



INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA PIPELINE AUTHORITY

Governor
John Hoeven
Attorney General
Wayne Stenehjem
Agriculture Commissioner
Roger Johnson

February 27, 2009

Honorable Jon Wellinghoff, Acting Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: FERC Docket IS09-123-000
FERC Docket IS09-124-000

Dear Acting Chairman Wellinghoff:

Three weeks ago, North Dakota State University released a study showing that in 2007 the oil and gas industry contributed \$8.2 billion dollars to the North Dakota economy and employed nearly 8,000 people, making the oil and gas industry one of the largest contributors to our economy. In November, North Dakota production exceeded 215,000 barrels of oil per day (BOPD), an increase of 85,000 BOPD from the previous year. Clearly, the magnitude of production increase in such a short time has put tremendous strains on the transportation industry. Pipeline bottlenecks, inclement weather, and truck shortages have inhibited producers from readily accessing markets with their production. This situation has created market conditions that have resulted in depressed prices and production drops for western North Dakota crude oil. The State of North Dakota, producers, mineral owners, and industry workers depend upon the health of this industry and gain any time efficiencies are created.

Over the past year, several projects have been completed that have assisted in growing and transporting North Dakota production. Enbridge North Dakota, which delivers North Dakota crude oil into Clearbrook, MN, has completed its Phase V expansion. This created 30,000 BOPD of incremental Williston Basin takeaway capacity. Belle Fourche completed its expansion into Alexander which provided Bowman County production an outlet to a higher priced market. Butte recently tested its line to move 115,000 BOPD into Guernsey, an incremental 23,000 BOPD of Williston Basin takeaway capacity. Bridger began operations of its Parshall gathering system, which facilitates moving production from the lease to other nearby pipelines. Although these projects have improved the transportation constraints, more solutions are needed.

The North Dakota Industrial Commission, acting in its capacity as the North Dakota Pipeline Authority, supports consideration of any and all options that could increase transportation safety, reduce heavy truck traffic, and aid producers in more readily moving their products to market. The displacement service outlined in Bridger's Tariffs is one option that warrants your consideration.

The North Dakota Industrial Commission, acting as the North Dakota Pipeline Authority, respectfully requests the Federal Energy Regulatory Commission act upon Bridger's Tariff requests as expeditiously as possible.

Thank you for the opportunity to comment on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justin J. Kringstad', with a long horizontal flourish extending to the right.

Justin J. Kringstad, Director
North Dakota Pipeline Authority