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MDU Resources Group, Inc.

BMP Distribution Partner Since 2016

Background

Montana-Dakota Utilities Co. (Montana-Dakota), Great Plains Natural Gas (GPNG), Cascade Natural Gas Corporation (CNGC) and Intermountain Gas Company (IGC), all a part of MDU Resources Group, Inc. (MDU), are local natural gas distribution companies (LDCs) operating in Montana, North Dakota, Minnesota, South Dakota, Idaho, Wyoming, Washington and Oregon. The goals of the Methane Challenge Program match our company objectives of reducing methane leaks and fugitive emissions to ensure safe, reliable and economic service, while utilizing natural resources efficiently to minimize environmental impact. The Historical Actions presented below outline the steps that each LDC has already taken to minimize the methane emissions within their respective service territories.

Historical Actions

Pipe Replacement

Montana-Dakota – *Bare Steel Replacement Program* – From the mid-1980s-2000, all but 5% of the bare steel lines were replaced in MDU's service territories primarily with medium density polyethylene (MDPE) pipe with tracer line.

GPNG – *Polyvinyl Chloride (PVC) Replacement Program* – From 2011-2015, nearly 38 miles of untraceable PVC main and over 4 miles of untraceable PVC service lines were replaced with MDPE pipe with tracer line.

CNGC – *Pipe Replacement Program* – From 2012-2015, nearly 38 miles of unprotected steel pipe, ranging from service lines up to 8-inch mains, were replaced with protected steel or MDPE pipe.

IGC – *High-Risk Aldyl-A and 3.5" Thin Wall Steel Pipe Replacement Programs* – From 2013-present, nearly 15 miles of high-risk (pre-1973) Aldyl-A pipe and 11 miles of high corrosion risk 3.5" thin wall steel pipe have been replaced with MDPE and protected steel pipe.

MDU Resources Group, Inc. Historical Fact Sheet

Preventing/Mitigating Excavation Damages

Montana-Dakota & GPNG – Montana-Dakota and GPNG have historically participated in the 811/One Call program in all states in which we operate. We are also active participants in the Common Ground Alliance and various pipeline associations. This includes hosting educational banquets and other community outreach for excavating contractors and others throughout many of the communities we serve. These events create opportunities to meet face to face and explain the critical nature of damage prevention, and hence, methane emission reductions, as it pertains to our facilities. Montana-Dakota and GPNG participate in damage complaint systems in North Dakota and South Dakota in order to identify and deter offenders from repeating their past mistakes.

CNGC – In 2014, CNGC created the position of Public Awareness Coordinator to address community education and outreach opportunities, focusing on damage prevention and further reducing potential releases of methane from excavation damages. CNGC is currently establishing a Damage Prevention Program that focuses on working with contractors or third parties that are repeat offenders. By identifying and reaching out to these third parties prior to work beginning on the respective project, we believe that we'll see a reduction in excavation damages throughout our service territory. In addition, CNGC actively participates in 811, Common Ground Alliance, and damage complaint programs in Washington and Oregon.

IGC – IGC is in the final stages with the Idaho Public Utilities Commission with regard to implementing a fines and penalty structure for third-party damage offenders. District offices periodically hold "Contractor Awareness" meetings to discuss damages. IGC participates in utility coordination meetings to identify projects where our facilities could be impacted and take steps to retain/protect or relocate our pipelines to prevent failure. IGC actively participates in the 811 program, which would include speaking at meetings, advertising in the media, and placing vehicle wraps on select company vehicles. We have a Critical Line Program that includes "boots on the ground" when excavations are near facilities that are deemed critical (higher pressure and size that would result in larger releases of methane if damaged). IGC will often route gas to a lower pressure system with isolation valves rather than the time-efficient alternative practice of blowing the gas to atmosphere to reach the desired pressure. When replacing pipe, we often utilize hot tap fittings to eliminate the amount of methane that would have otherwise been released to the atmosphere. IGC has taken a proactive approach to installation of excess flow valves (EFVs). A large portion of excavation damages are on our new service lines that have EFVs installed. EFVs automatically shut off gas flow in the event of a damage/excessive leak.