

Memorandum

To: Gloria Geiger
From: Mike Diller *MRD*
Date: July 7, 2008
Re: **NuStar Pipeline Operating Partnership, L.P.**
North Product System
Public Convenience and Necessity
Case No. PU-08-194

The following is written to provide the commission with a very limited review of this case regarding the applicant's financial ability operate the North Product System.

The applicant is owned by NuStar Energy L.P. a publicly owned company traded under the symbol NS on the New York Stock Exchange. According to its application and the financial information available on the website of Yahoo! Finance, NuStar Energy L.P. has shareholder equity of about \$2 billion and market capitalization of \$2.5 billion.

The commission has used stockholder equity of the parent company as a litmus test for showing financial ability to provide service. Based on its review, staff concludes that the applicant has access to sufficient capital through its parent company to provide service in North Dakota.

Staff sees no reason to deny this application and will provide this document to the applicant's representatives.