

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Belle Fourche Pipeline Company
8-Inch Crude Oil Pipeline/McKenzie County
Siting Application

Case No. PU-07-596

ORDER ON REQUEST TO AMEND ROUTE

January 18, 2008

Preliminary Statement

On September 18, 2007 Belle Fourche Pipeline Company (Belle Fourche) filed a consolidated application for a certificate of corridor compatibility and route permit authorizing the construction of approximately 32 miles of 8-inch liquid petroleum pipeline adjacent and parallel to its existing pipeline in McKenzie County, North Dakota (Alexander Loop).

On November 9, 2007 the Commission issued its Findings of Fact, Conclusions of Law and Order and issued Certificate of Corridor Compatibility for a Transmission Facility Corridor No. 98 and Route Permit for Construction of a Transmission Facility No. 108 to construct the Alexander Loop.

By letter dated January 8, 2008 Belle Fourche requested approval of changes in the original permitted pipeline route at Section 31, T151N, R101W and Section 6, T150N, R101W, in McKenzie County (North Reroute) and at Sections 7 and 18, T149N, R101W in McKenzie County (South Reroute) as shown on the attached maps.

On January 15, 2008 Belle Fourche notified, by email, all agencies listed under N.D. Admin. Code § 69-06-01-05 of an Informal Hearing to be held by the Commission on January 16, 2008. At the Informal Hearing, the Commission directed that Belle Fourche contact the agencies by telephone. None of the agencies have communicated a concern regarding the proposed route changes.

Kathleen Spilman, Managing Director for Keitu Engineers & Consultants, Inc., evaluated the route changes and in a letter dated January 11, 2008 stated the North Reroute was initiated at the request of a landowner and the reroute crosses the property of the same three landowners as the current approved route. All landowners have agreed to the reroute. The North Reroute minimizes potential surface and storm water impacts by avoiding a marshy area of the water crossing, moves the pipeline further away from an occupied dwelling and developed areas of the City of Alexander, avoids routing through a landowner's stock pond and feed lot, and moves the pipeline further away from the municipal drinking wells of the City of Alexander. No new section lines or roads are impacted and a smaller impact to the Lonesome Creek water crossing is

expected. No naturally occurring woody areas or shelterbelt/tree rows or shrub areas are impacted by the reroute. The pipeline would be located even further from archaeological areas of potential exposure.

Kathleen Spilman states the South Reroute is proposed to reduce bending and stress on the pipe and increase the distance to the adjacent property line. The South Reroute crosses the property of the same landowners as the current approved route. All rural residences in the area of the reroute are more than 500 feet from the pipeline. No new section lines, roads or water crossings are impacted, no naturally occurring woody areas are impacted, no new shelterbelt/tree rows are impacted, and no archaeological areas of potential exposure are be impacted by the reroute.

We find that the proposed routes are compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

Order

The Commission orders:

1. Belle Fourche Pipeline Company's request for changes in the transmission line route in Section 31, T151N, R101W and Section 6, T150N, R101W, and Sections 7 and 18, T149N, R101W, all in McKenzie County is granted.
2. Belle Fourche Pipeline Company is issued First Amended Route Permit No. 108.

PUBLIC SERVICE COMMISSION

Tony Clark
Commissioner

Susan E. Wefald
President

Kevin Cramer
Commissioner