm sharing it but I want to make sure everyone else can see it, so I don't have a view from where you guys are.

MR. MARZ: This is Martin Marz, yes I can see it, so I'm sure other people can as well.

MR. FLOOM: Okay, thank you Martin, I appreciate that. All right. Indicated Shippers thank the Commission for the opportunity to speak at today's Technical Conference. The presentation that we're giving right now will focus on how Bakken production profile has changed significantly since Northern Border submitted its gas quality filing in this proceeding.

In addition, the presentation provides numerous data points demonstrating that Bakken production levels are not anticipated to increase to pre-filing levels for a considerable amount of time. As set forth in the following slides, the combined effects of the crude oil price drop, demand reductions related to the global pandemic and other hurdles, have placed downward pressure on Bakken production.

This downward pressure has eliminated any potential needs for Northern Border's proposal at any point in the next year or two. By way of background, the Bakken

production that provides natural gas to Northern Border's system, is typically associated gas, which means that producers drill to get the crude oil, and the natural gas is typically a by-product of the crude oil production.

When natural gas prices are low, as they have been for several years, crude oil pricing determines the level of interest that producer has in a particular production basin. The Bakken production field is somewhat unique in that the takeaway cost for oil and gas production are higher than in other basins in the United States, with some estimates placing the cost at approximately $3.00 to $5.00 more for each barrel of crude produced.

In other words, the west Texas intermediate oil price trend would need to be sustained at closer to $45.00 per barrel of crude for a long enough period to allow for production in the Bakken to remain economic. In this first slide, which is similar to what Mr. Fonda presented earlier today, but on a shorter timeframe the BTU -- yes?

MS. BERTOLDI: Sorry this is staff. Is there anyway for you to maximize the screen? We're seeing your presentation, but it appears a bit small, like it's not -- like the screen, that's better.

MR. FLOOM: Okay. You're getting it now.

MS. BERTOLDI: We do yeah, we do see two slides, but as it is a little bit better.

MR. FLOOM: Okay. Sorry about that.

MS. BERTOLDI: It's okay.

MR. FLOOM: So in this first slide, and you'll see subsequently the second one, we demonstrate the measured Btu content of the gas stream as measured at Glen Ullin from the period of January 1, 2020 to August 4, 2020 and I just checked this morning and the August 5th measurement was at 1095.8.

In its filing and earlier today Northern Border mentioned that it has been faced with ever increasing Btu content due to the continued development of high Btu gas in the Bakken region which has pushed out supplies from Western Canada. As you can see from this table, starting around April of 2020, in this timeframe here, there was a significant drop off in the measured BTU content of the gas stream.

This coincided with the dramatic fall in crude oil pricing around the same time, which saw the WTI price for May deliveries heading briefly into negative territory. The graph shows the decline and the measured Btu content of Bakken gas was consistent with the fall off in crude oil production due to the pricing pressure.

While crude prices have recovered and stabilized to some degree, additional factors like the fall off in demand due to pandemic related shutdowns, have continued to

keep crude oil production in the Bakken low, which has also kept the measured Btu content of the gas stream below 1100 at Glen Ullin.

And then this next slide, you'll see that the lower levels of crude oil production in the Bakken's are expected to continue. These figures came from a report that said North Dakota Industrial Commission Oil and Gas Division recently gave at the director's cut webinar.

On July 17 of 2020, there was only one frack crew operating in North Dakota. There were only 10 active drilling rigs working in North Dakota, and that represents an 82 percent drop in drilling activity since January of 2020. In May of 2020, there were 6,180 inactive wells. There have been significant levels of lay-offs in North Dakota's oil and gas industry and in May of 2020, North Dakota only produced 858,395 barrels of crude.

By way of reference, the Energy Information Administration reported total Bakken production in January of 2020 at a number north of 1.4 million barrels. This continued through February and March of 2020, with a drop off starting in April of 2020 that has continued. The EIA projects that crude oil production in the Bakken is unlikely to reach these pre-pandemic levels in the foreseeable future.

I note that EIA estimated that crude oil

production in May of 2020 would be near 1 million barrels and North Dakota reported only 858,000 barrels of production. Given this, EIA's projections for June through August may be inflated. In addition, it is easier to shut down a well than it is to bring it back online. With shut downs taking days to complete and restarts taking weeks to months to complete.

Now we seen on this other slide here the impacts of this significant production declines. And the Bakken area, like most share production areas, there's a steep decline curve on the production, meaning that in order for Bakken to maintain consistent levels of production, new wells need to be drilled.

This table on the right demonstrates that the active rig count has been substantially reduced with only 18 active rigs in May of 2020, 11 in June of 2020 and you may recall from our previous slide that there were only 10 active drills in July of 2020 and as of August 5, 2020 there were only 11 active drilling rigs in North Dakota.

This compares to 59 active drilling rigs on the same day in 2019. Given this information, it is apparent that the lack of drilling activity is sustained and will place additional pressures on the ability of Bakken production to reach pre-pandemic levels at any point in the near future.

This slide on the left is from a July 24, 2020 presentation given by Justin Kringstad who is the Director of the North Dakota Pipeline Authority and it shows this problem most clearly. The graph you see on the far left show that crude oil and natural gas production showed the crude oil and natural gas base production declines for wells in the Bakken production area based upon the year in which they were drilled.

And the chart here on the right shows the level of well completions necessary to maintain the production levels achieved in February of 2020 -- that's the dotted line down through the middle here. And that would represent a pre-pandemic, pre oil price drop level of production.

As you can see from the chart on the right, well completions would need to be sustained at or around 70 to 80 barrels -- sorry, 70 to 80 wells per month. In other words, an active rig count in the low 10's which we've been experiencing for several months now is nowhere near where you would need to be to add enough completed wells per month to overcome the natural base decline necessary to sustain production levels at our February 2020 levels.

Now let's turn to another pressure on Bakken crude oil production -- crude oil pricing. As we noted earlier, the Bakken typically requires crude oil prices to be around $45.00 per barrel to make production economic for

producers. When you compare this expectation to the EIA forecast that crude oil pricing is projected to remain between 35 and $40.00 per barrel through at least the fourth quarter of '21, it shows that there will likely be continued downward pressure on Bakken production.

While these are merely projections of future pricing, it bears noting that the North Dakota Industrial Commission has said that it viewed these price estimates as optimistic. In addition, the NYMEX future's pricing represented on the left slide by the green line shows that the pricing is consistent with the projection of crude pricing near $40.00 per barrel through at least the end of 2022.

And this chart also shows the projected pricing based on the NYMEX futures price, I'm sorry, as well as the EIA short term energy outlook forecast, which is the blue line right here. In addition to these pricing pressures, producers are faced with there are several other factors that influence producer decisions to engage wells that were previously inactive or to drill new wells.

First there's DAPL. We are all likely familiar with the D.C. District Court's decision ordering DAPL to shut down and empty by yesterday. This caused a considerable uncertainty for producers in the Bakken area, given the significant amount of takeaway capacity that DAPL

provides.

Yesterday the D.C. Circuit lifted the lower court's injunction, but ordered further proceedings, both at the District Court level and at the Appellate Court level. The DAPL decision which is still pending review before the D.C. Circuit, continues to weigh on producer decision-making. And given the uncertainty of whether there will be adequate takeaway capacity for any crude production.

In addition to High Plains, there was a decision from the Bureau of Indian Affairs, which may also impose negative pressures on the continued production of crude oil in the Bakken area. Finally, Liberty Pipeline has been placed on hold due to the economic conditions surrounding the pandemic.

And for your reference, the table on the left here shows crude oil exports at export opportunities out of the Williston Basin which includes the Bakken production area. DAPL and TESORO represented by the blue streaks here on the left, or delineated on this chart.

Absent these three options, pipeline capacity would decrease the levels last seen in 2014. Overall export options, which would include rail, would similarly decrease to levels last seen since 2014. These additional pressures create uncertainty for producers in the Bakken, which makes

a return to pre-pandemic levels of production unlikely in the near future.

Further, there's also additional regulatory uncertainties that make Bakken production unlikely to increase in the foreseeable future. With respect to the DAPL decision, the Army Corp estimates that a new environmental impact statement will take approximately 13 months to prepare, but producers may be faced with the lack of an outlet for crude for Bakken production for at least another year, which may cause producers to put off further investments in production and new wells.

In addition, the U.S. District Court for the Northern District of California recently vacated the VLM's 2018 methane and waste prevention rule and may reinstate the 2016 rule. If the 2016 rule is allowed to be reinstated, it would impose additional costs on producers due to requirements for a 35 percent reduction in venting and a 45 percent reduction in flaring.

The impact under this rule change would be to wells on federal and tribal lands and could make decisions to continue to produce at those wells that much more difficult for producers.

And finally, while this presentation is focused on why Northern Border's proposal is unnecessary now given the drop off in production and the associated reduction and

the BTU content of the gas stream. Indicated shippers also have other significant problems with the proposed filing. First, Northern Border's pairing proposal lacks transparency.

The pairing proposal relies upon a marketplace that does not yet exist, where tendering parties or as we've heard today, receipt point operators are required to find contracting counterparties without any information resources available related to costs or operational feasibility.

Second, Northern Border has not stated how much notice it will provide to shippers in advance of placing an upper limit into effect or reducing one that is already in effect. Producers that want or need 100 percent certainty that gas will flow, will be required to install additional equipment or modify existing equipment to ensure that they meet the safe harbor level of 1100 Btu for SCF, that's been in the filing.

Finally, there is an economic cost to the market and to consumers caused by the inevitable reduction in supplies that will result from Northern Border's proposal. At a time when many are facing economic uncertainty due to the pandemic, Northern Border's proposal is especially problematic. For these reasons and for the reasons set out in our protest, the Indicated Shippers urge the Commission to deny Northern Border's proposal. Thank you.

MR. MARTINIC: Thank you very much John Paul.

MR. FLOOM: Certainly. Sorry, if I can share it back with you.

MR. MARTINIC: Sure, sounds very good. Staff was considering how things are well on track and to the agenda. And with a little bit of the earlier conclusion of John Paul's presentation, at this point we'd like to shift the break identified on the agenda to after the presentation of Targa and Andeavor. So with that, R.J. and James, would you be prepared to do your presentation at this point?

MR. OLSON: Yeah, absolutely. Thanks. And so we don't have any slides so I'll just start talking and R.J. will take over about halfway through. Thank you. Targa and Andeavor believes that the pipeline has failed to support its proposal. In fact, after this morning it's not even clear what the proposal is anymore.

Is it the monitoring point we're on? Is that somewhere else? Is the purpose for a C point limit meet 1100 to your knowledge, or some other figure. That much is very unclear now. So we can't say that there's no evidence for serious problems without this detail.

The pipeline has provided no studies of this system or downstream impact. The pipeline has not provided any -- before because both studies have shown you the blending capability on the system, so as it is exists today

and with the changes in production. So you can see based off of what it actually looks like in the future.

That would be important to understand where we don't know that. They also have provided in this study, to help you see the end users or costs associated with that. They had allegations of concern in their actual studies. There's also the studies in the learning disability downstream, or whether parts of LBT's -- but other parts of their system are -- there's a lot that we don't know but the one thing we do know is that historically we're using it.

The pipeline -- Northern Border has delivered gas over 1100 Btu's at nearly all of its delivery points. If you look at the data response provided you'll see that in the last five years they have delivered at over 1100 Btu's at every single response on this system with only two exceptions. And those two exceptions were really both provided -- I find was also provide note studies at the official time of the accessories, you know it was pointed to the manufacturer.

There were no studies about maintenance schedules. Is that the issue that they raised? No studies about its ability to retrofit, although they did explain this morning when they thought it was off approximately 20 million dollars to retrofit and let me say we'll get to this a little bit later, but that is a drop in the bucket

compared to what they're asking my clients to do.

It's 10 times. There have been no significant shut ins on Northern Border due to high Btu gas. Now I'm taking '16 and '17 in their response was two isolated instances. It's not clear that any of those was actually a shut in, and a couple of them looked like they were just -- but then the market reacted to those.

And so if the market can resolve these issues when they arise, they should let the market to continue to resolve these issues when they arise. That is whether you move them with the pipelines. And related to that, by the pipeline's own admission, last year 2019, 90 percent of the volumes delivered on Northern Border were at a point that do not have an 1100 Btu limit.

On page 9 of Northern Border's, it says only 10 percent of the deliveries were to one of the five interconnecting pipelines, but they don't show the justifications for this 1100. Now if that's not the tail wagging the dog, I don't know what is. Also, the 1100 is lower than the Btu plus guidelines. It's zero technical documentation for why they wanted to do this from the Btu plus. And that's not consistent with the policy.

Also the pipeline points to -- they make much of the fact that they filed a state (Internet glitch), rather than (Internet glitch), but as others have stated that's of

no consequence because as the pipeline admitted this morning the supply changes as they're forecasting, then you will get to a point when it's going to have to be at 1100 or really close to it, for whatever point they're going to use at 1100.

Now what does that graph look like? How much production, additional Bakken will be used to get to that point? Again, we don't know because they haven't provided any flow studies. High point also (Internet glitch) and Targa and Andeavor had looked into this and we're going to update our estimate we provided in our first half and my colleague R.J. Colwell will walk you through exactly what Targa and Andeavor will have to do at that facility and how much it will cost and how long it will take.

But from a high level, they're going to have to spend between 138 million dollars to 211 million dollars in order to make the necessary modifications. And that's going to take between 12 to 18 months. And we know it's a big step for us to go into but over the long distance of less than that.

The pipeline also didn't (Internet glitch) for processing. The data response that flat out (Internet glitch) plan, but we're not in that. I don't know why not. Other pipelines have settled. Also to the extent this is actually an issue, we don't know, but to the extent it is

that would seem like the most efficient way to do it rather than making every single processing point in the basin (Internet glitch) you could do it all at one point and it will be much more --

And their affiliate would have definitely (Internet glitch) but the pipeline (Internet glitch).

Finally, with respect to one of -- the last thing I'll point out before I turn it over to R.J. is that the pipeline facility (Internet glitch) and perhaps (Internet glitch) but they stand to benefit financially from this and that's been raised a number of times by a number of parties and the pipeline has never denied. And the pipeline cannot deny it. And the reason the pipeline cannot deny it is because there's a (Internet glitch), on March 11, 2020 the President and CEO of (Internet glitch) said, "The potential for ethane recovery needs downstream pipeline -- also provides a field where a natural gas system on the (Internet glitch)"

The pipeline has failed to put its proposal in the FERC's -- (Internet glitch) thank you.

MR. COLWELL: Thank you James. So I want to start from Northern Border's approval in this proceeding will incur significant cost to the rest on the operations of Andeavor and Targa's resources, starting with Andeavor. Andeavor owns and operates two gas processing facilities in

North Dakota that would be impacted by Northern Border's proposal here -- Robinson Gas System and Belkin's Gas.

Robinson Gas System consists of the Robison Gas Plant which is comprised of two refrigeration trains and a Stanley booster station. Robinson Light Gas System is capable of processing and developing gas stream here, even the gas stream that goes over to WBI for further utilization on Northern Border down to Btu range of 1165 to 1210.

As we heard earlier by WBI, the current maximum Btu content delivery into that system is 1210. In order to comply with Northern Border's proposal, Andeavor will need to make significant modifications to the existing J.T. skid located at the Stanley booster station.

The modifications include reducing the discharge pressure of the J.T. skid, installing additional compression and installing a new resident gas filter coalescer and control valve upstream of the connection to WBI. These modifications will take approximately 12 months to get in service and will cost Andeavor at least 2 million dollars.

The current cost of facilities in Andeavor's downfield gas consists of a fuel refrigeration train. The company configured the Bell field gas point is capable of processing that gas down to a Btu range in the upper 1200's. In order to comply with Northern Border's proposal, Andeavor will need to take one of two approaches here.

The first approach would require Andeavor to make modifications to optimize the existing -- system, install additional piping and make modifications to regulate compression issues. These modifications will take approximately 8 to 10 months or longer to place in service and will cost Andeavor between 2 to 3 million dollars.

However, Andeavor estimates that this first approach would enable at most 60 percent of the overall gas stream to the Bell field gas plant to comply with Northern Border's proposal. The remaining 40 percent of that gas stream would therefore need to be sold to the pipeline connection, the one Bakken pipeline, used as fuel for power generation or some combination thereof.

Other generation components would require a large scale project that itself will take in excess of a year to be complete, and will cost more than 45 million dollars. Even still, these options that will remain 40 percent of the overall gas stream at the Bell field gas plant are at best speculative, and provide only incomplete solutions.

The second approach would require Andeavor to convert the downfield gas plants to its current refrigeration lines for a full cryogenic process. Andeavor believes that the second approach would enable the entire gas stream at the Bell field gas plant to comply with Northern Border's approval. It would also enable the

resulting ethane stream to comply with the one Bakken's pipelines CO2 requirement.

Andeavor currently anticipates that the necessary installations and modifications with the second approach will take approximately 12 to 18 months to place in service and will cost between 15 to 20 million dollars. And I just discussed for the Bell field gas plant do not include the cost of pipe that will be necessary under the approach with the one Bakken pipeline which is located more than 60 miles from the Bell field gas plant.

Such pipe will cost at least 60 million dollars estimated cost in addition to those on the other four approaches. At Targa, current processing facilities of Targa is very complex, with just the four co-located refrigeration train. L1, L2, L3 and L4.

100 percent of L2, L-3, and over 50 percent ownership interest in L4 is equal to approximately 100 million cubic feet per day of capacity on that train. Assuming optimal conditions, L1 is currently capable of processing, excuse me, wet gas down to 1145 Btu.

L2 is currently capable of processing wet gas down to 1165 Btu. L3 is currently capable of processing wet gas down to 1155 Btu and L4 is currently capable of processing wet gas down to 290 Btu. These four trains are capable of producing a blended rescued gas feed with 1122

Btu under optimal operating conditions.

However, Targa does not currently receive, nor has it historically received enough gas at the -- complex to utilize all cargo's capacity on the L4 train. Importantly, Targa would need to utilize all this capacity at L4 for it to blend down collectively to 1122 Btu.

It's more likely based on current and anticipated systems through puts, that the Btu content of this blended, gas stream from these four trains will range from 1130 to 1155 Btu. This range seems that Targa is fully utilizing L1, L2 and L3. It is operating all four trains, and this is an LC2 recovery mode.

In order to comply with Northern Border's proposal, Targa has construed that it will need to install a standard modular cryogenic processing plant in the -- at the end of trains L1, L2 and L3. Targa will take gas from these three trains into this cryogenic plant which would DF9 the gas before delivery to Northern Border.

This installation would take approximately 14 to 18 months to place in service and would cost Targa at least 93.6 million dollars. The foregoing solutions may be technically possible and may not be economically feasible or prudent for Andeavor or Targa to invest this much capital into a gas processing facility at this time. Andeavor's and Targa's access to capital is greatly constrained with the

current economic environment. The overall cost to Andeavor and Targa to make these modifications for these volumes of gas would simply be prohibitive.

In addition to the foregoing costs, in Andeavor or their customers, we incur significant costs to handle the additional ethane produced as a result of the modification. Importantly, no significant market currently exists for ethane in most occasions. Andeavor and Targa would therefore need to transport such additional ethane elsewhere, just like the -- , to Targa or Tom Lane for Andeavor, where it would then be fractured.

Even if Andeavor or Targa -- if the overall costs were not prohibitive, to cue the capital necessary to implement such modifications, neither Andeavor or Targa would be able to comply with Northern Border's proposal by November 1. The result could be the shut in or the potential finding of gas that Targa and Andeavor would have had otherwise over, but for Northern Border's proposal here.

This in turn would result in economic waste, discretionary resources and supply, and reduce the flow of domestic natural gas in the Bakken U.S. market. In summary, Northern Border's proposal would cost Targa at least 93.6 million dollars and Andeavor at least 85 million to 118 million dollars.

Andeavor and Targa, or their customers would also incur significant costs due to the additional ethane produced as a result of modifications that I laid out. Neither Andeavor nor Targa are able to bring these modifications on line by the November 1 exit date per the suspension order. Until such modifications can be brought online, the gas that Targa and Andeavor would otherwise have is at risk of being shut in or potentially flared up through.

By contrast, Northern Border has not provided any technical basis on its systems for its proposal here to justify the unnecessary costs and risks it seeks to impose on Andeavor and Targa. For these reasons, Andeavor and Targa request that the Commission reject Northern Border's proposal in this proceeding, thank you.

MR. MARTINIC: Okay. So that's the conclusion of Targa and Andeavor's presentation.

MR. Colwell: Yes.

MR. MARTINIC: Okay. Thank you very much. Well at this point we're doing very well on the agenda. And if everybody's agreeable, let's take a 10 minute break if you'd like. And then we'll continue with Oasis intervener's presentation at 2:35, how does that sound? Sounds good, okay. See you back at 2:30 or 2:35 for the presentation.

(Break)

MR. MARTINIC: Okay this will conclude the break we just had. If everybody is agreeable we can begin with Oasis, their presentation and Greg with that, if you'd like to please begin.

MR. HILLS: Okay. Good afternoon everybody. This is Greg Hills. I'm an SVP of Market in Midstream at Oasis Petroleum. I'll start out with an introduction, kind of go over kind of Oasis Petroleum and our Midstream group. We're both an E&P entity and a Midstream company. We operate over 1100 wells in the Williston Basin -- that's 75,000 gross barrels a day production, and 225 million cubic feet a day of gross gas volumes in the Basin.

The map on the right side shows our acreage position in the North Dakota and Montana areas of the Williston Basin, shows a significant amount of acreage position covering the Basin. From a Midstream standpoint, we operate over 840 miles of crude oil, natural gas, produced water and freshwater pipelines in the Basin.

We'll focus on the natural gas side of things. If you look at the map on the right, the Wild Basin area we've got a significant gathering system and two plants with total capacity of 280 million cubic feet a day. These plants have a residue connection to WBI for delivery into Northern Border. The gas from the Wild Basin plants

basically travels down south and ties into Northern Border about 16 miles from the plant facility.

Hopefully, this gives you a good idea and we'll talk further about that in a few slides. Okay. Moving on and we'll kind of go through a summary of key issues in this slide. Northern Border is operated with a hydrocarbon dew point stack equating to 1210 Btu per cubic foot since construction in 1982. The Btu levels have been increasing as we've stated and talked about today from roughly 1060 to that 1100 Btu per cubic foot area, with higher Bakken production and a reduction of the Canadian production.

If you go down to the bottom right side of this slide you can see the increasing Btu levels. You can also see the hydrocarbon dew points back at 1210. WBI spoke to this earlier that they've got a spec in their tariff of 1210 Btu per cubic feet. So we've got a lot of room for where we've been and where we're going to be up to that 1210.

All right, the Bakken and the C points can't really meet an 1100 Btu per cubic foot upper limit without the additional ethane recovery. The processing plants are really just not designed to recover ethane. Due to the existing Northern Border specs and negative economics, basically they were all constructed for the 1210 spec.

The Northern Border proposal allows pairing with

other plants and we've talked a lot about that today. But pairing does not reduce the Btu per cubic feet, and it fails to address the upstream delivery points. WBI went into that and we'll talk about it a little bit more in the following slides.

But today we'd like to talk about five key topics -- basically let the downstream markets work. Compressor fuel conditioning, productional area solutions and costs of that production area solution, the pairing proposal concerns and then just the overall state of the Williston Basin. Okay. Moving on to the first of those topics in the downstream markets and letting the downstream markets work.

The chart shows the black line at 1100 Btu per cubic feet and actual is in green. Certainly, we've been over 1100 Btu per cubic feet and all of the C point volumes that flowed and the delivery points that's taking the gas. So really no significant curtailments.

If you look at the gold area in this chart, that's where Btu specs have a greater than 1100 Btu per cubic foot spec. And the blue area is the only area that has a Btu spec less than 1100 Btu. So that's key and we'll talk further about that. But downstream delivery points not in aggregate had to curtain volumes due to high heating values.

Again, all those C point volumes have been able

to flow. 90 percent of those downstream markets do not have a Btu limit, or have a Btu limit of 1200 Btu per cubic foot. Northern Border has the capacity of 2 and a half Bcf a day with only .2 Bcf a day that flows to a market with 1100 Btu per cubic foot tap. So think about that -- that's just such a small volume compared to the overall capacity.

Next topic really is in regards to the total delivery point capacity. There's 13 Bcf a day of delivery point capacity and Northern Border utilized 6.5 Bcf a day of that capacity during 2019. This shows Northern Border's significant ability to utilize multiple markets above and beyond the 2 and a half Bcf a day of capacity.

My last subject on this slide is just quantifiable harm downstream. Northern Border has failed to identify a quantifiable harm that requires tariff modification. It just really hasn't laid out any numbers and we'll lay out some numbers here on the upstream side for sure.

So the bottom line to this is the market can take the gas. Let the market work. Okay, moving on to the next slide. Utilities, LDC's and industrial -- the volumes for those are shown in blue on this slide with again 1100 Btu per cubic foot lines, and the actual Btu per cubic feet.

You can see that certainly we've been above that, but basically the utilities -- they're not materially

impacted by the Northern Border Btu as it increased, as it goes over 1100 Btu per cubic feet. The LDC's have the flexibility to take volumes from Northern Border, or obtain gas supply from other pipelines.

This slide kind of sums up some of the physical and then the takeaways. Basically, if you look at the Northern Border capacity of roughly 2 and a half Bcf a day, the pipelines are utilizing about 1.7 Bcf a day and the utilities about 750 to 800,000 Bcf a day. So the Btu limit -- there's no Btu limit roughly on 2.3 Bcf a day on that, and only a Btu spec limit of .2 Bcf a day.

So on average, only 8 percent of all volume delivered over the prior year went to pipelines with a Btu limit at or below 1100 Btu per cubic feet -- a very small percentage. All right, moving on to talk just a little bit about just the top 10 markets and largest points. The top left bar chart here shows that we could have flowed, or we have the capacity -- design capacity of greater than 5 Bcf a day at the 10 largest delivery points.

Again, Border has a capacity of only 2 and a half Bcf a day. Those top 10 largest points are without Btu limits, and they comprise 87 percent of the 2 and a half Bcf a day pipeline capacity. Between those 10 points on my highest delivery days, they have markets of 4.2 Bcf a day.

That's greater than 150 percent on average of the

Northern Border capacity of the 2.5 Bcf a day -- plenty of capacity. In addition, there are 48 other locations that don't have the Btu spec, which have an additional market of 1 Bcf a day. Overall, basically a much greater delivery point capacity compared to the Northern Border flow at 2 and a half Bcf a day.

All right, we're going to switch over now and talk a little bit about the compressor fuel conditioning issue that was touched on earlier. Border stated that they've got 13 you know, Siemen's compressor stations and compressors along their pipeline, and claims that the fuel heating value is too high for these compressors. There are solutions for this.

In fact, we talked about it earlier. Fuel conditioning -- very common. Modification of the turbine burners, or some combination of the above. So basically Border has now stated that they can fix this issue and that's good to hear that. We've asked that question many times. So if you think about it, how should we fix this? Should we fix it through this? Or should we fix it through the full volume in the ethane recovery?

Well this is a key point. The fuel is only 2 and a half percent, so call it roughly 60 million cubic feet a day versus removing ethane on 2 and a half Bcf a day. Okay, I'd rather work on the 60 million cubic feet a day, let's

see how that can be done. At a million dollars a site, at 13 sites that's 13 million. Well Border said today that it was 20 million dollars, so we're in the ballpark right?

13 million to 20 million dollars. Well the overall cost both in the ethane loss of revenue and the buildout of the new facilities on the upstream side is 2 billion dollars, and we'll go into that number in more detail in the next slide versus 13 to 20 million dollars, let's put it in that range. Okay.

That's 100 to 1 difference in ratio. In other words, it cost 100 times more to fix the upstream and recover ethane than it does to fix the fuel conditions. Let's think about economics when you go through the decision making on this project. All right, moving forward to the next topic -- production area solutions. This is where we talk about how do we fix it upstream and what are the costs.

The map shows planned interconnects by color of a C point. You can see all the Charbonneau points in orange there coming in, you know Rob went into this chart, I think a little earlier, so I won't belabor it too much. But 14 receipt point connections in the Northern Border, 11 of those receipt points currently are above 1100 Btu per cubic feet. So obviously that's a problem. 8 of the 14 receipt points have plants that cannot recover additional

significant ethane -- 8 of 14, that's where the work has to be done.

All right, moving on to the next slide. This gets into the schematics, a lot of detail here. I'll just touch on a few things, but these are all the plants and interconnect points on the system. So the receipt points in the Northern Border with the red circles with the X on it show points and plants that cannot recover significant ethane.

You can see there are substantial points that have to be modified in order to do that. If you look at it from a Btu standpoint, the dark blue points are greater than 1175. Those are high Btu points. The middle blue areas are between 1100 and 1175. You can see all of those points are out of the spec basically, that Border is trying to put in place.

Only three points are less than 1100 Btu per cubic foot out of all those points. Border is requiring plant operators to reduce the residue which causes basically producers to bear the costs and recover grossly uneconomic ethane. That's a problem. The C points can't meet that 1100 Btu per cubic foot limit as we've shown in this chart unless we recover additional ethane. The processing plants are simply not designed to recover ethane in negative ethane economics, and they were built with the original tariff in

mind with the hydrocarbon dew point of 1210 Btu per cubic foot spec and the WBI spec that Rob Johnson spoke of earlier.

So in order to get to the 1100 Btu per cubic foot, we've got to recover 40 percent uneconomic ethane recovery required at a cost of approximately 2 billion dollars over a 5 year period. Let's talk about that number a little bit and break it down. Ethane recovery costs -- basically we'd have to recover an additional one gallon of ethane for Ncf of natural gas. That's 40 percent of the ethane basically in the Williston Basin if you put that on top of what's being recovered today.

The net back price of ethane is negative for producers into the Basin by about 15 cents per gallon. Basically that's calculated by taking Conway sales or downstream sales, subtracting the transport and fractionation to get to that negative number.

The problem is the transport and fractionation costs 15 cents more than the product is worth at Conway, Kansas, thus you're upside down 15 cents a gallon. So that's one component. The second component is currently the ethane is put into the natural gas stream. And so it goes into the natural gas stream and is sold there at a positive revenue.

So by removing that from the natural gas stream,

you lose another 15 cents in the gas stream. So middle of the table here, you got 2 Bcf a day if we ever get back to that level times a gallon per Ncf at a 30 cent loss per gallon -- that's a $600,000 dollar a day loss for the Basin. That's 200 million dollars per year and that's a billion dollars over a 5 year period. That's a problem.

In addition to that, like we talked about and it's been talked in a lot of the presentations today, the capability of recovering ethane is simply not there. The estimated cost to convert those facilities is approximately a billion dollars. And as it's been stated it takes time, 18 to 24 months to get all that work done.

So if you sum up those two issues, the billion dollars of cost ethane value loss over 5 years, plus a billion dollars in cap X facility conversions, that's a 2 billion dollar cost over 5 years to the upstream industry.

Okay moving on to pairing proposal concerns. We'll step through this and a lot of these issues have been addressed. But right now all we have is a one page pairing proposal and it doesn't really look at the upstream of Northern Border issues. So all of that information that has to be worked through on the upstream, that WBI went through was absolutely correct -- very difficult to do.

We've got to deal with the multiple upstream plants and various Btu qualities behind such receipt points.

Two of those are Charbonneau and Spring Creek. WBI went in to Charbonneau, certainly a difficult, you know pairing. How does that pairing work is difficult. I'll talk a little bit about Spring Creek. Spring Creek is shown on the map on the right. The time to -- Northern Border is down on the south end of that shown in red.

Upstream of there you've got multiple plants operated by Oasis and by ONEOK. Lots of pipelines coming in there, WBI goes and operates the pipelines down into there, but how does that work? It hasn't been verified. Next to talk about in regards to pairing, is the affiliate conflict of interest due to unregulated revenue from related fees.

How will this work? ONEOK operates the only ethane pipeline outlet, so how does that benefit them with ethane recovery? It benefits them because more volumes go through their pipelines. It's estimated that if we had to get the additional gallon recovered it's a 200 million dollar cost benefit to ONEOK, the affiliate of Northern Border.

That's a gallon of ethane recovered on 2 Bcf a day and roughly you can take a range of values -- 25 to 30 cents a gallon, that's $600,000.00 a day and 200 million dollars a year in revenue benefits because of the tariff fees. ONEOK is the main pairing entity as well. But pairing proposals have simply not been provided upstream of

the receipt points in the northern border.

We tried to work together, and we tried to get those proposals, but it hasn't happened, thus, that all needs to be worked through before any implementation occurs. What fees will be charged, if any, upstream of the receipt point in the Northern Border? I asked the question a little earlier today what fees would the affiliates benefit from? And the answer was not provided and could not be provided. That's a problem.

We need to investigate that. We need to understand that. All we are trying to do is put everything on the table and make good decisions and make good solutions. Lastly on this slide, how will WBI administer the current 1210 Btu per cubic foot regulated heating value specification on the WBI system upstream of the Northern Border receipt point?

They spoke to it. We've had a good relationship with them over the time period when our plants have been in service and as Oasis has produced volumes since the early days of the Bakken. We want to continue that, but it puts them in a tough spot. They've got a tariff rate at 1210 Btu per cubic foot and now the downstream is changing. How does that work? Nobody has explained it.

So pairing does not change the Btu into the system either. Everybody recall that. Make sure that

everybody takes that home. That you've got to recover ethane. Pairing does not fix the situation. We talked earlier where pairing may actually cause additional flaring and shut ins as it shifts curtailment -- the burden of curtailment to lower Btu points, as the higher Btu pairing points are paired up.

MR. MARTINIC: Greg if I might interject for a moment. The presentation is great although you've been at it for about 20 minutes or so, and we just wanted to --

MR. HILLS: I got two slides and I will be done, give me two minutes.

MR. MARTINIC: Sounds very good, take your time, just a reminder and we appreciate it thank you.

MR. HILLS: Yeah, it's good to hear some feedback. Okay. Last topic really and then we'll do recommendation. Current state of the Williston Basin -- it's a key topic. We touched on it. There's a global pandemic and crude oil price war between OPEC and Russia that occurred in the spring. The activity in the Williston Basin has been reduced substantially.

There are only 10 drilling rigs in the Basin now compared to 55 rigs prior to the shutdown. I can assure you production is declining. Natural gas net backs to producers have recently been at or below zero due to the NGL and residue natural gas supply.

You know, recovering additional uneconomic ethane would further reduce the natural gas net back by 30 cents an Ncf. So the oil industry in North Dakota does not need another setback at this time. Just quickly on the chart below, you can see the people -- we were above 2 Bcf a day. This is provided by Btu Analytics where we've gone to the drop off. Yes, we've recovered, but due to the decline in the activity, the Basin is going to decline.

And look at this chart. You can go out to January of 2024 and we're still not back to where we were. Again, it tells us no action is required. The last slide we've got and based on the facts we've presented as others have presented we need the FERC to reject the proposed amendment to the tariff. It just doesn't make sense at this time.

We evaluate these proposed changes to the heating value specifications on Border after a period of three years. Let's go out to November 1, 2023. Now I'm going to suggest a solution here. And I don't do this lightly, but we have tried to work with the other side on solutions and they have been firm and haven't moved off their position.

But I'm trying and I think the rest of the group has tried to find some middle ground and we have not been able to. I'll say our primary is delay this thing. That's the right answer. But if we really want a solution, let's

set an upper Btu limit and let's phase it in and let's set it at a level that's reasonable enough and let the markets work downstream.

Let them take a burden as well. And I say burden, they can move the gas. They've shown that historically, but set an upper Btu limit of 1160 Btu per cubic foot or higher and all of us recall that Northern Border's example calculations in the July 14 filing showing 1164 Btu per cubic feet.

So let's have some movement on this if we want to have a solution. Otherwise, let's delay it and during that timeframe let's work on some of these things that we've been unable to work through. We've tried to show some facts here today, to establish a collaborative process, review the safe harbors and Btu limits. But view the impacts to the upstream producers, the impacts to natural gas processors and gas pipelines. Make it an overall solution, not just one sided.

Look at the impacts to Northern Border pipeline. We want to know it. We want to know if you guys spend 20 million dollars and we've got to spend 2 billion. What appliable impacts on the downstream market? Yes they've talked about it. Have they borne any quantifiable impacts? No. And what's the means of reducing economic or operational burdens? Let's work together to make this a

win/win.

And in the process the pairing volumes. We've talked about that system simply will not work as it has been laid out. So finally, the cost does not justify the tariff change. Northern Border's 2 billion dollar proposal to recover more ethane and put it solely on the producers, compared to a 13 to 20 million dollar solution is not acceptable and we're asking you to reject the proposed amendment to the tariff. Thank you for the time.

MR. MARTINIC: Thank you very much Greg. Okay with that we're still well on schedule, so Greg, thank you very much for your cooperation. With that we'll pass this along to Jessica with Flatirons Field Services.

MS. MATLOCK: So this is Judy Matlock, also for Flatirons. Can you hear me?

MR. MARTINIC: Yes we can Judith.

MS. MATLOCK: Great, well while Jessica is getting ready to share the screen. We need to do that.

MR. MARTINIC: So Jessica, will you be the person with the presentation?

MS. KELLEHER: I'll be the person with the presentation, yes.

MS. MATLOCK: Yeah, so I just want to make a very short statement. I'm an outside counsel for Flatiron Field Services. Flatiron operates the 1804 Spring Brook Plant

which is owned by a Flatirons affiliate and a producer led consortium of investors. Jessica Kelleher is presenting for Flat Irons. She is a commercial manager at the company and has been with the company for 5 years since it began operating the Spring Brook plant. So with that Jessica, if you would just go ahead.

MS. KELLEHER: Hi, thank you Judy. I just want to make sure everyone can hear me. Can you hear me Judy?

MS. MATLOCK: Yep.

MS. HELLEHER: Okay. So with that I'll go ahead and get started. We appreciate the opportunity to present today. I will be covering some plant specific examples of the problems associated with this tariff proposal. We agree with many of the points that others like Oasis, have presented about the problems today with this tariff proposal and we will touch on those in our written comments.

We also wanted to note that one of the producer customers behind our plant, Kraken Oil and Gas filed a petition in protest yesterday echoing some of the concerns that I will be addressing on the record.

I will take this opportunity however, to respectfully disagree with any proposals that pop up suggesting that a different safe harbor number could be a solution. A comprised BTU limit solely of Charbonneau, our delivery point into Northern Border, vulnerable to

curtailment.

So first let me walk you through our main points and then we'll get more specific. Okay. Spring Brook Plant is located on the WBI system upstream of Northern Border's Charbonneau receipt plant. And our first section is that there is no technical solution that we can employ at the plant that would keep us from being shut in if Charbonneau was curtailed.

Secondly, the pairing is not an option for gas suppliers on that stream system such as WBI, similar into Charbonneau. And third, no matter what marketing arrangements we make off of WBI, our gas flows to Charbonneau -- our gas continues to flow to Charbonneau, and we'll be shut in if Charbonneau is shut in.

If Northern Border's tariff change is adopted our plant will be stranded and this will be potentially alongside other plants like ours that are meeting currently the WBI fact of 1210 that we've discussed at length today. So to help explain why we are opposed to the proposed tariff change, I'm going to show you where the Spring Brook Plant is located with respect to other plants and in relationship to Charbonneau on the Northern Border system.

This schematic shows Northern Border coming across down from Canada into the Chicago markets. There's the Missouri River which divides the Bakken north and south,

Spring Brook Plant is the north and Glen Ullin is to the south. In this slide I'm adding portions of the WBI system upper chain to us. There are three WBI lines that connect with Northern Border at Charbonneau.

And all of these WBI lines have a heating content specification in the tariff of 1210 and again flow into Northern Border that does not have a print maximum heating content. We've discussed today the average heating content at the Charbonneau delivery point has been over the last few months around 1176, but it ranges higher -- 1180, 1190 and we'll talk about that some more.

This is a zoomed-in view providing some additional information about the assets I'm talking about, Spring Brook Plant. This is a 70 million a day refrigeration plant that holds firm transport, our producer holds firm transport at the tailgate of the plant and that is operating under the 1210 spec.

Additionally, the vapor pressure of the liquids we produce at the Spring Brook Plant are low enough -- or the vapor pressure is low enough that we can transport our liquids by truck to local markets and therefore we haven't needed to connect by pipeline.

The next slide shows the location of the Spring Brook Plant on the WBI system. The Spring Brook Plant is one of the plants located closest to Charbonneau. And as a

refrigeration plant, Spring Brook recovers all of the ethane it is capable of recovering in order to meet that top 10.

The refrigeration plants can't get the gas stream quite as cold as cryogenic plants and therefore it cannot recover as much ethane from a gas stream. And importantly, they cannot recover enough ethane to meet the 1100 specs that Northern Border is proposing.

Spring Brook is one of 8 refrigeration plants and one lean oil absorption plant on the WBI system north of the river. Because of the high concentration of these refrigeration plants that all meet the 1210 spec, the Charbonneau point is one of the highest Btu content receipt points on Northern Border and we have seen that time and time again today.

If Northern Border issues an operational flow order, Charbonneau will be curtailed, and we will be shut in. Importantly, there are two cryogenic plants the Hess Tioga Plant and the one Grasslands Plant that also contribute gas into our system. Cryogenic plants, as we've discussed, can recover almost all of the ethane and heavy natural gas liquids in the stream, but importantly as a group, our blended gas cannot get Charbonneau down to 1100.

So even if all the plants on the WBI system flowing into Charbonneau recovered all of the ethane they were capable of recovering, they would still not be able to

get the heating content at Charbonneau below 1100. So I hope I've showed you that the proposed tariff change creates a real risk for Spring Brook Plant and that we would be shut in because Charbonneau cannot get down to 1100.

We've evaluated three options to try to keep Spring Brook from being shut in if the tariff change goes into effect, and concluded again that all three will not work. This option we evaluated was adding cryogenic capacity to Spring Brook so that we could recover enough ethane to reduce the plant's residue gas to at or below 1100.

This would cost us -- our smaller plant, 35 million dollars and take up to two years to implement, so consistent with what we have heard. Additionally, the incremental liquids recovered would increase the vapor pressure of our NGLs and force us to change from trucking to connecting by pipeline. And the only pipeline within reasonable distance for us to connect to would be the new up creek NGL line owned by ONEOK, an affiliate of Northern Border.

We haven't made it that the pipeline transportation for this incremental volume would cost approximately 8 million dollars a year. And despite all the costs and time associated with this technical solution, this would still not guarantee that Spring Brook would not be

shut in. If the heating content of the gas at Charbonneau is above 1100, because for example, other plants are delivering above 1100, but meeting the WBI's spec, and that Northern Border is using operational flow orders, WBI will not be able to deliver to Charbonneau and again, our Spring Brook Plant will be shut in.

The second option we evaluated was pairing. Northern Border has made it clear to all of us, including to me in an email and today, et cetera, that tendering parties cannot pair. Our receipt point operator is WBI and the Spring Brook Plant is currently meeting the WBI tariff spec of 1210. There is no WBI tariff change proposal for us to consider.

The only way to reduce the heating content of the gas on the WBI system is for cryogenic plants to recover more ethane. Even if WBI proposed its own pairing program and every high BTU source on WBI paired with a low BTU source on paper, this does not mean every plant will perform as necessary under its pairing agreement.

So there is a still a risk that Charbonneau could be curtailed, and Spring Brook would be shut in. There is nothing Spring Brook can do to prevent Charbonneau from being curtailed even if it paired with a cryogenic plant on WBI.

The third option which might be difficult for you

all to see, it is for me and that I am adding some direct markets in the upper right-hand corner of this slide. The third option we evaluated was not selling our gas to markets off Northern Border, but instead selling to other direct markets on WBI, so again, those have been added up to the right.

Our gas can be transported to these other direct markets by doing a backhaul on WBI. But the residue from the Spring Brook Plant must still physically flow to Charbonneau. So again, if the heating content at Charbonneau is above 1100 and an OFO is issued, Spring Brooks will still be shut in.

On this next slide I added another technical -- and I appreciate Rob Johnson for kind of throwing it out as well earlier. There is another point on the Northern Border system which is where the direction of flow changes. The exact location of the nNull point varies based upon system operating conditions, but can be located in the general area indicated as you see by the gray arrow that I've added.

Gas from plants such as Spring Brook that are located to the south of the Null point must always flow to Charbonneau. So if the tariff change goes into effect, there is nothing we can do to guarantee that our gas can be delivered into Northern Border.

The proposed tariff change has the potential to

strand our assets, as well as the excuse me -- the proposed tariff change has the potential to strand the investments that we've made and others have made into our Spring Brook Plant, as well as the investments made by our producer customers in similarly situated plants across the Basin.

As a result of the tariff change, it will also have a rippling impact to small communities north of the river that support our industry, including the plant workers, trucking partners, oil field service providers and local economies that we support.

So in summary, we agree that Northern Border has not meet its burden of proof that a change to its tariff is warranted. And as we've discussed the plan in the DBI system delivering into Charbonneau are removing -- are already removing all of the ethane that they can to meet the WBI 1210 spec.

This is not enough to get us below 1100 at Charbonneau. There is nothing that Flatirons operator can do that will prevent Spring Brook from being shut in if an operational flow order is issued and Charbonneau is curtailed. The addition of cryogenic capacity to remove more ethane will not prevent us from being shut in. Pairing cannot prevent us from being shut in, nor can flowing and selling to other markets on WBI's system prevent us from being shut in.

Ultimately, if the Northern Border's tariff change is allowed our plant will be stranded, potentially alongside other refrigeration plants that currently need the specs we designed for. Therefore, we conclude that Northern Border's proposal is unjust, unreasonable and unduly discriminatory. And with that I will pass it back to you.

MR. MARTINIC: Thank you very much. We're doing very well with the schedule as I mentioned earlier and with that we'll continue on to Continental Resources presentation. Erica are you available at this time? Josh Baskett perhaps? Here we go okay. Erica we cannot hear you. Josh or Erica will you be, we can't see you at this point.

MR. BASKETT: This is Josh, can you hear me?

MR. MARTINIC: Okay, we can hear you Josh.

MR. BASKETT: Yeah. Erica will be starting her presentation so I'm waiting for her to get off mute.

MR. MARTINIC: One moment please.

MS. RANCILIO: Okay great. Thanks let me try to turn my mic on, okay great. Now am I on?

MR. BASKETT: Yes.

MR. MARTINIC: You are Erica. If you may maximize your screen, okay perfect.

MS. RANCILIO: Okay great. All right. Good afternoon everyone. My name is Erica Rancilio. I am

outside counsel for Continental Resources Inc. or CLR and our speakers from Continental Resources will introduces themselves now.

MR. BASKETT: Hi, this is Josh Baskett, the Vice President of gas marketing for Continental Resources. And here in the room with me is Richard Easterly, our Senior Manager of gas marketing.

MS. RANCILIO: CLR protested Northern Border's EPU filing in this proceeding and we continue to take the position that the filing should be rejected. Today we'll discuss the material, legal and technical issues with the filing from CLR's perspective, and to do that I'll turn it over to Josh Baskett with CLR, go ahead Mr. Baskett.

MR. BASKETT: Thanks Erica. To give you a little background on what our interests are here today. In the Bakken, Continental Resource last year averaged over 425 million cubic feet of gas production per day. We also are a firm shipper on the Northern Border as we have two T1 contracts with volumes over 40 million a day.

Both of our contracts have substantial terms remaining on them. Like the other producers in the Basin, the majority of our gas revenues are linked to sales on Northern Border and are linked to downstream delivery points off of Northern Border. We deliver our firm gas shipments to downstream pipelines that do not have Btu upper limits.

100 percent of our firm transportation has contractual deliveries with natural gas, which does not have an upper Btu limit. We deliver gas to many different gas processing plants in the Bakkens. Six of those plants that deliver into Northern Border do not have the physical capability of delivering 1100 Btu or less.

By our estimates, we believe it will take at least 12 to 18 months for these plants to be retrofitted to meet the 1100 Btu limit spec. If the filing is accepted, Continental Resources will face serious challenges, costly disruptions to our business. Off to pair will be over burdensome and could create widespread economic harm.

Ethane is extremely uneconomic to recover today and incremental ethane recovery in the Basin will further deteriorate an already poor market. A portion of our gas would most likely be shut in which is economically damaging on its own, but could also force us to shut in oil as well, further harming us financially.

Corporately, we want to avoid flaring gas. The pairing concept as proposed does not fix the Basin wide high BTU plant residue. Contrary to comments made earlier today by Northern Border, Northern Border's pairing proposal does create winners and losers, and makes lower Btu gas more valuable. The proposal simply creates an unregulated, ill-liquid paper market for point operators to buy and sell

rights at their discretion.

Those with the lower Btu gas can essentially sell for any price that they see fit. Then as opposed to Btu limit decreases, pairing demand will exceed available supply which will create a constrained market further increasing costs. Continental is not a point operator and will have no visibility into these pairing costs, which will likely be passed on to us in the form of lower gas prices.

We will have no way to validate these costs or manage our business in a prudent manner. The proposal also allowed for market participants to manipulate pairing to harm competitors. This could result in shut in production for Continental.

MS. RANCILIO: The pairing proposal also creates two regulatory problems that weigh in favor of rejecting the Btu filing. First, it will interfere with pricing signals in the gas commodity market. As Mr. Baskett just explained, the low Btu suppliers on Northern Border can expected to earn pairing related revenues because pairing rights are scarce and that creates an artificial price premium, or artificial value for low Btu gas.

In plain terms, pairing will give the low Btu suppliers on Northern Border higher revenues per dekatherm than other gas suppliers. And this is a problem because there is no commercial or market driven reason for this low

Btu premium. There's no separate commodity market for low Btu gas. Consumers are not demanding low Btu gas, and they're also not paying a higher price for it in the commodity market.

Instead, under this proposal, other suppliers will pay the low Btu premium in order to access Northern Border's system. Unless Northern Border were to withdraw the filing, then this premium will go away entirely. All of this tells us that third party pairing will create artificial value for low Btu gas that's unrelated to supply and demand in the commodity market.

The FERC typically avoids interfering with pricing signals in the gas commodity market, and it should do the same here by rejecting the Btu filing. Second, some curtailments will be unduly discriminatory. We'll give you a very high level example. Assume you have two identical shippers -- shipper A and shipper B. They both nominate the same volumes on Northern Border, and the heating value of their gas is the same.

So they have the same volumes with the same Btu. In this example, Northern Border posts an upper limit that would require it to curtain both shippers, but shipper A has a third party pairing agreement. Shipper B does not due to scarcity. Under its filing, Northern Border could accept shipper A's gas, but reject shipper B's gas.

The definition of undue discrimination is when a pipeline treats two similarly situated shippers like the shippers in this example differently, without a valid reason for doing so. In this example, there is no operational reason for Northern Border to favor shipper A simply because it has a third party pairing agreement.

The pairing agreement does not change the heating value of shipper A's receipt. And pairing along also won't change the heating value of the system gas, so fundamentally, there is no difference between shipper A's gas and shipper B's gas, even though shipper A has a pairing agreement. Simply put, Northern Border would not have a valid reason to treat these two identical shippers differently, which tells us that the Btu filing is unduly discriminatory.

MR. BASKETT: The only way that we will have guaranteed service is if our gas is 1100 Btu, which is not physically possible with the current set up. As many others have already mentioned today, the Basin built infrastructure based on Northern Border's not having an upper Btu limit set. Plants will have to add incremental refrigeration units and liquid pipelines to remove the uneconomic ethane.

As others have also alluded to today, this infrastructure will cost hundreds of millions of dollars, if not even close to a billion of new cap X that won't make a

return on investment. Processors and producers will bear all this burden as the filing is submitted today.

Royalty owners will also be affected when these costs are passed back and take lost revenues due to shut ins and flaring gas. The Basin would need 12 to 18 months of construction to comply. And Northern Border simply has not shown why the Btu limit needs to be implemented now and without delay, especially given our current situation of the downturn and the high decline rate in the Basin.

Northern Border has not explained why the Btu filing is just and reasonable.

MS. RANCILIO: Northern Border says that Siemen's has established ethane limits for the fuel burned in its compressors and claims that these limits justify the Btu filing. We haven't seen data to support that claim. Northern Border hasn't said what the Btu filing will do to the ethane content of the system gas.

For example, if the gas at Glen Ullin is at 1100 Btu, we don't know what the ethane content would be at that point, or any other point. We also don't know what a higher Btu upper limit would do to the ethane content of the system. Without that data, we cannot conclude that the Btu filing is necessary to meet the Siemen's limits.

Northern Border also argues that certain end users and distribution systems or LDC's, have a preference

for lower Btu gas. It's telling that none of these entities have said that they're willing to pay more to source low Btu gas from Northern Border. For example, no LDC is volunteering to pay a surcharge for a facility that would lower the Btu of Northern Border's system gas. If they're willing to do that we'd like to hear it.

But there's another problem with burdening the upstream segment to meet the preferences of downstream users. Northern Border is not directly connected to many of the end users and LDC's that it relies on to justify the Btu filing. For example, Center Point and Northern State's Power take their gas off of Northern Natural, not Northern Border.

Northern Natural sources its gas from numerous production areas and other pipelines, not just Northern Border. This means Northern Border could deliver 1100 Btu gas to Northern Natural, and Northern Natural could still deliver higher Btu gas to its direct connected end users including Center Point and Northern State's Power.

This is just one example, but it illustrates the quality of the gas delivered to an indirect end user or LDC, can't be resolved by the Btu filing, so those party preferences do not justify the Btu filing.

MR. BASKETT: When you look at the downstream deliveries, there are really only a handful of downstream

delivery points that are affected by high Btu. Northern Border is placing 100 percent of the burden on the point operators and producers when a limited and targeted solution is available for doubting pipelines.

86 of the 90 delivery points do not have comparable heating value restrictions. Less than 4 percent of the contracted volumes on Northern Border are delivered to a pipeline with similar Btu limits. Of the 4 restrictive delivery points, only one of these is consistently utilized by shippers.

One of those 4 restrictive pipes, Midwestern, has actually been delivering gas into Northern Border. NGPL is the only restrictive pipeline that have contracted firm delivery from shippers. And their volume has actually been decreasing over the last two years.

The last two pipelines Guardian and Vector, have received very minimal volumes in Northern Border over the past couple of years as other supply sources have been developed. Northern Border has not shared other supply sources are available to these Btu sensitive deliveries.

Northern Border provided three instances where downstream pipelines limited receipts from Northern Border because of high Btu. Each of those downstream delivery points had either temporarily shut in, or reduced flows or in the high Btu periods, have numerous other supply sources.

94 gas companies reports 7 other supply sources. Midwestern reports 4 other supply sources and Vector reports 8 other supply sources.

MS. RANCILO: The last issue that we'll discuss relates to market power. One of Northern Border's owners is ONEOK Inc. and ONEOK, through its subsidiaries is a competitor to many of the parties in this proceeding. Specifically, ONEOK owns processing plants that compete with other plants in the Bakken.

ONEOK also ships from Northern Border and competes with other shippers like CLR for capacity and market share. In the Btu filing it will create a competitive advantage for ONEOK, but doesn't currently exist. This advantage will arise because Northern Border at the 1100 Btu benchmark, at a level that ONEOK can meet, but other processing plants cannot.

So unlike competing plants, ONEOK will not need to invest additional capital to comply with the Btu filing. And unlike competing shippers, ONEOK will not be curtailed under the Btu filing. In fact, ONEOK will be able to earn pairing revenues at the expense of its competitors.

ONEOK also owns liquid pipelines in the Bakken areas we've discussed, and the Btu filing will produce more liquids which in turn will increase demand on ONEOK's liquids pipelines. ONEOK said as much in its 2019 annual

report to investors.

Today we've also heard about two other affiliates that would benefit from the Btu filing -- Foothills and Bison Pipeline, both of which deliver low Btu supplies to Northern Border and both of which are affiliated with TC Energy.

So as we see it, the Btu filing would burden the other processing plants and shippers in the market to afford Northern Border's affiliates a competitive advantage. I think the FERC should step in and prevent that from happening. And this slide just summarizes our main points. I'll go over them briefly.

CLI urges the FERC to reject the Btu filing because the pairing proposal creates a problematic unregulated market, and that market will decide who is curtailed under the Btu. The 1100 Btu benchmark is not commercially feasible. Northern Border's claimed reasons for the Btu filing do not justify the hundreds of millions of dollars and business risks that will have to incur to comply.

And the filing will give Northern Border's affiliates a competitive advantage over other processing plants, shippers and pipelines and we think the FERC should step in to prevent that. And that concludes our presentation.

MR. MARTINIC: Okay, thank you very much Jessica. That was the conclusion of Continental Resources presentation. We will shift over to partners. Kristin Gibbs are you available?

MS. GIBBS: Can you hear me? Hello?

MR. MARTINIC: Yes, yes.

MS. GIBBS: Okay, hey John. Yes, thank you for the time we appreciate it. Caleb Johnson from Hiland is going to make the presentation on behalf of the company. And he does not have a PowerPoint, it's an oral presentation.

MR. MARTINIC: Okay, Caleb can you hear us?

MR. JOHNSON: Hello John, this is Caleb, can you hear me?

MR. MARTINIC: Yes, very good.

MR. JOHNSON: Good afternoon I'm Caleb Johnson, Vice President of commercial with Hiland, a Kinder Morgan subsidiary. First off, thank you staff, presenters and other participants. I realize I am the last one right before our last Q and A session and so I'll try to make this brief.

We will provide a quick background of Hiland, hit the highlights on the issues that we see with the proposed Btu spec change, and then we'll end with some legal comments. So first off, Kinder Morgan acquired Hiland in

2015. We currently operate the gas gathering and processing assets under Hiland Partners Holding LLC.

We operate approximately 1700 miles of pipeline in the Basin. We have four processing plants and approximately 350 million a day of processors. We are the fourth operator in off of two of our plants, our Watford plant, and our Roosevelt plant and then our other two plants are on WBI that flow into Northern Border at Charbonneau.

Only one of our four plants has the ability to recover that and is connected into a wide range of detail pipeline Basin. But even in this current volume environment, we could not meet an 1100 Btu limit. So the only option we have in this would be to either pair and blend, or spend significant capital to upgrade our facilities and I'll discuss those in detail.

It's important to note too that not only Hiland, but several other plant operators have just recently deployed millions of dollars to build processing plants in the Basin, and those plants as Oasis has mentioned, were built based on the then gas quality specs at the time. In fact, just recently Hiland placed in service a new 150 million a day plant in November of 2019, the month prior in October is when Northern Border started the road show to begin rolling out the Btu spec change.

And in Northern Border's PowerPoint presentation

that they provided in October and then a follow-up in February of this year in Chicago, Northern Border outlined three main reasons for the required gas quality change. They hit on one their compressor station that degradation of the facility. Two, they hit on the commercial end users and then three the LDG side.

Northern Border has yet to provide detailed information that validates these claims. We asked for them in October and we asked for them again in February at the Chicago Conference, and then in follow-up subsequent meetings. We have yet to get that information provided to us.

So you know, they mentioned the pairing and blending concept, and it's important to note that Northern Border did mention that this concept was recommended from point operators. And this was in Northern Border's original PowerPoint provided in October of 2019.

And it's very important that a point operator -- and we didn't off that solution. And to my knowledge, other point operators did not as well. That is an extremely flawed concept. Each plant operator has its own unique situation. Some plant operators have multiple plants. Hiland, as mentioned, we have four plants in the Basin, our Roosevelt and our Watford plant. Again, we cold not hit 1100 safe harbor limit at this time.

So you know, we have the unique position with two of our plants too that are connected to WBI that flow to the Northern Border's and under the current proposed tariff language, shifted the language from tendered party to point operator, that's also crippled Hiland's ability to try to even pair our equity plant together in the event we could meet an 1100.

So and again, that is extremely false log. So and one example of that too is that if we can't pair between our equity plants and solve the problem, the only option we have then -- well there's two options, but before I get to the second one, it's a major gathering and processor in the Basin to see if we could pair with them as a third party.

And so we've done that, and I think Greg Hills mentioned this with Oasis, so in the event this spec change does get accepted, and I just mentioned we cannot meet that in our equity plant between blending. So an option we have is to go through a third party and ask for them for a blending arrangement.

We will connect with a third party and ask -- we see what those documents would look like to get an idea of the fee structure, and we were told that at the time that they could not recover ethane on our behalf, it would put them out of compliance into the major wide roads on the Basin.

The second issue that we're saying is that the legal and complexities, those blocks in drafting a pairing agreement that they are running into road blocks and couldn't provide that at the time. So if pairing between our equity plants doesn't solve the problem, if pairing with a third party doesn't work, then what's the other option we have?

And that is to spend significant capital to upgrade all four of those plants that I just mentioned and just Roosevelt plant alone, looking at 65 million dollars in about an 18 month timeframe to even get those facilities in compliance. In total, if we were upgrade all of our plants, the refrigerated plants, we'd spend in excess of 100 million dollars.

In addition to that, even if we were to deploy the capital, over recovering ethane as Oasis and Continental mentioned, in this price environment, or even in future prices, is extremely uneconomic and it would cost our producers over hundreds of millions of dollars over time.

So quickly, just to summarize before I turn it over to legal, Northern Border has not demonstrated the requirements for the 1100 Btu safe harbor change. Two, they have not offered a just and reasonable solution. Three, the timing isn't right as we look at the volume trends don't justify the spec change.

Four, the pairing concept is extreme and that does not work. And the last thing the required cost given by the plant operators and the impact back to our producers as I mentioned, as the producers mentioned, knowing it is not billions of dollars over time. There has to be another solution to this proposed problem.

For those reasons just mentioned, we believe that staff should reject the filing and thank you for your time and consideration. I'll turn it over now to Kristin Gibbs legal for closing remarks.

MS. GIBBS: Thank you Caleb. Just a few things. I've been sitting here today listening very closely to everything that we heard from the pipeline, from the supporting intervenors and the presentations -- the very detailed presentations of the upstream parties.

Simply put to me, Northern Border's filing I think is basically a solution in search of a problem. We heard a couple of statements today that I think we have to pause and reflect on. They might not ring quite true. The first of those we heard from the pipeline is that it's not picking winners or losers. I'm not sure that that's true.

When you look at the proposal end users don't win, if it results in shut ins and reduced supply. And certainly, upstream and midstream companies don't win as we heard from the testimony today of Targa and Andeavor,

Indicated Shippers, Oasis, Continental, Flatirons and Hiland. We also heard another statement that gives me pause which is the pairing proposal is consistent with Commission policy. That's also not true.

While the Commission in the policy statement talked about pairing and blending and contractual pairing, it was designed for producers to be able to pair up volumes together, not intended to create a marketplace or an opportunity for certain parties to take advantage of the situation.

There was never intended to be a cost with blending and pairing. It was supposed to be a tool in the toolbox that folks could use to manage interchangeability issues. We also in WBI, a very important party in this proceeding, as many of us interconnect with WBI, that pairing wouldn't even work for them. It's practically impossible given the logistics and the flows on its system. That cannot be ignored.

We also heard from parties that they believe that Northern's proposal was "balanced and reasonable." Again, consistent with Commission policy. It's not balanced. There's only one segment of the inter straight that is required to pay for this proposal, a proposal which we do not believe has been shown to be necessary.

Finally, we heard it's necessary to address

system reliability and safety issues -- very, very important goals -- I don't dispute that. But speculation cannot be sufficient justification to implement restrictive tariff provisions. So I think for these reasons, Hiland submits that Northern Border's proposal isn't consistent with the Commission's policy statement, unjust and unreasonable and should be rejected. And that's all we have from Hiland.

MR. MARTINIC: Okay, well thank you very much Caleb and Kristen. And likewise with all the other presenters, it's been a very informative afternoon. Thank you for the very good presentations. Well thankfully we're a bit ahead of schedule per the agenda, so we do have a good amount of time a bit -- about an hour and 15 for Q and A. So we'd like to also engage Northern Border too, who expressed some concern earlier about various parties whose concerns may not have been fully addressed. David Alonzo, are you available to engage again?

MR. ALONZO: Hi John, can you hear me?

MR. MARTINIC: Yes, yes we can.

MR. ALONZO: Great, thank you. You know Bill, I can kind of kick off some of our comments here and I'm just going to keep my video off, apologies it's going to save some bandwidth with my technical issues earlier. But just kind of a couple of things I just wanted to bring up, you know, from you know, our morning session.

So you know, one we do agree to make, you know, a clarifying you know, filing soon. You know, with our Technical Conference presentation to clarify the you know, tendering party change to receive point operators so that folks can have that information for them.

I do want to address John Paul's question, you know, regarding the operational flow order language within the safe harbor section of our tariff modification. And so essentially, what that is saying you know, high level is because you have 1100 Btu, it is not going to be a trump card or until an OFO that is issued for something other than an upper Btu limit. We're not going to issue OFO's for an upper Btu limit. We're proposing those provisions within our tariff, and so again these safe harbor limits is in place and any OFO issue would not be to the heating value of gas and so I just want to kind of make that distinction right there.

You know another thing too from you know, from parties that have kind of brought things up, you know, we have provided you know, flow information. We've provided a lot of system flow information in our May 1st filing, and several of our walk throughs with folks on this very call right here, illustrating railroad implementation scenarios, walking through our actual system that we are going to use to administer showing you those inputs, fielding questions.

And so with the data that we have provided that we do have control over, system data, you know, we feel we have provided a lot of that information, you know. Oasis, others, you know, several others have a misconception that we're proposing an upper Btu of 1100, you know, which we're not, you know, the upper Btu limit is a safe harbor upper Btu limit.

And so that your gas cannot be refused if it's at or below 1100, you know. In particular, looking at you know, Oasis slide, they did have a slide on there with approximately 15 points indicating that you know, several of them -- I believe almost all of them, you know, could not meet the 1100 spec.

Well if you go to implementation scenarios in our presentation, you know, for a blended Btu of 1100, they were looking at an upper Btu limit of 1166. And so what that shows is 12 out of the 15 points can meet that limitation which is far different than what are kind of misinterpreting as an 1100 cap. That's specifically why we did not want to propose a cap. We do know there are upper Btu values that I received on our system here.

MR. HILLS: David, can I respond to that? This is Greg.

MR. ALONZO: Sure Greg, go right ahead.

MR. HILLS: Just trying to make sure, you know, I

mean in our proposal you know, if you want to set at 60 fine we'll do that. But the fact of the matter is it allows you to bring it down to 1100. And that is the position. So the position does allow to safe harbor at 1100, but you're upper Btu limit certainly can be at 1100. And it's set there. And there are examples, when you put an example out there at 1164, that's fine, just go ahead and set the upper limit there. That's a reasonable deal.

MR. ALONZO: Okay. And that's you know, I did want to touch on that upper limit as well from your presentation, because it also deviates from a lot of the discussion being parties that hey this is an issue, we don't need an upper limit, and a lot of folks have been saying that we've been broken off at 1210 WPI spec, well now it's 1166, and now we need some sort of a limit.

So and I think that does go contrary to the beliefs that there is no issue, there's no issue in the future for some of the items that obviously were pointed out here today.

So I'm just kind of continuing on here, you know, the historic, you know, tariff you know common that we do not have a Btu limitation in our tariff which is correct, no we don't.

But that also does not mean that we do not have the ability to make that change in our tariff as to our system, you

know, which you know we have shown over the years.

You know going to the pairing process, you know, again you know, requested by you know, many parties here. And it's open and transparent, but the thing I do want to you know, point out here is that this is an optional service. We don't feel that it is too cumbersome, will create and increase markets, you know, for additional costs. They do not have to participate in it, this is merely optional, you know, for you to help facilitate any sort of compliance.

And you know, if there is you know, any source of potential, you know, cost issue, it seems like a lot of those costs would kind of be driven up by you know, point operators here who are proposing that costs will be driven up, so you know if folks could work together to many minimize those costs, you know, I think that would kind of eliminate you know, that particular concern here.

Did I also here that you know, this was anything that could not be accomplished by the upstream parties, meaning that capital is the only road block to completing this, you know, while not an insignificant road block, and I kind of want to dive into the kind of some of our thoughts with our comparable proposals, you know 20 million dollars are there. Well that's 20 million dollars to retrofit equipment to meet a specific portion of the large problem.

Now the same costs that you are proposing to create plants here, that would be similar to the same costs that we would like to most likely incur on our pipe as well too. If there is you know, something that we can do to recover that? Well then maybe that's something that we can look into, but historically that has not been our operation.

You know, lastly the thing that really got my ear you know, the fact that several parties pointing out that there was interconnecting capacity in several other options for consumers on the downstream and they didn't have to take Northern Border's gas. And so for me, that's not an option that we're willing to take and not a gamble we're willing to make to you know, be refused and shut in, you know.

We've identified you know, the issues and you know, we're not willing to take that gamble of being shut in downstream, so my company concludes, you know Drew, Bill.

MR. FONDA: Andrew, if you don't want to, this is Bill Fonda. My bandwidth is well, can you all hear me?

MR. HILLS: Yeah Bill we can hear you, can we respond to some of that to Daniel's or David there? I'd like to touch on a few comments.

MR. WILLARD: Well I think we'd like to finish responding from comments from earlier if that's okay.

MR. FONDA: Is that all right with you Greg?

MR. HILLS: Yeah, I just don't want to lose the discussion points if we want to make it a discussion versus I definitely want to come back to two points. The dew points and the cost issue.

MR. FONDA: Hydrocarbon dew point. I'll try to write that down and we'll remember sir. Yeah, I had some information that I really just wanted to share with everybody. And this is a partnership and TransCanada Northern Border Inc. is the operator of Northern Border Pipeline and has the responsibility for the day to day operations of the pipeline.

And I just want to emphasize the operator, not ONEOK, initiated the process to address the entry levels on Northern Border's system. Based on our evaluation of conditions on Northern Border, the operator -- us, advised the management committee of the adverse impacts of the higher Btu on the operations and reliability of our compressors and the impact upon the concerns expressed by downstream markets.

The management committee agreed with the operator evaluation and approved the Northern Border filing of the approval required in affirmative vote of both partners, therefore neither partner could control the outcome and I certainly just wanted to share that with the group, thank you.

MR. WILLARD: Thanks, the things I wanted to clear up from questions earlier. We had a question about downstream employed in their use in pairing. So we went back and dug into that. There are five downstream points around the Chicago market that they're very low volume and all of those are at or below 1100 Btu, but they're so far down in the system that they would not be of any blending.

And then the other point to address is the calls associated with the 20 million dollars that we mentioned for retrofitting our compressors. So we can do that and that's something that would solve our issue with the Siemen's RB211 units and the Avon units. But it does have a problem which is what we've heard from some of our end users downstream that represent hundreds and hundreds of thousands of end users in that they would still be dealing with the higher Btu gas and the high ethane levels.

And so for something like a straddle plant which we've discussed and talked about for us to implement, we can do that. We don't believe that we are best suited to do that because we would be processing a much higher level of volume of gas than what we would be if we were processing the gas at the producer or current processor levels.

And so even if we don't do that, the power plants, the homes, the gas for feedstock, they would have to go through and retrofit equipment to operate on a higher Btu

gas that we could potentially see in the future. That would be a cost that really is something that is not known to ever be done on such a large scale that we couldn't even really associate it with that option.

And so if we look again at the flows that we've seen in the past, since the pipeline's construction, those volumes and those Btu levels have been much lower than they are now. And so as we move forward in the future we've seen those levels increasing. And the further we get the more it's going to cost to deal with the issue other than to stop it now and if we let it continue to grow, those costs will grow.

MS. BERTOLDI: Thanks Drew.

MR. HILLS: What's the next step here in kind of addressing some of those issues?

MS. BERTOLDI: Sure. If Northern Border -- are you, is that the end of your discussion? If so, we will try to facilitate participants asking questions of people in queue.

MR. FONDA: This is Bill. I believe that is the end of our comments.

MS. BERTOLDI: Okay. I know you have some follow-up questions. We also have Paul who just chimed in and then we do see one hand up as well. So go ahead who's this?

MR. HILLS: This is Greg. I just got three, if you want me to just step through these quickly.

MS. BERTOLDI: Okay. Go ahead.

MR. HILLS: You know I think you know this is a Q and A session, but Border's has put comments out, so I think we need to respond to them a bit. The hydrocarbon dew point, when they talk about not having a specification, it's in the tariff right? There is a hydrocarbon dew point in Border's tariff. It equates to a 1210 Btu. And then there's an actual heating value spec in WBI's tariff, and they put that in there to parallel Border's tariff.

So I think the statement was we don't have a BTU limit in our tariff, they do. And that is a key point. So that's number one. Number two is on the cost. We really -- it's frustrating when we talk about 20 million dollars versus 2 billion dollars and the fact that okay, we can fix it for 20 million, but that doesn't fix the downstream issue.

Well the fact of the matter is the downstream issue hasn't been a problem and it isn't currently a problem. He's flowing today. Everything has flowed. So we're trying to take a very small percentage and cause a burden on 100 percent of the volume and that's just not right. They haven't even done an estimate of cost downstream and they obviously the downstream markets have an

option to get their gas in other markets.

As we noted, there's over 13 Bcf a day of delivery capacity. So they don't, you know, they have flexibility. They don't need this at this time. And then thirdly, I think there was a discussion on the management committee in affirming it. Just to be clear, management committee has I believe, two parties from TransCanada and two parties from ONEOK that sit on that committee.

So yes, I understand that both of them had to approve this, but they were from both of those entities, which both benefitted we've noted from this tariff action.

MR. WILLARD: So if I can, I'd like to address the agency points. Hydrocarbon dew points are not written in the tariffs to address Btu levels. They're written in the tariffs to address the potential for liquid drop-out, and so it's a fallacy to equate those two together.

MR. HILLS: So WBI used that point and equated that to get their 1210 Btu per cubic feet, so that's a key issue. That's what we were told. In fact, we've been told that by TransCanada first over time, that no, we're not going to change our specs and the equation of hydrocarbon dew point to 1210 is accurate, when we went to build our plants over the last five years. That's all I've got at this time.

MS. BERTOLDI: Okay. Thanks Greg.

MR. HILLS: Thank you.

MS. BERTOLDI: Paul if you'd like to go ahead with yours.

MR. KORMAN: Sure, can you hear me?

MS. BERTOLDI: Yes I can.

MR. KORMAN: Okay. So I have a question here. I didn't think I understood something. You said there were 5 downstream points, not 4 which I got. But then you said that those points aren't good for blending. Are you saying that and they're all below 1100. Are you saying that even though they're below 1100 they don't affect the quality of the gas stream delivered at the downstream end of your pipe?

MR. WILLARD: Sure yes, so those points on the downstream, they're literally in the Chicago market and so they're already passed a lot of our delivery points and so they're not going to help us at the majority of our delivery points, so yes, theoretically it's a very, very last delivery point on the system. They would affect it, but they are really, really, really close to the end of the system.

MR. KORMAN: The same at that point or at the end of the system?

MR. WILLARD: The bulk -- numerically the midstream.

MR. FONDA: I'm sorry Paul, are you talking about

the system deliveries?

MR. KORMAN: Yes. Our largest market is off the Northern Natural system. I think it's a little over 2 Bcf and I think the design is 1 and 1/2 Bcf leaving Ventura and then 1 Bcf on the segment from Harbor to the end of the line.

MR. KORMAN: Thank you.

MS. BERTOLDI: James Olson, you had your hand up if you want to go ahead.

MR. OLSON: Yes sorry, I actually pressed the button to take my hand down. Paul and Greg covered it.

MS. BERTOLDI: Okay. And then Ryan Collins?

MR. COLLINS: Yes, this is Ryan Collins on behalf of ONEOK, midstream. And to make a statement and we agree with, you know, obviously Bill, you know, stated exactly correctly how helping the management committee in his role of ONEOK in the decision of Northern Border came about this filing. It is -- they are the operator. We are not the operator.

And you know, those parties also may overstate the benefits of ONEOK from the filing. You know ONEOK is not a point operator at any point on the system, so therefore under Northern Border's proposal, they may not enter into a relationship with any other party.

And ONEOK also does not operate the only pipeline

that can take ethane from the Bakken as somebody said earlier. Alliance and Vantage both take ethane out of the Bakken as well. In any event, we should be careful not to confuse any ancillary consequences with motivation for the proposal.

Whether, you know, Northern Border's affiliates may receive any ancillary benefit from the proposal to establish some sort of measured control on Btu content, it's immaterial to the needs of the proposal. And Northern Border has made clear that the motivation for the proposal is driven by operational considerations and downstream customers.

And as a firm shipper on Northern Border, it's in the interest of ONEOK's midstream as well as all the other parties to ensure that Northern Border can transfer gas to all available markets and not to shut off any downstream markets because of upstream decisions. Thank you.

MR. MARTINIC: Okay, Emon Mahony, you have your hand up as well, if you may please proceed?

MS. BERTOLDI: I'm being told that Emon, you may need to select an audio option to meet -- I'm not sure if you are on the computer, but if you are on the computer just go ahead and click on communicate at the top and then audio connection to make your selection.

MR. MARTINIC: In the meantime, Emon he activated

his video. We could perhaps shift over to Diaco, do you have your audio activated?

MR. AVIKI: Yeah I do. Can you guys hear me? Can you guys hear me?

MS. BERTOLDI: Yes we can.

MR. AVIKI: Okay thank you. Greg's presentation, our plant was one of the few that was listed that has the capability to meet the Btu spec. But I'll tell you we actually could not pair without considerable efforts on our behalf because we don't actually you know, own the ethane and the liquids that move through our plant. We have a lot of producers that we have to be mindful of their net backs.

And so for us to be able to do something to support this and I think we're one of the few that could, it'd be a serious challenge for us and a lot of work and we'd have to have a consensus agreement amongst all our shippers because we have contracts.

MS. BERTOLDI: Thanks for that. We're going to go ahead and turn it over to -- unmute your mic.

MR. MAHONY: Okay, thank you can you hear me now?

MS. BERTOLDI: Yes I can.

MR. MAHONY: Okay. Thank you. I had a question -- hopefully this isn't too late to ask something of WBI which is you know, I understand that you have regularly have Btu content gas in your pipes, you know, well into the

1100s. How do like end use customers and residential customers that use what's the LBC connected to that system deal with that? Is that equipment or how does that work?

MR. JOHNSON: Yeah this is Rob with WBI. I'll also ask Marc Dempewolf to jump in if I misstate anything or he has anything to add. From a residential perspective there are no issues. I can -- I'm testament to that fact. I live in Bismarck, North Dakota. The LBC serves my home with high Btu gas and has for the better part of 12 years.

There is zero impact that I know of, of any type on a residential water heater, furnace, fireplace, et cetera. Our industrial customers have managed it. Again, as we stated, you know, the upstream industry -- our industrials have also designed to this spec. The one thing they don't like is a bunch of fluctuation but it's easy to run these things at this higher step, but we talked about that on the interchangeability and how it works. He also mentioned the power jam.

We serve turbine power jam turbines that were installed in you know, late '70's, early '80's, as well as ones that have been installed recently. And all of them have been able to manage the higher Btu gas, and specifically the change in the gas quality over the course of the last 10 to 12 years from a slightly lower Btu to where it is today. So I hope that answers your question.

I'll also add that we operate our compression, our pipeline safely and reliably in these markets. Today in Bismarck and it's minus 35 here in January, those are the conditions. So no different than what your downstream customers have. And then Marc, do you have anything to add, please feel free to add it.

MR. DEMPEWOLF: Just to add to what Rob said and echo a couple of points. Last fall we started changing the Btu started coming up on the Bakken started ramping up. We did -- we were in close contact with our LDC customers, which is on a frequent basis, so it was a concern. It was a concern of theirs, a concern of ours.

And just watched as it slowly ramped up across the system and there was no issues. And as Rob attested, I'm actually a customer also that burns this gas in his home and I have a furnace that was installed in 1994. High efficiency furnace. At one time 54, but then our pipeline was flowing it could see the you know the 1108. And it operates fine. You know you go -- hopefully you can go out and buy a water heater, install it and its adjusted to whatever adjust gas the manufacturer puts in place and they get installed all the time across our operators.

Again, no concerns. In fact it's been so quiet we studied the topic of conversation between the LDC's and the LDA.

MR. MARTINIC: Okay, thank you.

MR. ALONZO: I have a follow-up question on that. So are the you know, markets and areas that you're referring to that are capable of accepting this you know, higher Btu gas, are those markets that have been historically higher Btu gas and thus, those appliances or end user equipment is made for it?

MR. JOHNSON: This is Rob again. The short answer to that is no. On our system pre-Bakken, the majority of our gas came out of the rock nest end of our systems, CIG and others. That gas was often in the 1020 range. That gas was our main source of supply on the system pre-Bakken. And that gas served the majority of our system in North Dakota and Eastern North Dakota in all areas of the Bakken.

None of these have been retrofitted to meet -- to use the higher quality Btu spec and again, I'm a testament to that. I worked for this company 35 years and WBI has served the LVC for all 35 of those years and there has been no need to do anything with any type of home appliance, thank you.

MR. MARTINIC: Thank you.

MS. BERTOLDI: I believe next we have a question from Richard. Do you have audio capability right now? You may also need to -- I'm sorry John, Richard you may need to

go up and select from the communicate drop down, the audio connection.

MR. DERRYBERRY: This is Richard can you hear me?

MS. BERTOLDI: Yes I can.

MR. DERRYBERRY: Okay thanks, so Richard Derryberry again from Northern States Power and just as a reminder we are an electric transmission LVC customer. I want to respond to some comments made earlier about to the effect that the common issue is not -- is not established as a significant problem and should be pursued at this time.

I would just like to underscore how that could affect our customers. If a downstream interconnect finds the Northern Border -- and that gas will be curtailed, I'm not going to know about that with very much notice. I'm going to find that out possible on the day of gas flow, or if I'm lucky maybe the day before.

So with very little notice, I'm going to be presented with the problem that some of the gas that I purchase will -- and given that limited timeframe, I might be able to go somewhere else and replace a large chunk of capacity. So it is a very real reliability issue. It's -- I realize people are saying that it hasn't happened prior, but Northern Border has pointed out that they have on several occasions been asked to curtain by their -- and they indicate that they believe that there will be more and more

of that as the heat content increases on their system, and we certainly see that risk and agree.

And it does indeed create a viability issue for us in that we may lose the capacity, lose the gas that we purchased on that day, and we may not have if that opportunity at that time, to go get other gas to replace it and within the time period that would allow us to keep from curtailing our customers. So it does have a very real impact to us, thank you.

MR. HILLS: Yeah, I think a quick response to that is I mean it's going to take us 18 to 24 months to build out the infrastructure to spend the 2 billion dollars and so I mean if we have to do a little planning on the day, I think that makes a lot more sense. And I think we need to evaluate those options before we make the decision to go spend the upstream money without understanding the downstream option.

MS. BERTOLDI: Did you want to continue with your ethane?

MR. HILLS: Yeah, I just wanted to address the thoughts on the ethane market a little bit because you know the ethane market in the Bakken has been -- it should be non-existent because it's not economic right? But I think as the representative from ONEOK indicated, there were two other options, Alliance and Cambena out of the Basin for

ethane. But to make it clear, those two points you have to be connected to them. They are north of the river points. They are at full capacity, and so those aren't options for any plants that has ethane or would have ethane south of the river and again, those options are full at this point, and so you really can't move that thing that way.

And so by -- I don't know if it's coincidence or otherwise, but the Elk Creek Pipeline that ONEOK put in that has capacity, that can take ethane south or from the south point south of the river at this point, out of the Williston Basin, so it should be clear that that is the key ethane market that many of the plants if needed, would have to depend on.

A lot of the plants utilizes rail. It's one of the competitive markets that's been an interesting market in the Bakken. The Bakken's used rail since its inception for crude oil movements and we've used rail for NGL's. And just making sure everybody understands you cannot move ethane via rail. So any plant that's connected to a rail facility or was using rail, you can't do it anymore.

So that puts an uncompetitive position on those plants that were connected to rail. Thank you.

MR. MARTINIC: The next person with their hand up would be Josh Baskett please.

MR. BASKETT: Hi thanks, yeah. I guess I have

one comment and then I have two questions. One we feel like TransCanada is downplaying the importance and significance of the creation. At the end of the day, ONEOK does represent the -- and unfortunately the decision making, but that's my statement.

One question, Ryan Collins mentioned that he believes today the benefit that ONEOK received from all of this has been overstated. Since he believes we've overstated it, I just want to follow-up. So can ORM share that quantification with us?

And then my second question for TransCanada, since TransCanada is the operator of the Foothills Pipeline and ultimately the Port of Morgan, we have seen how these benefits help train rides and we were just wondering how do you guys plan on selling your pairing rights?

MR. FONDA: Josh, this is Bill. I want to make sure I get all of your questions first. I mean how "we would sell pairing rights," that's not us. So I have no idea and I can't answer the question. Your other question -- I'm sorry, would you mind repeating your questions. I'm sorry, I didn't get all of it.

MR. BASKETT: Yeah, I think my other question was really for ORN. They had mentioned that today several intervenors have overstated the benefit that ONEOK received from its implementation of this filing. So since they said

that we have overstated it, then that means that they quantified it, and so we just wanted to share that with us.

MR. COLLINS: This is Ryan Collins. No, we have not quantified it. The statement was in regards to the scope of the benefit to tear and to take away the ethane capacity and you know, any other basis that has so far been attributed to ONEOK, you know, I believe it's overstated, you know. As I said ONEOK is not the point operator. They do not operate it, they will not -- under the proposal it's going to be hard for them to be a pairing partner.

You know they're not the only pipeline that takes that Bakken, so the issue is with the downstream with you know, the ancillary benefit that may have potentially you know, go to ONEOK.

MR. HILLS: So is ONEOK stating that you guys are managers?

MR. COLLINS: No. I don't know what the proposal looks like, but based on what the slide said today, we're not a point operator that's a fact.

MR. HILLS: I think that addresses the upstream issues we're all trying to address. We don't understand how it works and we're probably aligned on that. I think that would be a good step to work on over the next two or three years while we try to figure out what needs to be done at this point.

Yeah it would be good to work through that and we need a full solution, right? We need a solution that's not just on the Northern Border point, it's a solution that's there because that has to be done and it's not understood at this point.

MR. COLLINS: Yeah, I wonder if we'll need to know how the proposal will work, but they are willing to work with parties and help with the, you know, internal pairing proposals and to the extent they can and to the extent they can help alleviate.

MR. HILLS: But to date, you guys have been unable to because you're saying hey, we don't understand it either. We're 50 percent owner of Northern Border, but we don't understand this -- how it's going to work either and I support you there. I mean I wish we all understood it, but it cannot be laid out and thus it cannot be approved as a working authority right now.

MR. ALONZO: Yeah, hi Greg, David. I just want to jump in here real quick. I just want to reiterate that we did say we're going to file our clarification and our proposal within a week and so I do think we have that clarification rather quick, so.

MR. HILLS: And David, we appreciate that but what we're talking about is upstream of those points. I believe what ONEOK is saying is the same thing we presented

as well. It is not clear. It is very unclear how this works upstream of the point.

Charbonneau, take that as an example. Multi-points. It's very unclear as to how that works. Upstream of Spring, you know, Spring Creek same thing. Situation with multiple plants, ONEOK being one of them, our plants are the other and we do not know how it works. That has to be worked through. That has to be laid out before any approvals of the process can go forward.

MR. WILLARD: Hey Greg, there is a number of slides in the presentation from this morning that explain the pairing process. If we need to walk through that again we can do that.

MR. HILLS: Again, I'll try to be clear. The pairing process that you guys have laid out it is only the pairing process on WBI's system in the case of our connection, or Charbonneau or others which is a FERC regulated system, is not known at this point. That -- both of those need to know. You have to know the Northern Border pairing process as well as how it happens upstream slowly at the receipt point.

It has to be done on the system because we have to agree with somebody outside -- our plan is upstream of there. We go through another pipeline before we get to Northern Border. That has to come together. That has to be

worked out as a full solution, not a partial solution on border. We appreciate the solution upstream has not been completed. And we have asked that question many times.

MR. ALONZO: Yeah Greg, I guess I will also just say to again if you feel this solution is cumbersome, you know, it's also optional right, and so again it's not required of our proposal here, you know, for you guys and it's something that you don't have to elect to participate in.

MR. WILLARD: And I think I want to mention too, I mean we've talked about this even since Chicago in that we as Northern Border Pipeline, do not have visibility upstream of our interconnect. And so if there's a system to be worked out there, it's not our system.

MR. HILLS: And we have requested from the other partner in that system to work it out and it has not happened and so that's what's got to happen, and I think we've got to work through that. So respectfully, I think the FERC has got to reject this and ask the question before the process to be put in place.

MR. WILLARD: And that's very reasonable that the people upstream would need to put together a solution, and you know, we're onboard. We'd like to do that, but you know, holding up our filing for three years for the upstream parties to come to an agreement on their own, seems a bit

excessive, considering it took us about three weeks to come up with the system and solution that we've provided in Chicago and have maintained into this filing.

MR. HILLS: Well we have been working and trying and asking those questions from day one and so we are ready to try to get it done, but so you know, like in our presentation, we didn't just say delay, we put a solution our there also -- trying to recommend a solution. And we still stand behind that at the 1160 level.

And we also stand behind if we want to work through a pairing that works for both the -- we can look at it. But we've asked that question many times of the entity that can do most of the pairing, which is ONEOK, and we have not gotten, you know, we have not made progress. And they've said on this call that they don't understand it either, so obviously we've got to work through it.

MS. BERTOLDI: And Erica we're going to go ahead and jump over to you now if you want to unmute your mic.

MS. RANCILIO: Sure and my question is for Richard Derryberry, so I just want to make sure he's still with us.

MR. DERRYBERRY: I'm still here.

MS. RANCILIO: Great. Thanks. So I understand your point that upstream shut in's will call for liability issues from Northern State's Power, but I understood that

you source your Northern Border gas in Northern Natural where there is no upper Btu limit at this moment. So my question is would you be impacted by a shut in example? Can you explain to me how you would be invited by a shut in on Northern Border that's related to an interconnecting pipeline with a Btu limit?

MR. DERRYBERRY: Sure Erica. Yes, we are first off of Northern Natural from Northern Border. But we are worried about Northern Natural being able to take in -- they don't have an upper limit but every point has a merchant development provision they can refuse to take gas if they think they're customer's won't take it and I think we are in the very same position there with Northern.

Northern could say no, we don't want to take your gas and there will be a point where they will. So, it is a very real concern for us.

MS. RANCILIO: Okay, that's all for clarification thank you.

MS. BERTOLDI: James Olson, you may go ahead with your question.

MR. OLSON: Yeah Erica asked the question I was going to ask.

MS. BERTOLDI: We don't show any additional hands raised at the moment and I'm not seeing any additional questions in the chat. If anyone else that wishes to make

any comments or ask additional questions.

MR. MARZ: This is Martin Marz, and then there's been a discussion about the amount of money that it would involve upstream. The upstream parties to spend to meet the new standard and I just think one point was missing to some extent, and that is that in this tight capital market, a lot of these upstream parties they're capital is spent. We may not be in a position and I don't know about some of the others to actually put the capital spend into place. We may end up finding ourselves in a situation where we cannot deliver the gas because we don't have the capital necessarily to spend.

MR. WILLARD: I want to add one additional thing. If conditions stay as they are today, there's not a problem. If flows stay as they are today there's not a need for capital investment. If the flows from the Bakken continue to increase, there will be a need for capital investment as those higher Btu ramps up that need, it's not an all or nothing situation. That's all I wanted to mention.

MS. BERTOLDI: Danny you can go ahead and ask your question.

MR. MIDDLEBROOKS: Thank you. The question I have for Northern Border is are you assuming that there are existing processing plants in place that can just turn a valve and recover more ethane so the pairing works?

MR. WILLARD: So there are a few sources currently on the system and potentially others in the area. We have not made a distinction on where we think that lower Btu gas should come from.

MR. MIDDLEBROOKS: Okay, my follow-up to that is then what sources are flowing into Northern Border now, I believe, unless my assumption is going up anyway. So I don't understand how pairing ever lowers the Btu content because it's already being paired in your pipeline without us ever having to get together with another partner. Can you explain that to me?

MR. WILLARD: Sure. That lower Btu gas is actually being displaced. So the capacity of Northern Border is a ratio of low Btu gas to high Btu gas. The high Btu gas has been displacing the lower Btu gas.

MR. MIDDLEBROOKS: So I think what you're saying is someone would need to go to Canada and pair at Port of Morgan?

MR. WILLARD: That's not an -- fixing the gas can come from like you said earlier, plants that do have the ability to reject more ethane but don't because the market conditions don't dictate it to be economical.

MR. MIDDLEBROOKS: Yeah I think that what we see as far as asking a third party -- number one, you never want to have a third party restriction is one thing. You'd have

to make the investment versus allowing that to happen. The second thing is you ask a third party to increase their ethane recovery, which is not beneficial to their producer customers, so number one you're going to -- I'm not sure how you do that.

And then you're going to have to plan for the increased cap X to get them to run their plant harder. And then there's going to be a negotiated fee as everyone has said for the occurring services. And all of that is going to continue to negatively impact the producers that are in bankruptcy on our system and we're going to take another -- I don't know, 50, 75 cents out of a cratering industry.

And I don't know how the producers survive that scenario.

MR. WILLARD: I will mention again that if flows continue as they are today, there is no issue.

MR. MIDDLEBROOKS: Thank you.

MR. MARTINIC: And with that, Christopher Peters.

MR. PETERS: Yeah I was just going to add to -- how I recruited a midstream operator to gamble that bulk Btu content wasn't going to go above 1100 Btu's. I mean everybody has talked about it takes 18 to 24 months to build a gas plant in North Dakota. And so even though tomorrow Northern Border is saying they're not going to shut any -- just have to construct a facility in order to meet that

spec, planning that they're going to shut us in at some point.

Because we can't just build a plant tomorrow. It's not like there's a lever that we can pull. We don't have the ability to go into some recovery mode tomorrow if we needed to. So we would all be -- like everybody has talked about by building a gas plant now in case it ever were to happen, it's a conservative industry.

That's how we would likely react to this. I have two more things. One, inherently you're punished that your futures whose gas gets routed to plants that can recover ethane in the interim, unfairly. You know, if I'm a producer, I'm hoping that my gas is going to a plant that can't recover ethane, because ethane is under water.

And so there's just so many producer economics to think about here. And then the only other thing I would add is that for the centralized processing facility that got brought up, which is the most efficient way to handle this, you know. You could build 20 gas plants, or you could build one gas plant. That one gas plant on the end of the line would not need to be a 2 and a half Bcf gas plant. It would just be a -- designed to process 100 million or 200 million or 300 million, whatever the through put would need to be to bring that content down from 1110 or 1120 or whatever it ends up blending out to, down to 1,000 Btu's.

So I just wanted -- I mean there's no way we would be building gas, you'd process some of it right, and get to that 970 Btu methane. You'd have a super high recovery gas plant that just efficiently that makes a lot of sense to me. That's all I have.

MR. FONDA: Sure, and this is Bill Fonda. I think that the comments that Richard set forth here, I mean if you're suggesting that we're just going to install a small plant to kind of take care of getting gas from 1110 to 1100. He made some comments about the Northern Natural market and really the two biggest LVC customers on Northern have expressed the point. You know, it's quite possible that Northern may be taking some action, so I'm not really sure if that's in all of our best interest to kind of focus on maybe addressing the Chicago Market.

MR. MIDDLEBROOKS: Chris, Danny Middlebrooks. I'd like to see downstream you say the word Chicago to blend this out. I think you probably only have to go like you said 100 million today but you would also then put your ethane closer to a pricing point for ethane over in Chicago to where you can actually get some uplift from the ethane versus this just continuing to be a negative.

MR. FONDA: Yep, that's correct.

MR. MIDDLEBROOKS: Thank you.

MR. MARTINIC: I don't see any other hands up.

Any other comments or questions to put forth?

MR. HILLS: Has Northern Border evaluated that option and taken that at all? I mean there are existing plants in that area that potentially could be utilized, it may not even require a new plant. Could they comment on how or could that --

MR. WILLARD: I can say that we would be happy to provide a delivery and a receipt to anyone who wanted to build a plant, take a flip stream of gas. As far as us doing the work ourselves, if we were to do that, that's spreading the cost out across the shippers and you know, around half of our capacity.

They probably would not be interested in that expenditure that they would then have to be reimbursing for. Again, anyone who wanted to build a plant, a straddle plant, we would be happy to consider that or that blending stuff.

MR. HILLS: Yeah, I guess that's another key item that needs to be worked through before implementing something like Danny and Chris talked about. You're going to build plants on all of the Basin, versus something on 100 million cubic feet a day. Again, the key decision here is we need to look at the economics and make sure we're doing the right thing. The solution is significantly less cost, that would be the avenue you would want to take.

MR. WILLARD: Sure and the downstream solution

does not inhibit us from implementing the current solution, because it would fix to our current solution. We would be able to at any point in time, wrap that news in a model, allow that to change the dynamics upstream of that new strategy plan as opposed to waiting three years to reignite discussions about the increasing Btu on the pipeline.

MR. HILLS: Well it seems like we've got a good opportunity with the downturn. We've got the time. We ought to work through that and come back with a full plan to work on that project, it goes a way if you guys pretty much have the hammer to be able to go ahead and tell us to go build these facilities and we'll, you know, if it's put in place, I think it's been discussed pretty much you're forcing some capital expenditure that certainly just isn't justified.

MR. WILLARD: Yeah, I don't know if you're waiting for comment. Again, you know, it's something that fits in the model that we've already proposed. And we would be willing -- potentially as well as one of the people on the phone here who already operates a plant. We would be open to providing a receipt and delivery point to them to build a straddle plant at any point in time in the future and wrap that into our current model that we're proposing to the FERC.

MR. HILLS: Yeah that's good to hear. I just

think that the review of it and the work to be done could be done before implementing something that's unknown and unneeded. So you know, a little technical analysis of that, work on that would be something to be done prior to implementing any process that --if there's a better solution let's find the better solution before we do something that's just not going to work.

MR. ALONZO: No, I mean I just want to interject there. I mean I think the process is actually pretty set Greg, you know, our safe harbor proposal, our pairing, some of these things that you know you'd have in for folks to get in compliance aren't set which aren't really issues that we feel as Northern Border, we needed to address other issues on your system that you have to look into and responsibility for.

MR. OLSON: This is James Olson. I just want to respond to that briefly. I think where Greg is going with that is that if FERC approves what you file, that's going to trigger all of the processors having to immediately expend the capital expenditures that we're talking about which total up to -- it looked like it had a billion dollars from federal loans, it's over 200 million.

And so I think the point is it seems like this situation needs further study before you require someone to spend a billion dollars.

MR. MARTINIC: Okay. Well if that conversation concluded apparently. Does anyone else have any further?

MR. BASKETT: Ah yes. This is Josh Baskett. One question for TransCanada. On the I guess Northern Border, on the Northern Border website right now there is a potential expansion of Northern Border project out there. I believe it's the state line to Ventura, so I guess there's a -- and some pretty substantial volumes. So how does that work with this new Btu spec? I mean you guys already knew this was high Btu, so how is that being incorporated into your expansion?

MR. WILLARD: Yeah that additional capacity would operate under the existing tariff and whatever the tariff was changed to.

MR. BASKETT: I guess the comment to that is this project, so I guess the question is you guys were working on an expansion project -- a pretty significant expansion project, and then right after that you guys came out with this filing that the Btu is too high. So were you guys anticipating this all along?

MR. WILLARD: Yes. We have different groups that are responsible for business development and other groups that are responsible for the reliable operation of the pipeline.

MR. BASKETT: So I guess just to clarify, you

guys were going to sell an additional 4 to 500 million a day of capacity, for an out of spec gas just a few months before you published the new spec?

MR. ALONZO: No I didn't spec gas. If you could clarify how to spec gas, you know, I mean because we wouldn't be here -- with trying to have an upper limit if it was out of spec gas, then you know, we would most likely not be in pursuing what we're pursuing here it just doesn't make sense.

MR. BASKETT: I think the key is that Northern Border was soliciting -- which is known to be in a steady condition well above this 1100 Btu spec that you guys are proposing. Five months later you put a restrictive tariff in place that would have had great consequences to any commitments that had been made during that time period.

Similar to the way processing plants were committed to --

MR. WILLARD: Again, one does not include the other. The way pipelines operate.

MR. BASKETT: I misunderstood. You said that's just the way pipelines operate?

MR. WILLARD: Yeah right. One doesn't preclude the other. You know we have business development increasing -- and we have other groups that are consistently monitoring the gas quality in the tariffs and try to do the right thing

to ensure that we are providing the transport that our customers require.

MR. ALONZO: Yeah, again if there is you know, any concern, I mean there is not anything special for this specific project that we haven't -- saying that we're proposing here would be subject to each and every person on our system. So I've not really inquired of an expansion project being developed to make, you know, pair your revenue if that's what questions you're trying to get at.

MR. FONDA: Yeah I mean look, I mean an expansion project out there and I really I'm sorry, I don't want to get in to too much of a discussion about a potential expansion project, because I really can't comment on it too much, and I'm a little uncomfortable talking about that right now. And I think it's just me. I'm not sure the significance.

MR. WILLARD: It's not just you. Btu filing and business development are unrelated period.

MR. FONDA: Okay. I would just -- yeah I mean, I would just kind of follow like I said I appreciate all of the questions and the discussion. I'd kind of like to limit them if that's all right.

MS. BERTOLDI: This is Danielle from staff and I'm not sure if you could hear me just now, but we absolutely agree. We'd like to keep the conversation to

what's proposed in Northern Border's filing.

MR. FONDA: Thank you very much.

MR. MAREINO: This is Vince Mareino at FERC. While we wait to see if there are any final questions, I want to take the opportunity to make a few remarks about the briefs. We planned on issuing a formal notice stating that initial briefs would be due 21 days from today. And the reply briefs will be due 21 days after that. We -- if I recall correctly, heard earlier this afternoon from Northern Border, saying that they're going to make a filing in the next two days to explain precisely which changes they may be making to their original proposal, either based on things with a bed in the protests that were filed, or based on things that have happened today.

We of course, encourage them to do that. Also, changes that are part of what can either result in a settlement or what can result in a more concrete proposal that is easier for the Commissioners to rule on, so we want to encourage that process. But we do have to keep our -- to five months.

The second thing just a bit of advice for everybody who is going to be writing these initial reply briefs is that the whole process of reviewing a gas quality filing is intensely facts based. When attorneys write up the citations in their orders, so I would remind you that we

know that it's almost impossible to find cases that are absolutely perfectly for matches for what's going on with the Northern Border.

So don't view that as anything, we always find that it's best when parties can either through the text of the footnotes explain the context of the citations and show why they think the given case in the past has precedential value here.

Also a reminder that it can also be useful to hear from those of us who are coming on the one side or the other, it can be useful to hear what the positions are outside of that. For instance, those of you who support this proposal, it will be helpful if you are very clear on your support for the proposal as you think of the status quo proposed, the status quo tariff is fine, this proposal is better and it's just and reasonable.

Or if you're taking the more extreme position, which is it's failing the tariff at all. It's going to result in a situation that is unreasonable for you or your clients. We need to know. As you know, you can take the position of merely demonstrating that Northern Border has failed to make their case. Some of you in your presentations have also leaned towards suggesting that the reason they failed to make their case is because there is in fact -- we want to make sure the people are clear about

whether they are making that position or whether they are instead offering the position that there should be different changes made to the tariff.

Any of those positions are legal and sensible. We just need it to be clear in your briefs which ones you're actually taking. The final thing to say is we are very much aware of the Northern Border system. You can feel free to mention any of those issues that you want to in your briefs, but do it to the issues that don't have anything to do with this particular gas quality case.

We are most likely going to end up ignoring because our agreement is just the issues in this docket. So those are the comments that I wanted to make about the briefing schedule, and I'll turn it back over to see if anyone else either staff or parties, has final comments or questions.

MR. MARTINIC: Thank you Vince. We do have a hand up. Could I work on having audio capability. Just a note, this will be the last question if we're able to make it happen.

MR. KORMAN: John it's Paul, could I ask one specific question on a timing issue?

MR. MARTINIC: Sure please.

MR. KORMAN: Which is when will -- and presentation, so everybody else on this call needs to know

in advance to write our comments.

MR. MARTINIC: Well I believe Northern Border expressed within the coming weeks, but if they could just clarify for you all we'd appreciate that.

MR. ALONZO: Yeah sure. We will have something on file so that kind of still stands, so you know, within a week.

MR. KORMAN: Okay, thank you Denny.

MR. ALONZO: Yes sir.

MR. MIDDLEBROOKS: This is Danny Middlebrooks with Targa Resources. I just wanted to say thank you to the FERC and the staff for everybody's time on both sides of this issue.

MR. MARTINIC: Well thank you very much Danny. Okay, well I believe we captured all the questions we can at this point, so we'll provide some closing remarks. We hope today's conference was very informative and helpful to all those that attended. We really do appreciate your cooperation and patience with us putting this together. It's been a bit of a process and difficult, but likewise consistent with Vincent's comments too, we look forward to your briefs, as far as providing more clarity and more insight which you may have not had enough time to contribute today. Likewise, we wish everybody the best. So unless anybody may have any final comments to make, we will bring

the conference to a close.

MS. RANCILIO: Hi, sorry this is Erica. To jump in on the last minute. Will there be a link sent around for people who want --

MS. BERTOLDI: I'm sorry we do have Ace on this call, I'm not sure if they want to chime in. We don't have a link yet, or information to pass along at this second, but we --

MS. RANCILIO: Okay, thanks that answers my question.

MR. MARTINIC: Okay, well with that the day is coming to a close. Thank you, thanks everyone we appreciate your time.

(Whereupon the Conference adjourned at 4:56 p.m.)

CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceeding before the FEDERAL ENERGY REGULATORY COMMISSION in the Matter of:

Name of Proceeding:

Northern Border Pipeline Company

Docket No.: RP20-859-000

Place: Washington, DC

Date: Thursday, August 6, 2020

were held as herein appears, and that this is the original transcript thereof for the file of the Federal Energy Regulatory Commission, and is a full correct transcription of the proceedings.

Gaynell Catherine

Official Reporter