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South Dakota

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June 2, 2017

Mark Hewett
President and CEO
Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124

RE: NG16-014, *In the Matter of the Commission Staff's Petition for Declaratory Ruling Regarding Farm Tap Customers*

Dear Mr. Hewett,

We are in receipt of your letter dated May 31, 2017. As you know, or should know, Northern Natural Gas has appealed the Commission's declaratory ruling in this matter. That action by Northern stripped the Commission of its jurisdiction over this matter and therefore the Commission cannot take any further action until the appeal process is completed.

Also, as you know, or should know, settlement discussions between the parties are confidential and the Commissioners are not privy to these discussions.

Finally, while it is true that in 2011 NorthWestern was given permission to cease being your vendee, the solution here remains the same as it has been for the last sixty years: Northern has an easement with the landowners that needs to be honored and that requires Northern to provide a vendee. Easement obligations and the terms of the easement are not issues that the Commission has jurisdiction over. Those matters must be heard in circuit court and that will likely occur when an easement holder brings a lawsuit against Northern for breaching the terms of the easement.

Sincerely,

Patricia Van Gerpen
Executive Director

Cc: NG16-014 Service list