

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE
APPLICATION OF BELLE FOURCHE
PIPELINE COMPANY FOR A
CORRIDOR CERTIFICATE AND ROUTE
PERMIT FOR THE CONSTRUCTION OF
APPROXIMATE 32 MILES OF EIGHT-
INCH PIPELINE AND ASSOCIATED
FACILITIES IN MCKENZIE COUNTY,
NORTH DAKOTA.

CASE NO. PU-07-108

**Consolidated Application of Belle Fourche Pipeline Company
for Waiver or Reduction of Procedures and Time Schedules and
for a Corridor Certificate and Route Permit**

Belle Fourche Pipeline Company (“Applicant”) whose address is 455 North Poplar Street, Casper, Wyoming 82602, pursuant to the Energy Conversion and Transmission Facility Siting Act codified at North Dakota Century Code Chapter 49-22 (the “Act”), hereby submits this Consolidated Application for Waiver or Reduction of Procedures and Time Schedules and for a Corridor Certificate and Route Permit (“Application”).

Applicant requests that the North Dakota Public Service Commission (“Commission”) waive and/or reduce the procedures and time schedules required by the Act or in the Commission’s regulations set forth in Title 69-06 of the North Dakota Administration Code, to accomplish the purposes as requested herein. These include, but are not limited to: (1) waive, those provisions of §§ 49-22-07.2, 49-22-13(2), 49-22-08(5), 49-22-08.1(5) and 49-22-13 of the North Dakota Century Code and § 69-06-01-02 and Chapter 69-06-06 of the North Dakota Administrative Code which require separate filings of applications for a corridor certificate and

route permit, separate notices of such applications, separate hearings on such applications and certain time schedules as set forth therein; (2) approve a one-mile wide corridor rather than a 3.2 mile wide corridor pursuant to North Dakota Administrative Code § 69-06-04-02(1)(b); (3) hold one expedited and consolidated public hearing on this Application; (4) waive the requirements in the Commission's Guidelines for both a Corridor Certificate and Route Permit application that a set of mylar maps be provided; (5) find that the proposed facilities are of such design, location and purpose that they will produce minimal adverse effects; and (6) approve the requested facilities as identified in this Application, and issue the appropriate corridor certificate and route permit.

The Commission's Application Guidelines for Waiver of Procedures and Time Schedules requires a description of the facility, the need for the facility, the cost of the facility and separate justification for each provision of the Act for which the Applicant is requesting a waiver, together with evidence that the project will produce minimal adverse effects or that a demonstrable emergency exists. As demonstrated in this Application, and summarized below, Applicant's requests for waivers or reduction of procedures and time schedules and the issuance of a corridor certificate and route permit are justified as the proposed facilities are of such design, location and purpose that they will produce minimal adverse effects, and that the urgent demand for additional pipeline capacity to deliver the petroleum in question to markets in the United States with favorable pricing terms requires construction at an early date.

DESCRIPTION

The proposed project consists of approximately 32 miles of new 8-inch liquid petroleum pipeline extending from the Bowline Field in McKenzie County, North Dakota to a point near

Alexander, North Dakota, where Applicant's facilities interconnect with Enbridge Pipelines (North Dakota) LLC. The pipeline will parallel an existing 6-inch pipeline.

NEED

The purpose of the project is to allow the transportation of additional volumes of crude oil from Bowman County, North Dakota and Fallon County, Montana to the Enbridge pipeline for delivery to Clearbrook, Minnesota. The existing pipeline was initially designed to transport crude oil from western North Dakota to the Butte Pipeline at Baker, Montana for further delivery to Guernsey. As a result, the northern portion of the line is smaller diameter and has less capacity. Current market conditions make it economically advantageous to deliver as much of the Bowman and Fallon County production to Clearbrook rather than Guernsey, where there is a current oversupply of crude oil with limited take-away capacity. This supply/demand imbalance at Guernsey has resulted in significant price discounts for crude oil delivered to Guernsey, particularly in winter months. Adding the 32 miles of 8-inch pipeline will increase the capacity of the system to deliver crude oil to Enbridge to 30,000 barrels per day from its current capacity of 10,000 barrels per day. Applicant has committed to producers to have the upgraded system operational by late 2007 or early 2008 to minimize the price discounts

COST

The estimated cost of constructing the proposed 8-inch liquid petroleum pipeline is \$10,200,000.00.

JUSTIFICATION

With respect to the requirement of filing a set of Mylar maps, Applicant instead proposes to file electronic copies of the necessary maps, showing all of the information required by the

