



Energy Development

**Watford City
North Dakota**



**MONTANA-DAKOTA
UTILITIES CO.**

A Division of MDU Resources Group, Inc.

In the Community to Serve®

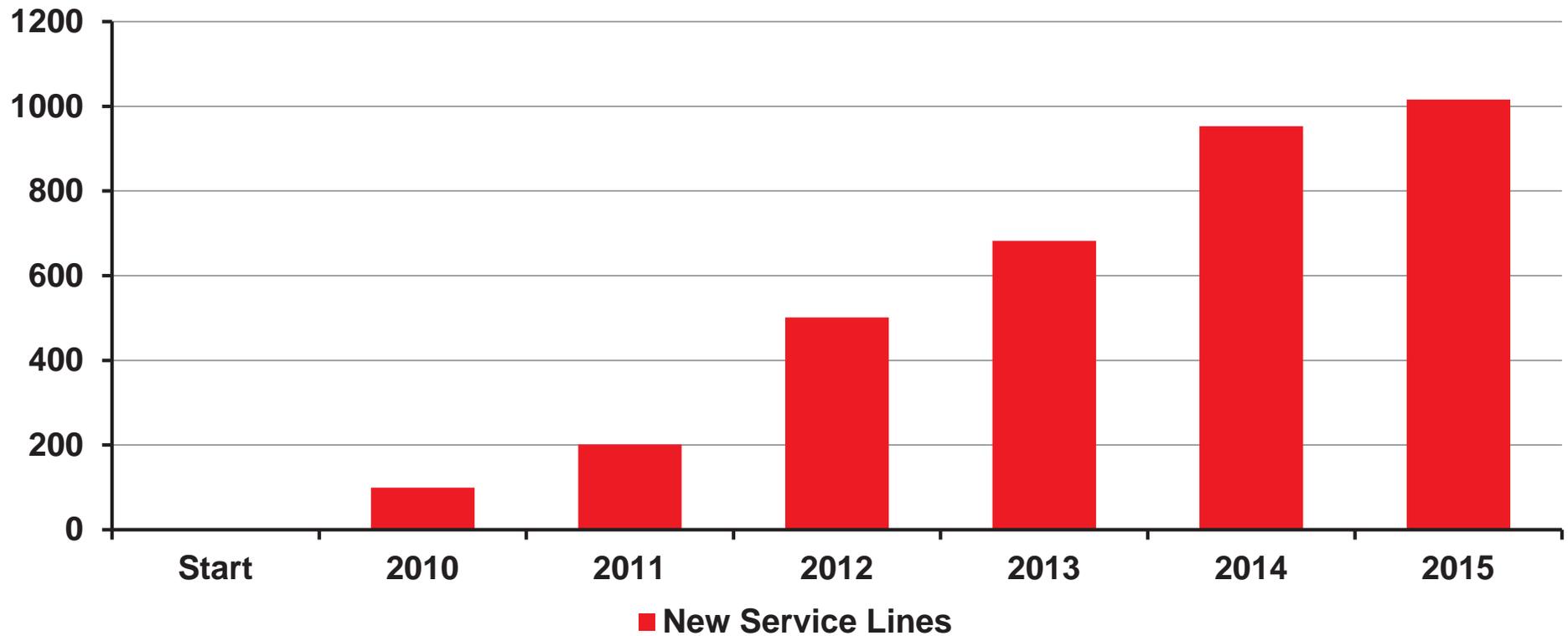
Electric - Growth

- ***Statistics 2010-Present***
 - ***Approximately 100% growth in peak electric demand***
 - ***Electric service count increase of 1,012 services***



Electric - Growth

New Service Lines



Gas - Growth

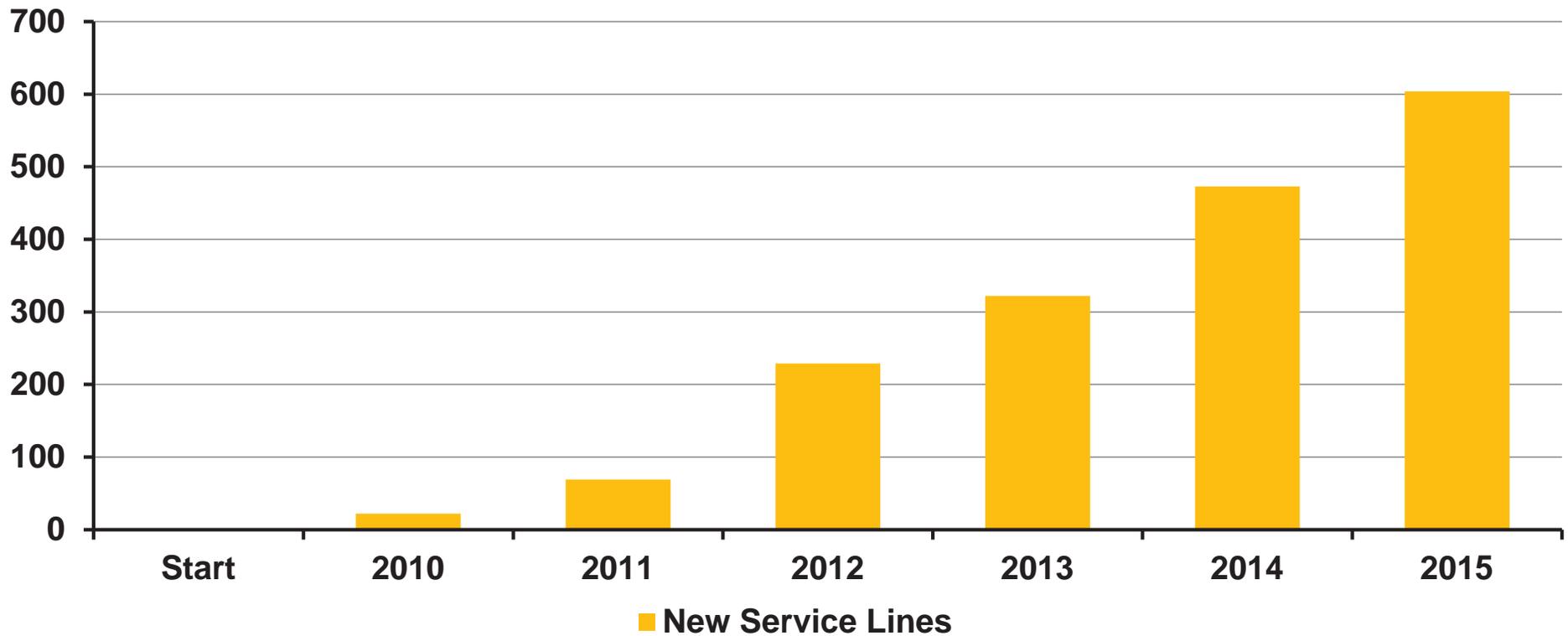
- ***Statistics 2010-Present***

- ***Approximately 251% growth in peak gas flow***
- ***Gas service count increase of 626 services***



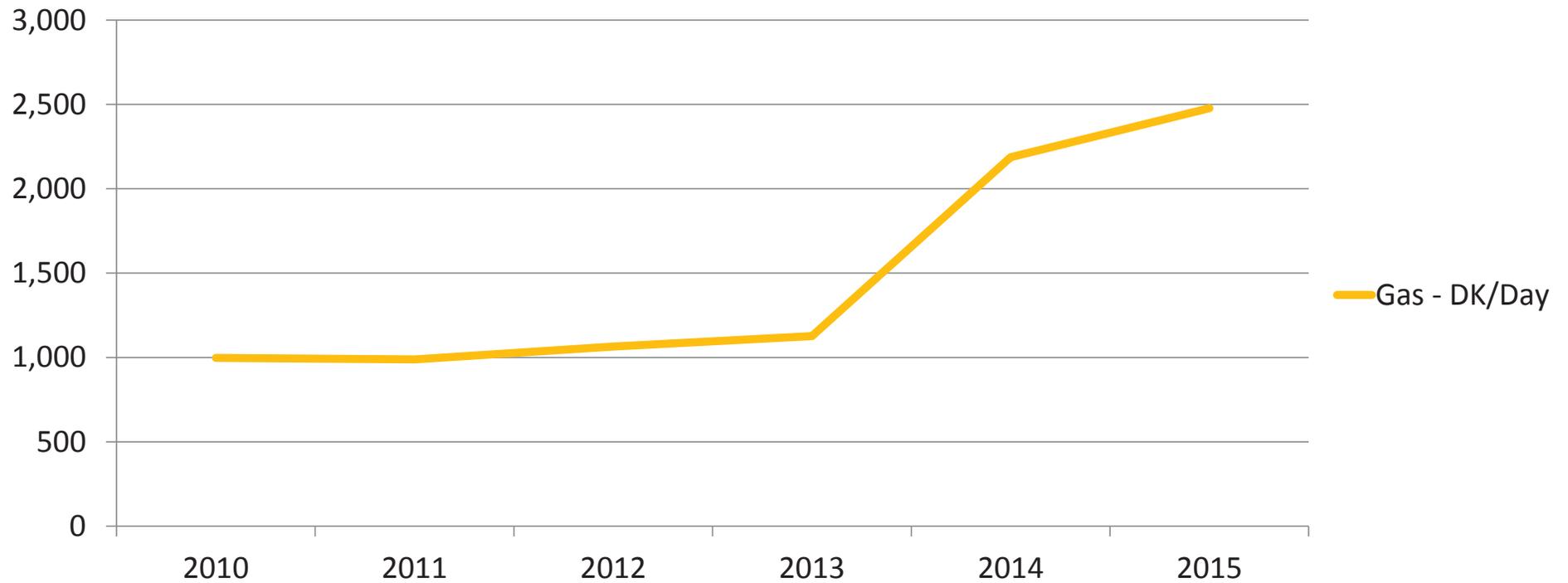
Gas - Growth

New Service Lines



Peak Usage - Gas

Gas - DK/Day



Challenges

- Staffing



Challenges - Staffing

- ***Added 5 new full time positions since 2010***
 - ***Finding Qualified Employees***
 - ***Utilized recruitment agencies to fill vacant positions***
 - ***Deployed nation wide campaign through Career Builder***
 - ***Implemented MDU Employee Referral Program***
 - ***Job Fairs throughout the Midwest***
 - ***Newspaper ads throughout the Midwest***

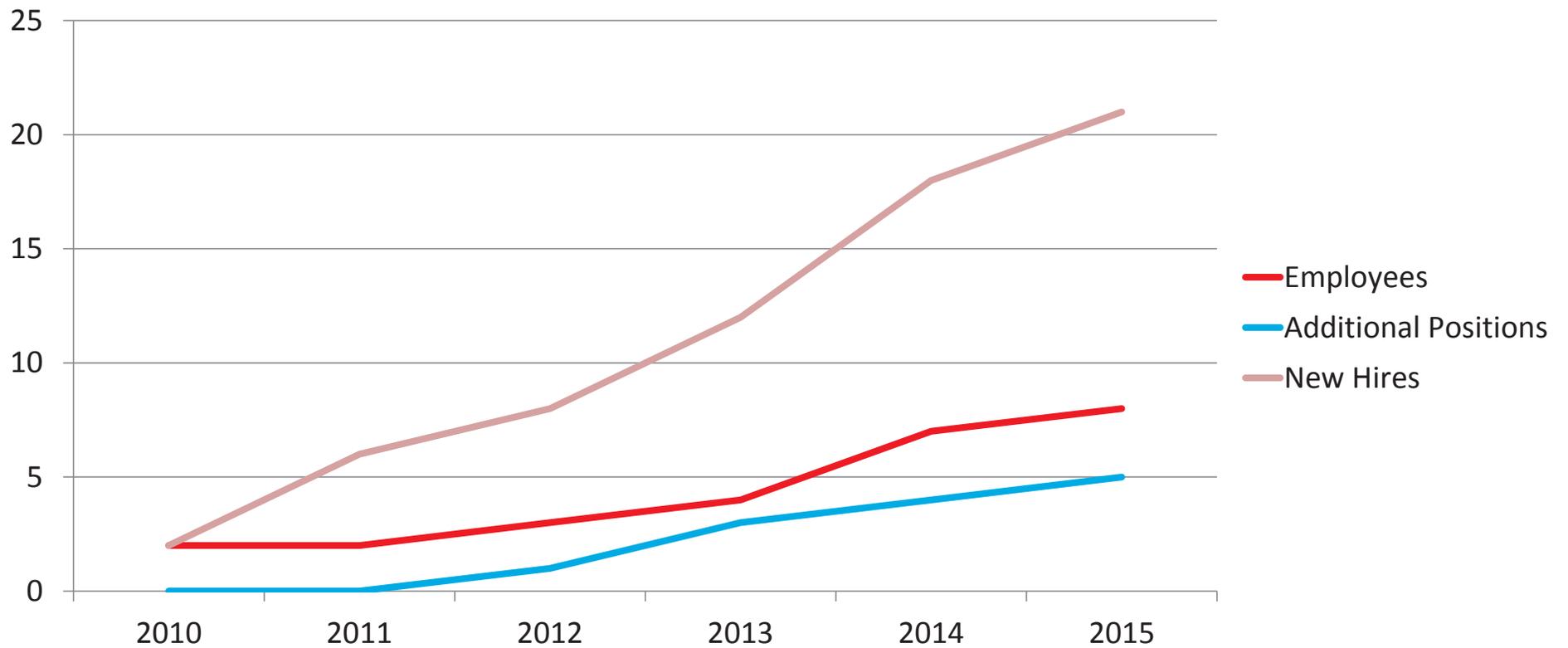


Challenges - Staffing

- *Added 5 new full time positions since 2010*
 - *Attracting and Retaining Qualified Employees*
 - *Sign-on Bonuses*
 - *Temporary Housing*
 - *Rental Subsidy Programs*
 - *Bakken Incentive Programs*
 - *Moving Allowances*



Employee Count



Challenges - Staffing

▪ *Contractors*

- *Electric Distribution*
- *Gas Distribution*
- *Joint Services*
- *Electrical Transmission*
- *Substation Construction*
- *Leak Survey*
- *Locate Services*



Challenges - Staffing



- **New Facility**
 - 2,500 Sq./Ft Office
 - 10,000 Sq./Ft Warehouse
 - 2 years to complete construction



Challenges

- Staffing
- Easements



Challenges - Easements

- ***Infrastructure needed to grow***
 - ***Landowners became less receptive to infrastructure growth***
 - ***Easement costs as much as 40 times higher than pre 2010***
 - ***Increased time to acquire easements***
 - ***Non-receptive landowners leave us no choice other than to pursue Condemnation***



Challenges

- Staffing
- Easements
- Forced Relocations



Challenges – Forced Relocations

- ***Relocations driven by third party projects***
 - ***Tight timelines***
 - ***No easements provided***
 - ***Non-budgeted work***
 - ***Time taken away from infrastructure growth projects***



Challenges

- Staffing
- Easements
- Forced Relocations
- Damage to Existing Infrastructure



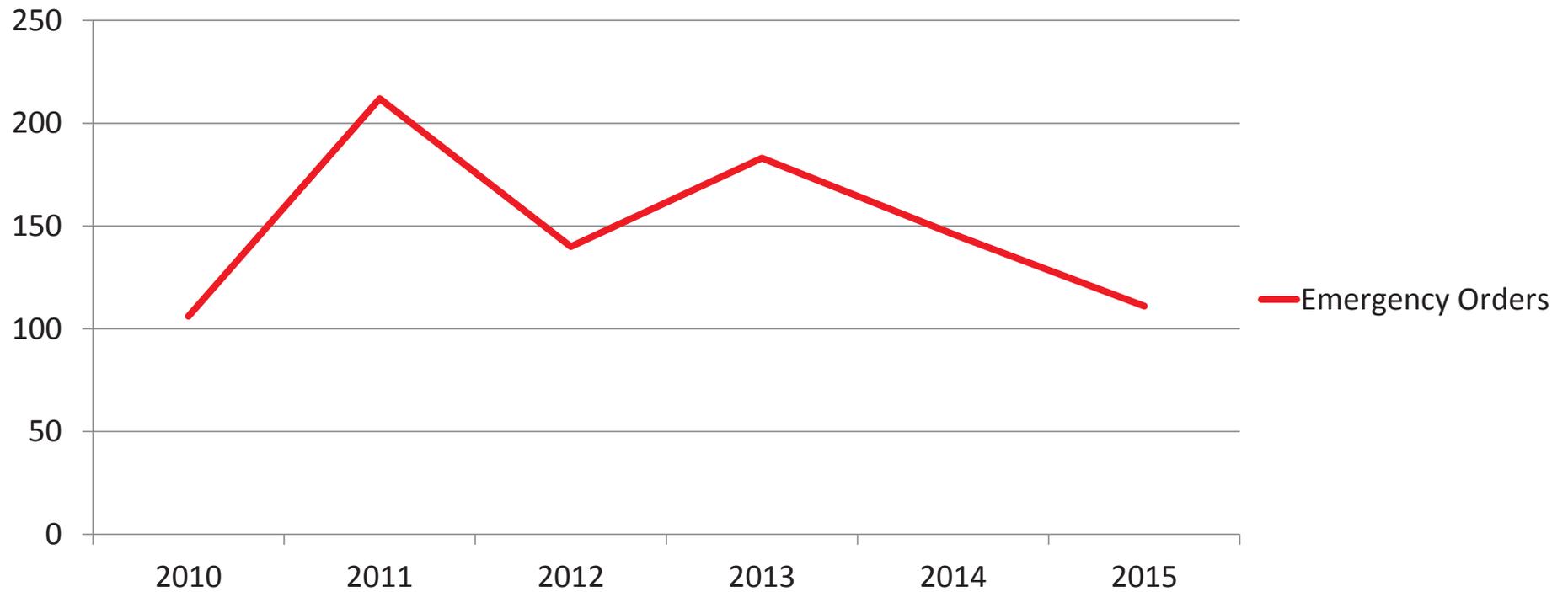
Challenges – Damage

- ***Damage to existing infrastructure***
 - ***Dig-ins***
 - ***Downed power lines***
 - ***Weather***
 - ***Unreported damage to underground infrastructure***



Emergency Orders – Electric & Gas

Emergency Orders



Challenges

The background image shows utility workers on a power line tower. One worker is visible in a bucket on the tower, and another is in the foreground wearing a white hard hat and a yellow safety vest with a logo. The scene is set against a clear blue sky with some green foliage visible on the right. A semi-transparent red overlay covers the top half of the image, where the title and the first three list items are placed.

- Staffing
- Easements
- Forced Relocations
- Damage to Existing Infrastructure
- Construction prior to final plat approval

Challenges – Review Construction

- ***Construction prior to “final” plat approval***
 - ***Creates impatient/frustrated contractors***
 - ***Leaves utilities in a uncomfortable position***
 - ***Potential for plat changing still exists***
 - ***Potential for rezoning still exists***



Managing Growth - Gas



- *Added 1 Town Border Stations (7,200 MCF/Day)*
 - *Nuverra TBS added 3,600 MCF/Day capacity*
 - *Replacing current WC West TBS (1,500 MCF/Day increase)*
 - *Added WC East TBS (3,600 MCF/Day increase)*
- *Added 5 miles of 6” gas pipe “loop” line*
 - *Moves 3,600 MCF/Day of gas to the center and south WC*
- *Expanded pre 2010 gas infrastructure by 860%*



Managing Growth - Electric

- ***Established Service Area Agreement***
 - *Allows planning for anticipated growth*
 - *Provides new customer clarity of who electric provider will be*
- ***Added Field Operations Supervisor***
- ***Added Line Crew dedicated to WC area***
- ***More than doubled available capacity***





Questions

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