

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Enbridge Pipelines (North Dakota) LLC
Pump Station Upgrades
Siting Application

Case No. PU-07-791

ORDER GRANTING
CERTIFICATE OF CORRIDOR COMPATIBILITY AND ROUTE PERMIT

July 2, 2008

Enbridge Pipelines (North Dakota) LLC (Enbridge) owns and operates an existing crude petroleum pipeline extending from near Alexander, North Dakota, to Clearbrook, Minnesota.

On February 20, 2008 Enbridge Pipelines (North Dakota) LLC (Enbridge) filed a consolidated letter of intent and request for waiver of procedures and time schedules, and a request to amend its existing corridor certificates or route permits. Enbridge proposes to upgrade the existing Alexander Station in McKenzie County, the Trenton Station and Beaver Lodge Station in Williams County, Stanley Station and Blaisdell Station in Mountrail County, Minot Station in Ward County, Denbigh Station in McHenry County, Pleasant Lake Station in Benson County, Penn Station and Bartlett Station in Ramsey County, and Larimore Station in Grand Forks County on its existing crude oil pipeline.

On March 26, 2008 the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing. The notice provided until May 6, 2008 for comments or requests for hearing.

On May 6, 2008 John Sandberg, a resident of Penn, North Dakota requested a Hearing concerning the Penn Station and upgrades.

On May 21, 2008 the Commission issued a Notice of Hearing scheduling a public hearing to begin Friday, June 20, 2008 at 11:00 a.m. at the Ramsey County Courthouse, Devils Lake, North Dakota concerning the Penn Station.

On May 23, 2008 the Commission held an Informal Hearing to discuss the pump station upgrades and siting for each pump station with the exception of the Penn Station. On June 4, 2008 the Commission issued an order granting Enbridge certificates of corridor compatibility and route permits for the upgrade of the Alexander, Trenton, Beaver Lodge, Stanley, Blaisdell, Minot, Denbigh, Pleasant Lake, Bartlett, and Larimore Stations.

On June 11, 2008 John and Lorrie Sandberg by email and Enbridge by letter requested that the Commission cancel the June 20, 2008 formal hearing with respect to the Penn Station.

On June 13, 2008 the Commission issued a notice of cancellation of the formal hearing and scheduled an Informal Hearing on June 19, 2008 at 1:30 p.m. in the

Commission Hearing Room, 12th Floor, State Capitol, Bismarck, ND 58505. The Informal Hearing was held as scheduled.

The issues to be considered in this proceeding are:

1. Will the location, construction, and operation of the proposed pipeline facility at Penn produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Is the proposed pipeline facility at Penn compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed pipeline facility location at Penn minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?
4. Is the proposed pipeline facility at Penn of such design, location, or purpose that they will produce minimal adverse effects so that procedures and time schedules may be waived?
5. Does a demonstrable emergency exist, which requires immediate construction so that adherence to procedures and time schedules would jeopardize the utility's system?
6. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

On October 12, 2006 Enbridge was issued Certificate of Site Compatibility for Transmission Facility Corridor No. 95 and Permit for the Construction of a Transmission Facility No. 105 to construct the Penn Station, Case No PU-06-349.

The proposed upgrades to the Penn Station include the addition of pumps, the addition of a control building, and the addition of a drag reducer agent skid and equipment. All construction will take place on land already owned by Enbridge within the existing station boundaries.

The cultural resource survey material supplied in Case No. PU-06-349 demonstrates there will be minimal adverse effects by the proposed construction.

By its December 21, 2007 letter, the North Dakota Game and Fish Department indicated its belief, based on the information it was provided, that the project will have no significant adverse effects on wildlife or wildlife habitat, including endangered species.

Enbridge asserts that this pipeline facility will produce minimal adverse effects and requests that the Commission (1) waive provisions of law and rule that require filing of

separate applications, separate hearings and certain time schedules; (2) not hold a public hearing, but instead publish a notice of opportunity for hearing; (3) find that the proposed facilities are of such design, location and purpose that it will produce minimal adverse effects; and (4) issue the appropriate amended corridor certificates and amended route permits.

Enbridge's application included *Environmental Guidelines for Construction* providing environmental guidelines and mitigation measures when planning and constructing new pipelines and facilities; and *Spill Prevention, Containment, and Control Plan* describing planning, spill prevention and control measures to minimize impacts resulting from spills of fuels, petroleum products, or other regulated substances as a result of construction.

On June 19, 2008 Enbridge filed an affidavit of Brent Horton, Manager of Regional Services and Development, Enbridge Pipelines (North Dakota) LLC, in support of the application for the Penn Station.

The location, construction, and operation of the Penn Station upgrades will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

The proposed project is compatible with the environmental preservation and the efficient use of resources.

The proposed project minimizes adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

The proposed project is of such length, design, location, or purpose that it will produce minimal adverse effects so that procedures and time schedules may be waived.

It is appropriate to waive procedures and time schedules as requested in the application.

The Commission Orders:

1. Enbridge is issued Second Amended Certificate of Corridor Compatibility Number 95 and Second Amended Route Permit Number 105 granting authority to upgrade the Penn Station.
2. Second Amended Certificate of Corridor Compatibility Number 95 and Second Amended Route Permit Number 105 are effective for the life of the pipeline, but are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.
3. Enbridge must obtain approval from the Commission prior to any changes in the pipeline route or structural locations.

4. Enbridge shall comply with all the rules and regulations of all other agencies having jurisdiction over any phase of the proposed project, and prior to construction of any particular pumping station, shall obtain all other necessary licenses and permits for construction of that station, and shall provide copies to the Commission prior to construction of each station.
5. Enbridge shall obtain written waivers from affected landowners for location of the pipeline within 500 feet of a residence, school, or place of business prior to any construction in those areas.
6. A preconstruction conference shall be held prior to the commencement of any construction. The conference shall include an Enbridge representative, Enbridge's construction supervisor, and Commission staff, to ensure that Enbridge fully understands the conditions set forth in this order.
7. Enbridge shall inform the Commission of the date construction will start just prior to the commencement of construction; report to the Commission on the date construction is started; and, once construction has started, shall keep the Commission updated on construction activities on a weekly basis.
8. Enbridge shall construct and operate the pipeline facilities in the manner described in its application, as revised at the hearing or in late filed exhibits and supplemental materials, and in accordance with all applicable safety requirements.
9. Enbridge shall promptly report to the Commission the presence in the permit area of any critical habitat of threatened or endangered species, or of bald or golden eagles which Enbridge becomes aware of and that were not previously reported to the Commission.
10. Crossings of graded roads shall be bored unless the responsible governing agency specifically permits Enbridge to open cut the road.
11. All pre-existing roads and lanes used during construction must be restored to a condition that will accommodate their previous use, and areas used as temporary roads or working areas during construction must be restored to their original condition.
12. If any cultural resource, paleontological resource, archeological resource, historical resource, or gravesite is discovered during construction of the facility, earth disturbing activities in the immediate vicinity of the discovery must be halted. The resource must be marked, preserved and protected from any further disturbance until a professional examination can be made in consultation with the State Historic Preservation Office (SHPO). A report of such examination must be filed with the SHPO and the Commission. Clearance to proceed must be given by the SHPO and the Commission.
13. During construction, at least 12 inches of topsoil, where available (or topsoil to the depth of cultivation, whichever is greater), over and along areas where facilities will be placed must be stripped and segregated from subsoil. Any area on which excavated subsoil will be placed must first be stripped of topsoil. After backfilling with subsoil is completed, any excess subsoil must be placed over the excavation area, blending the grade

into existing topography. Topsoil must not be placed within the footprint of the pump station, and must be placed over areas containing topsoil.

14. Construction must be suspended during periods when weather conditions are such that construction activities would cause irreparable harm to the environment, unless adequate measures approved by the Commission are taken.

15. Reclamation and clean-up along the right-of-way must be continuous and coordinated with ongoing construction.

16. Reclamation, fertilization and reseeding must be done by Enbridge according to the Natural Resource Conservation Service unless otherwise specified by the landowner and approved by the Commission.

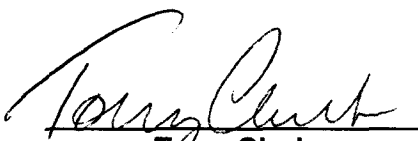
17. Enbridge's obligation for reclamation and maintenance of the right-of-way shall continue throughout the life of the pipeline.

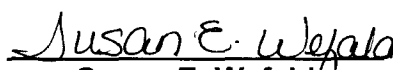
18. Enbridge shall construct and operate the pipeline in the manner described in its application, and in accordance with all applicable safety requirements.

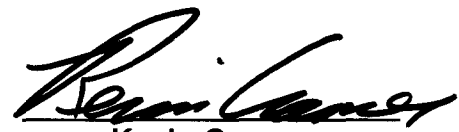
19. Enbridge shall comply with the Commission's Tree and Shrub Mitigation Specifications attached to this order.

20. Enbridge shall provide the Commission with a hard copy and electronic copy of the design specifications for the construction of the Penn Station showing the location of the project facilities as built, and an electronic version of the as-built design specifications that can be imported into ESRI GIS mapping software, and shall provide this information within 3 months of the completion of the construction.

PUBLIC SERVICE COMMISSION


Tony Clark
Commissioner


Susan E. Wefald
President


Kevin Cramer
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Second Amended
Certificate of Corridor Compatibility Number 95**

This is to certify that the Commission has designated a transmission facility corridor for Enbridge Pipelines (North Dakota) LLC to construct and operate the Blaisdell Station, Denbigh Station, Penn Station, and Larimore Station with associated facilities and pipeline interconnections in Mountrail, McHenry, Ramsey, and Grand Forks Counties, North Dakota.

The transmission facility corridor is designated by the Commission's September 20, 2006 Order in Case No. PU-06-349; is amended by the Commission's June 4, 2008 Order in Case No. PU-07-791 for Blaisdell, Denbigh, and Larimore Station upgrades; and is amended by the Commission's July 2, 2008 Order in Case No. PU-07-791 for Penn Station upgrades.

This certificate is subject to the conditions and limitations noted in those orders.

Bismarck, North Dakota, July 2, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Second Amended
Route Permit Number 105**

This is to certify that the Commission has designated a transmission facility route for Enbridge Pipelines (North Dakota) LLC to construct and operate the Blaisdell Station, Denbigh Station, Penn Station, and Larimore Station with associated facilities and pipeline interconnections in Mountrail, McHenry, Ramsey, and Grand Forks Counties, North Dakota.

The transmission facility route is designated by the Commission's September 20, 2006 Order in Case No. PU-06-349; is amended by the Commission's June 4, 2008 Order in Case No. PU-07-791 for Blaisdell, Denbigh, and Larimore Station upgrades; and is amended by the Commission's July 2, 2008 Order in Case No. PU-07-791 for Penn Station upgrades.

This permit is subject to the conditions and limitations noted in those orders.

Bismarck, North Dakota, July 2, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner

Case No. PU-07-791

Tree and Shrub Mitigation Specifications

Inventory

1. Trees and shrubs anticipated to be cleared, including those that are considered invasive species or noxious weeds (e.g., *Caragana arborescens*, *Elaeagnus angustifolia*, *Rhamnus cathartica*, *Tamarix chinensis*, *T. parviflora*, *T. ramosissima*, *Ulmus pumila*), shall be inventoried before cutting. The inventory shall record the location, number, and species of trees and shrubs.
2. In windbreaks, shelterbelts and other planted areas, trees or shrubs anticipated to be cleared, regardless of size, shall be inventoried for replacement.
3. In native growth areas, trees anticipated to be cleared that are 1 inch diameter at breast height ("dbh") or greater shall be inventoried for replacement.
4. In native growth areas, shrubs anticipated to be cleared in the permanent right-of-way shall be inventoried for replacement.
5. In native growth areas outside the permanent right-of-way, shrubs shall be cut flush with the surface of the ground, taking care to leave the naturally occurring seed bank and root stock intact. If soil disturbance is necessary, the native topsoil shall be preserved and replaced after construction. Shrubs shall be allowed to regenerate naturally where native topsoil is preserved and replaced. Where native topsoil is not preserved and replaced, shrubs anticipated to be cleared shall be inventoried for replacement.
6. In native growth areas, trees and shrubs may be inventoried by actual count or by sampling method that will properly represent the woody vegetation population. A sampling plan developed by the company, filed with the North Dakota Public Service Commission (NDPSC) and approved prior to the start of construction shall define the sampling method to be used for trees, for tall shrubs and for low shrubs. The data from the sample plots shall be extrapolated to the total acreage of the wooded area to be cleared to determine the species and quantity of trees and shrubs to be replaced.

Clearing for Construction

7. Trees and shrubs shall be selectively cleared, leaving mature trees and shrubs intact where practical.
8. The width of clear cuts through windbreaks, shelterbelts and all other wooded areas shall be limited to 50 feet or less unless otherwise approved by the NDPSC.
9. If the area of trees or shrubs actually cleared differs from the area inventoried, the difference in number of trees and shrubs to be replaced shall be noted on the inventory.

Replacement

10. Prior to tree/shrub replacement, documentation identifying the number and variety of trees removed as well as the mitigation plan for the proposed number, variety, type, location and date of replacement plantings shall be filed with the NSPSC for approval.
11. Tree replacement shall be on a 2 to 1 basis with 2-year-old saplings. Shrub replacement shall be on a 2 to 1 basis with stem cuttings.
12. Trees and shrubs shall be replaced by the same species or similar species suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service.
13. Tree and shrub replacement shall not be conducted within a 20 to 30 foot wide path over the pipeline to facilitate visual inspections of the right-of-way in accordance with U.S. Department of Transportation safety regulations.
14. Landowners shall be given the option of having replacement trees/shrubs planted off the right-of-way on the landowner's property or waiving that requirement in writing and allowing those replacement trees/shrubs to be planted at alternative locations.
15. At the conclusion of the project, documentation identifying the actual number, variety, type, location and date of the replacement plantings shall be filed with the NDPSC.
16. Tree/shrub replacements shall be inspected once a year for three years, on about the anniversary of the plantings, and, on or shortly before October 1 of each year, a report shall be submitted to the NDPSC documenting the condition of replacement planting and any woodlands work completed. If after three years from the

anniversary of the plantings the survival rate is less than 75%, the NDPSC may order additional planting(s).