

I. FACTS

A. *Facts Pertinent to Pipeline's Initial History and Status*

1. The Pipeline was built as a proprietary pipeline by Amoco in 1958, to serve Amoco's refinery in Mandan, North Dakota. "Application," Section II.
2. The Pipeline remained proprietary until Applicant, under its former name, Kaneb, converted the Pipeline to a common pipeline carrier in 2002. "Application," Section II.

B. *Facts Pertinent to Applicant's Status as Public Utility*

1. Applicant owns the North Product System (the Pipeline). "Request to Withdraw." (The Pipeline has many appellations, as detailed in the City's Petition to Intervene, but in this Response it will be referred to as the North Product System or the Pipeline.)
2. Tesoro Petroleum Corporation (Tesoro) owns the Mandan Refinery (Refinery). "Request to Withdraw," Section I, p. 2.
3. Applicant is an entity separate from the Refinery.
4. Although NuStar states to this Commission in its Request to Withdraw that the products of only one company move through the Pipeline, NuStar holds out to the public on its web site that its Central North System has three "originations": Tesoro Mandan; BP Whiting; and Magellan Midstream Partners, LP. <http://www.nustarenergy.com/Pipeline%20Data%20Sheets/CentralNorthSystem.pdf>. [Printed copy attached as Exhibit A.]
5. Magellan Midstream Partners LP has a terminal in Fargo, North Dakota. <http://www.magellanlp.com/assetmap.asp> [Printed copy attached as Exhibit B]
6. NuStar shows the "Central North System" as extending from Mandan, North Dakota to Twin Cities (Roseville), Minnesota, with a "T" junction at Jamestown, North Dakota. [See Exhibit A.]
7. Tesoro describes the pipeline system used to move its products from the Mandan Refinery as a "third-party refined products pipeline system that serves various areas from Bismarck, North Dakota to Minneapolis, Minnesota." <http://www.tsocorp.com/TSOCORP/ProductsandServices/Refining/MandanNorthDakotaRefinery/MandanNorthDakotaRefinery>. [Printed copy attached as Exhibit C; emphasis added.]

8. The Pipeline serves a very critical public need. "Request to Withdraw," Section II, p. 3.

C. *Facts Pertinent to Pipeline's Status as a Common Carrier Pipeline*

1. The Pipeline Company has a common carrier tariff approved by the North Dakota Public Service Commission for the North Pipeline System. [Copy attached as Exhibit D.]
2. The Pipeline Company has a federal tariff as a common pipeline carrier, Federal Energy Regulatory Commission (FERC) Docket No. 08-255-000. [Copy attached as Exhibit E.]
3. The Pipeline Company holds out to Security and Exchange Commission of the United States that it is a common pipeline carrier. In the Form 10-K it attached to NuStar's Application, NuStar made the following statements:
 - a) "Refined Product Pipelines" "Our refined product pipelines operations" consist primarily of the transportation of refined petroleum products as a *common carrier in* Texas, Oklahoma, Colorado, New Mexico, Kansas, Nebraska, South Dakota, *North Dakota*, and Minnesota . . . [page 11, emphasis added.]
 - b) "The North Pipeline runs from west to east approximately 440 miles from its origin at the Tesoro Mandan refinery to the Minneapolis, Minnesota area. The North Pipeline crosses our East Pipeline near Jamestown, North Dakota, where the two pipelines are connected. While the North Pipeline is currently supplied *primarily* by the Tesoro Mandan refinery, *it is capable of delivering or receiving products to or from the East Pipeline.* . . . [page 13, emphasis added.]
 - c) Revenues for the East Pipeline, North Pipeline, and Ammonia Pipeline are based upon volumes and the distance the product is shipped and the related tariffs. . . . Refined product shippers are generally invoiced by us upon delivery for the Central West, North, and Ammonia pipelines and upon the product entering our East Pipeline. [page 14]
 - d) "Common carrier activities are those for which transportation through our pipelines is available at published tariffs filed, in the case of interstate petroleum product shipments, with the FERC, or, in the case of intrastate petroleum product shipments in Colorado, Kansas, North Dakota, Oklahoma, or Texas, with the relevant state authority, *to any shipper of refined petroleum products who requests such services and satisfies the conditions*

and specifications for transportation. . . . [page 15, emphasis added.]

4. Applicant admits at Section II of its Application that under its prior name, Kaneb, it converted the North Product System from a proprietary pipeline to a common pipeline carrier in 2002:

“Kaneb converted the Tesoro proprietary pipeline system to a common carrier pipeline in December, 2002.”

II. PROCEDURAL HISTORY

A. *Before CaseNo. PU-08-194 was filed.*

1. When Applicant changed the Pipeline from a proprietary carrier to a common carrier in 2002, it did not apply for a Certificate of Convenience and Necessity, even though it had become a public utility as that is defined in North Dakota law.
2. When Applicant changed its name from Kaneb to NuStar, it did apply for a Certificate of Convenience and Necessity.
3. On April 8, 2008, Applicant submitted its tariff to this Commission as a common pipeline carrier.

B. *Case No. PU-08-194.*

1. On April 24, 2008, Applicant submitted itself to the jurisdiction of this Commission by asking for a Certificate of Convenience and Necessity, apparently submitting for publication a map which, contrary to N.D.C.C. § 49-03.1-03, did not show the area to be served, in that did not show the complete extent of the Pipeline in North Dakota.
2. On June 25, 2008, the City of Fargo petitioned to intervene.
3. On July 29, 2008, pursuant to informal discussions, the City of Fargo submitted a request for information pertinent to safety aspects of the Pipeline, which, according to Applicant, is 10 years older than its projected useful life. *See* NuStar's SEC Form 10-K, Exhibit B to Application, page 61.
4. On July 31, 2008, Applicant filed a Request to Withdraw its Application.

III. LAW

A. *Public utilities in North Dakota are required to secure a certificate of public convenience and necessity before beginning operation.*

North Dakota requires that a public utility secure a certificate of public convenience and necessity before beginning operation:

“No public utility shall begin construction or operation of a public utility plant or system without first obtaining from the commission a certificate that public convenience and necessity require or will require such construction and operation.”

N.D.C.C. § 49-03.1-01. In 2002, Applicant began to operate the Pipeline in North Dakota as a common pipeline carrier without a Certificate of Public Convenience and Necessity.

B. *A common pipeline carrier which holds itself out as willing to furnish its service to the public generally, and which is statutorily subject to the jurisdiction of the commission, is a public utility.*

For most Title 49 purposes, a “public utility” includes any association, person, firm, corporation, limited liability company, or agency engaged or employed in any business enumerated in this title. N.D.C.C. § 49-01-01. “Common pipeline carrier” is a business enumerated in Title 49. See N.D.C.C. § 49-19-01.

For the specific purpose of securing a certificate of public convenience and necessity, the Legislature provided that a “public utility” includes:

“... any association, person, firm, corporation, limited liability company, or agency engaged or employed in this state to furnish its product or services to the public generally which is statutorily subject to the jurisdiction of the commission. The words “public utility” as used in this chapter do not apply to electric public utilities, telecommunications companies that are not incumbent telecommunications companies under chapter 49-21, or motor carriers of persons or property for hire.”

N.D.C.C. § 49-03.1-02(2). Under either definition, a “public utility” is the operator of a facility or service rather than the equipment. While the Pipeline itself was constructed in 1958, Applicant began to operate the system in 2002.

The more specific CPC&N definition of “public utility” has not been analyzed by the North Dakota appellate courts, but it has been interpreted by the Public Service Commission itself, first in *Appl. of Western Gas Processors, Ltd.*, Case No. 9981 (1980). In that case, the PSC determined that the specific chapter definition in § 49-03.1 superseded the more general definition of § 49-01-01(3), which had been interpreted in *Eckre v. Public Service Commission*, 247 N.W.2d 656 (N.D. 1976). In *Western Gas Processors*, the Commission concluded on reconsideration that a gas processing company whose pipeline moved unrefined natural gas from wellheads to its own processing plant and thence to a single customer was not operating a public utility within the jurisdiction of the Commission.

More recently, the Commission determined that a natural gas processing company could build a pipeline to move its own processed gas from its processing plant to a distribution pipeline, without thereby becoming a public utility. This was so even though the Forest Service required the processing company, as a condition of its access permit, to agree to operate as a common carrier. *Williston Basin Interstate Pipeline Company v. Koch Industries, Inc.*, Case No. 552-92-442. The Commission found that despite the Forest Service’s permit condition, the processor was not “holding itself out to serve the public

generally.” “Findings of Fact, Conclusions of Law and Order, August 12, 1992, ¶24, p.4. Because a preponderance of the evidence failed to establish that the processor was either “engaged or employed to furnish its product or service to the public generally, or that it proposes to be so engaged or employed,” the processor was not a public utility under N.D.C.C. § 49-03.1-05(2). ¶ 25 p.4; ¶ 4, p. 5.

By contrast, Applicant herein is a person or firm engaged in furnishing the service of moving refined petroleum products via pipeline to the public generally in the State of North Dakota. Applicant holds itself out to the public as being willing to move refined petroleum products by:

- a. filing federal and state tariffs indicating to the general public its rates for moving refined petroleum products. [Exhibits D and E],
- b. advising investors through federal filings about its state and federal tariffs, and the flexibility of its North Delivery System to service various points in addition to Tesoro’s Mandan Refinery [Form 10-K attached to Application], and
- c. publishing to the general public through its web site that there are three “originators” for its Central North System [Exhibit A].

Tariffs lead the general public to believe that if one is in a position to make use of Applicant’s services, they are available at a fixed and publicly stated rate; SEC filings let investors know that the North Delivery System does more than service a single refinery; and the web site reinforces the position taken in SEC 10-K filings that the system is more than a conduit from the Mandan Refinery.

Applicant’s situation is completely different than that of Western Gas Processors or Koch Industries. They were engaged in the business of processing natural gas and their pipelines moved only their own natural gas. Applicant is in the pipeline business (as to this Pipeline) and uses the Pipeline to move product belonging not to NuStar but to other companies.

Because Applicant holds itself out as furnishing petroleum transportation services to the public generally in North Dakota, Applicant is a public utility. As a public utility, it should have secured a Certificate of Public Convenience and Necessity before it begin operations. Applicant’s belated Application should not be permitted to be withdrawn.

C. Applicant is a common pipeline carrier and therefore statutorily subject to the jurisdiction of the Commission.

Applicant itself states to this Commission that it is a common pipeline carrier. “Request to Withdraw Appl. for Cert. of Public Convenience and Necessity,” Section I, page 2. Given its repeated public actions and representations that it is a common pipeline carrier, as set forth above, Applicant can hardly state otherwise.

Applicant's position as a carrier is not at all similar to that of Koch Industries, which the Commission found was a common pipeline carrier only "by virtue of the condition in its permit from the United States Forest Service which requires that it be a common carrier." "Findings of Fact, Conclusions of Law and Order," Case No. PU-552-92-442, ¶ 23, p. 4. Applicant, on the other hand, ceased being a proprietary carrier and became a common pipeline carrier by its own choice. "Application," Section II. Koch Industries was a common pipeline carrier without being a public utility because, despite the federal permit condition making it rather involuntarily a common carrier, Koch did not hold itself out as making a service available to the public generally. In contrast with Koch, NuStar holds itself out as making its service available to the public, and it does so in multiple venues on an entirely voluntarily basis.

As with public utilities so with common pipeline carriers: the regulated entity is not the pipeline but its operator. "Every person" owning, operating or managing any pipeline or any part of any pipeline within this state moving certain substances "is a common carrier and is subject to the provisions of this chapter as a common pipeline carrier." N.D.C.C. § 49-19-01.

A "common pipeline carrier" is a business enumerated in Title 49 at Chapter 19. Common pipeline carriers are thus statutorily subject to the jurisdiction of the commission. N.D.C.C. § 49-01-01. Businesses statutorily subject to the jurisdiction of the commission and which hold themselves out as rendering a service to the public generally are public utilities in North Dakota. N.D.C.C. § 49-03.1-02(2).

D. "Public generally" refers to the relevant public who would in the course of their business potentially be able to use common pipeline carrier service.

This Commission has determined that the words "public generally" as found in N.D.C.C. § 49-03.1(2) refer to the relevant public who would potentially, in the course of their business, be able to use common pipeline carrier service. "Findings of Fact, Conclusions of Law and Order," Case No. PU-552-92-442, ¶, p. 3. The word "public" does not mean all the people, nor most of the people, nor very many of them as contradistinguishing them from a few. [cit. om.] *Oscar H. Will & Co. v. State of North Dakota*, 68 N.D. 433, 281 N.W. 65 (1938).

Applicant itself notes that it meets a very critical public need in North Dakota. It does so by moving refined petroleum to the Jamestown terminal in North Dakota and the Moorhead, Minnesota terminal for distribution, among other destinations, to Fargo. Bulk station operators who do not directly serve the general public at the retail level have been held to be a part of the public, particularly when their business is such that they in turn serve the public generally. *Matter of the Application of Hvidsten*, 78 N.D. 56, 48 N.W.2d 26 (1951).

One offers service to the "public" within the meaning of the statute [regulating public utilities] when he holds himself out as willing to serve all who apply up to the

capacity of his facilities. It is immaterial, in this connection, that his service is limited to a specified area and his facilities are limited in capacity. *State ex. rel. Utilities Commission v. Mackie*, 338 S.E.2d 888, 893 (N.C.App. 1986), *dec. aff'd as modified*, 318 N.C. 686, 351 S.E.2d 289 (1987). Although a service may be offered only to a definable class, rather than to the public at large, it still may be considered an offering of service to the "public" within the meaning of the regulatory statutes. *Ibid.* at 893-894.

A public utility holds itself out to the public generally and may not refuse any legitimate demand for service, while a private business independently determines whom it will serve. *Commonwealth of Pennsylvania v. Lafferty*, 426 Pa. 541, 549, 233 A.2d 25, 260 (Pa. 1967). Even if Applicant's own web site is mistaken and it has one, rather than three, users for the Pipeline, it is nevertheless a public utility because any other user that meets the terms of its published state and federal tariffs is entitled to service without discrimination. See N.D.C.C. §§ 49-19-11, 20.

E. A common pipeline carrier serving a very critical public need is a public utility, and thus subject to regulation concerning safety.

Applicant NuStar states to the Commission that the Pipeline "provides essential transportation for the delivery of refined products . . . to meet consumer demand. . . . It is clear that the Pipeline serves a very critical public need." "Request to Withdraw," Section II, p.3. A utility which avers that it serves a very critical public need has admitted that it is a public utility.

Precisely because the Pipeline serves a very critical public need, its safety is a matter of public concern. This Commission may "attach to the exercise of the rights granted by any certificate such terms and conditions as in its judgment the public convenience and necessity may require." The fresh air of disclosure and the transparency of a public hearing are the best ways to determine those terms and conditions which will allow a pipeline that is ten years past its projected useful life to serve the citizens of North Dakota safely, and preserve the integrity of Fargo's water supply.

CONCLUSION

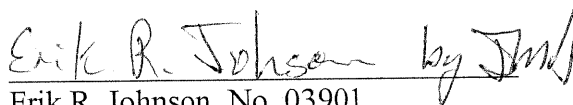
With respect to the Pipeline, Applicant meets the two part test articulated by this Commission to define those utilities required to secure Certificates of Public Convenience and Necessity:

"(1) those businesses which furnish their products or services to the public generally, and

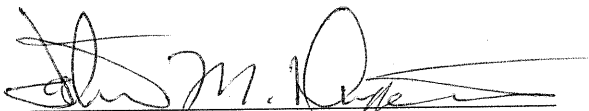
"(2) which are subject to the jurisdiction of the Commission."

Western Gas Processors, Ltd. above, p. 3. Therefore, the City of Fargo respectfully submits that this Commission should deny Applicant's Request to Withdraw Application for Certificate of Public Convenience and Necessity, and set this matter for hearing on the issues raised in the City's Petition to Intervene, especially issues of public safety.

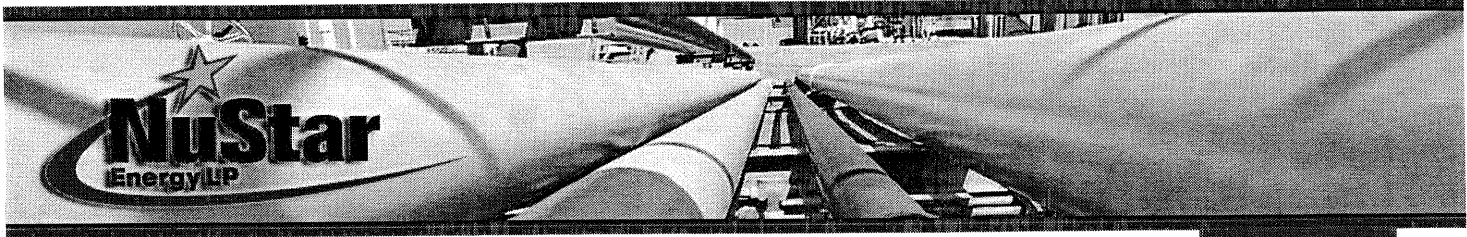
Respectfully submitted this 20th day of August, 2008.

 by JMD

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jdingess@dodpc.com
Special Counsel



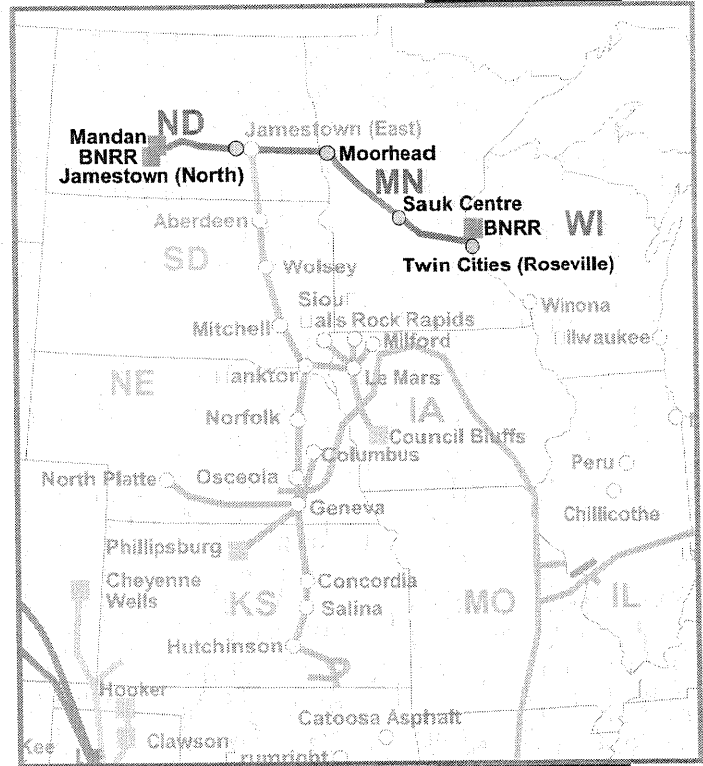
Central North System

Marketing Contacts:

Director, Pipelines:
 Greg Schmidt
 210-918-4334
 greg.schmidt@nustarenergy.com

Sr. Area Sales Manager:
 Glenn Emery
 316-721-7023
 glenn.emery@nustarenergy.com

NuStar Energy L.P.
2330 Loop 1604 W.
San Antonio, Texas 78248
(210) 918-2000



Pipeline Specifications

Length	497 miles
Diameter	8 inch; 10 inch
Origination	Tesoro Mandan; BP Whiting; Magellan Midstream Partners, LP
Termination	Jamestown North, Moorhead, Sauk Centre, Twin Cities (Roseville), Burlington Northern Railroad; Magellan Midstream Partners, LP
Regulating Body	FERC
Products	Refined Products; Propane; Natural Gasoline
Pipeline Capacity	36 MBD to 48 MBD

EXHIBIT
 A
 CASE NO PU-08-194

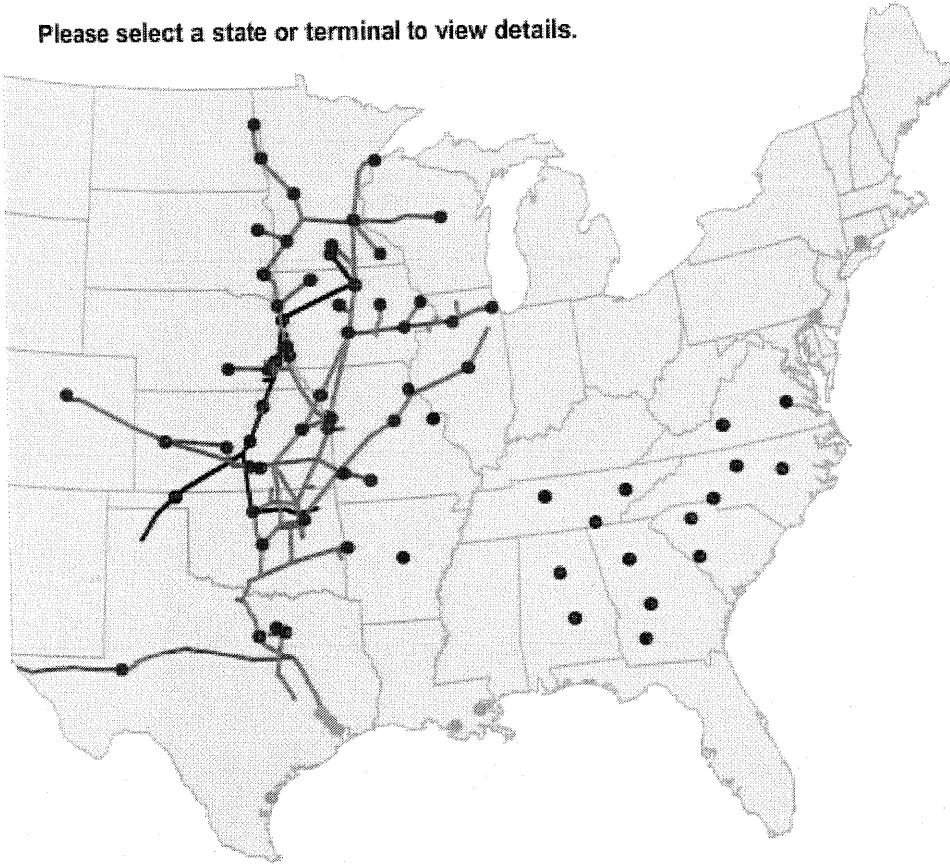


MMP \$38.23
Unit Price delayed

- home
- investors
- commercial info/assets
- safety/environment
- careers

ASSET MAP

Please select a state or terminal to view details.



Terminal: Fargo, North Dakota

Address: 902 Main Ave. East
Fargo, ND 58078

Phone: (701) 282-3208
(701) 281-9502 Fax

Contact: Stan Rogers
(918) 574-7402
stan.rogers@magellanlp.com

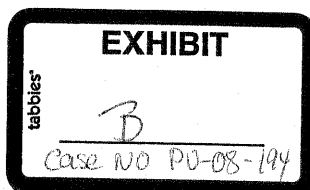
Loading Spots - 3 (bottom-loading)
Rack: Ethanol Unloading(Truck)
7a.m.-5p.m.
Grounding System - Scully
Vapor Tightness - Required

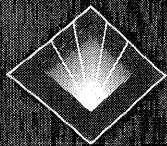
Products: Cenex proprietary fuel oil
Ethanol
Low-sulfur no.1 fuel oil
Low-sulfur no.1 fuel oil, dyed red
Low-sulfur No.2 fuel oil
Low-sulfur No.2 fuel oil, dyed red
Low-sulfur No.2 fuel oil, w/CFI
Low-sulfur premium diesel
Premium diesel, dyed red
Premium Unleaded Gasoline
Regular Unleaded Gasoline
Sub-octane unleaded

Additives: Intake valve deposit control, a
gasoline grades, premium fuel
package, all fuel oil grades

- Petrole
- Pipeline
- Petr
- Prod
- Pipe
- Pipe
- Petrole
- Terminal
- Man
- Inlan
- Amme
- System
- Amn
- Amn

For Terminals: Robb Barnes 918-574-7704 robb.barnes@magellanlp.com	For Pipeline: Stan Rogers 918-574-7402 stan.rogers@magellanlp.com	24-Hour Emergency Number 1-800-720-2417	Call Before You Dig 811
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TESORO

Mandan Refinery

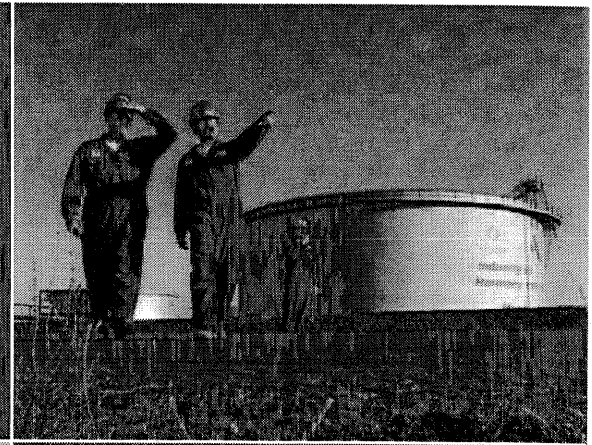
F A C T S H E E T

Mandan Refinery

The Tesoro Mandan refinery began operations in 1954, three years after crude oil was discovered in North Dakota, with an initial capacity of 30,000 barrels per day. Today, the refinery has a capacity of 60,000 barrels per day and processes primarily sweet (low sulfur) domestic crude oil, from North Dakota. The facility manufactures gasoline, diesel fuel, jet fuel, heavy fuel oils and liquefied petroleum gas. Most of the refinery's products are shipped via pipeline to eastern North Dakota and Minnesota.

Tesoro operates more than 750 miles of crude pipelines, transporting more than 380,000 barrels per day across our system. The largest part of this system is a 750-mile crude oil gathering and mainline system that delivers all of the Mandan refinery's crude supply. Tesoro distributes approximately 85 percent of the Mandan refinery's production through a third-party refined products pipeline system that serves various areas from Bismarck, North Dakota to Minneapolis, Minnesota.

Tesoro Mandan occupies 960 acres and is situated on the Missouri River in central North Dakota, approximately five miles west of Bismarck, in Mandan.



Employing 230 full-time workers, Mandan Refinery generates

\$20 million*

annually in employee salaries and wages and property taxes in the state of North Dakota

MANDAN REFINERY
900 Old Red Trail N.E.
Mandan, North Dakota 58554
(701) 667-2400

REFINERY CONTACTS:

Alan R. Anderson
Vice President, Northern Great Plains Region
(701) 667-2402

Leif W. Peterson
Manager, Human Resources
(701) 667-2405

WEB SITE: www.tsocorp.com

* Based on 2006 data. All numbers are approximate.

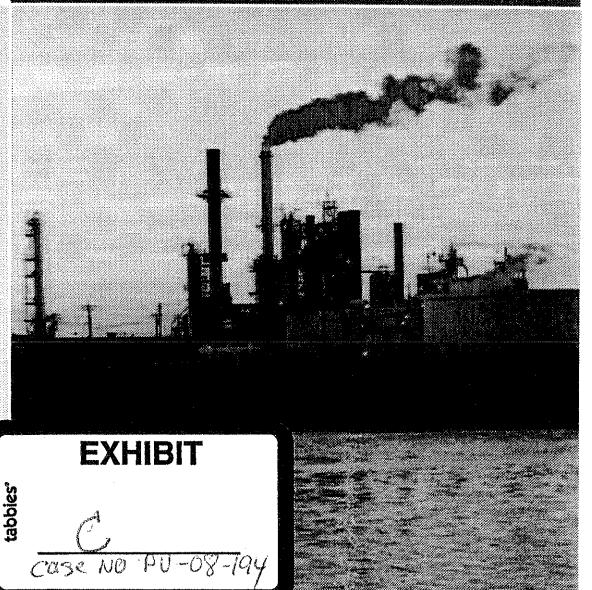
About Tesoro Corporation

Tesoro Corporation, headquartered in San Antonio, Texas, is a Fortune 150 and a Global 500 company with approximately 5,900 employees. As a leading independent refiner and marketer of petroleum products, Tesoro, through its subsidiaries, operates seven refineries primarily in the western United States with a combined crude oil capacity of more than 660,000 barrels per day. The seven refineries are located in:

- Anacortes, Wash.
- Kapolei, Hawaii
- Kenai, Alaska
- Mandan, N.D.
- Martinez, Calif.
- Salt Lake City, Utah
- Wilmington, Calif.

Tesoro's retail marketing system includes over 900 branded retail stations, of which more than 445 are company operated under the Tesoro®, Shell®, Mirastar® and USA Gasoline® brands.

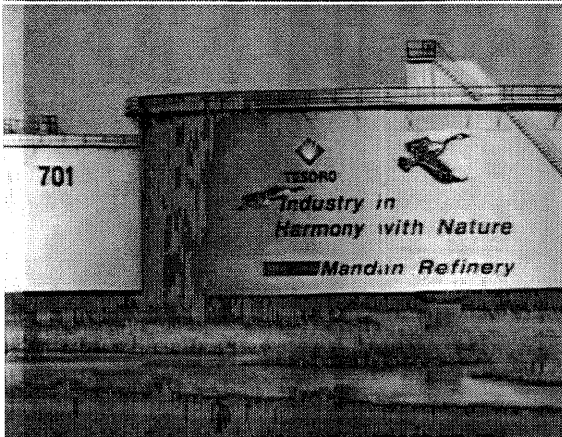
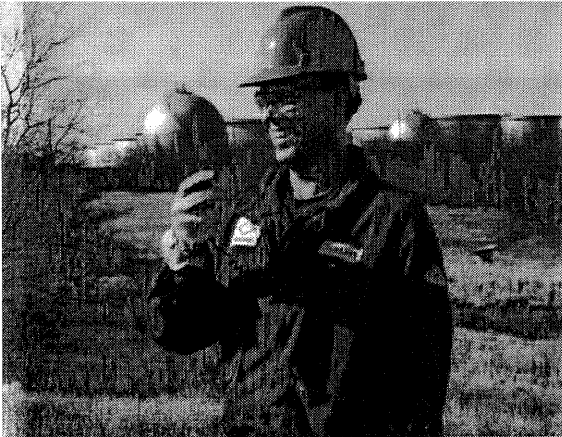
Tesoro's commercial marketing system includes sales of jet and marine fuels.



EXHIBIT

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Case NO PU-08-194



Environment

Tesoro's Mandan refinery has dedicated about 640 acres of its property adjacent to the refinery's process units and tank farm to serve as a natural wildlife habitat. Originally constructed in 1972 as part of an engineered wetland for treated wastewater, the area has been enhanced over the years to provide exceptional wildlife habitat. Waterfowl, wild turkeys, pheasants and the endangered Least Tern nest in the area. Deer, coyotes, foxes and badgers also live and forage within its boundaries.



Employees at the Mandan refinery have built nesting structures and planted thousands of trees, including fruit trees, to provide cover and food for the refinery's wildlife.

For this outstanding example of environmental stewardship, the Mandan refinery has received national recognition from the Nature Conservancy, the Wildlife Habitat Council and the National Wildlife Federation.

Health and Safety

Tesoro's vigilant safety programs have contributed to continuing improvement in employee safety over the past several years. This can be seen in our 45 percent reduction in the frequency-of-injury rate since 2004. In 2006, we posted the lowest Occupational Safety and Health Administration recordable incident rate in our history.



In 2007, the Mandan refinery attained Merit status under the Occupational Safety and Health Administration's Voluntary Protection Program. The refinery was also recognized in 2006 by the National Petrochemical and Refiners Association (NPRA) with the *Gold Award*, which recognizes facilities that have reduced by 25 percent or more their

total recordable incident rate with no workplace-related fatality of an employee or non-employee during the calendar year.

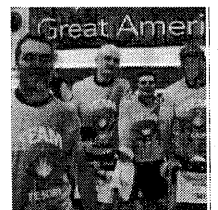
The refinery also won the NPRA's *Meritorious Safety Performance Award* for achieving a total recordable incident rate of 1.2 or less with no workplace-related fatality of an employee or non-employee during the calendar year. NPRA also awarded the Mandan refinery with the *Award for Safety Achievement: 1+ Years*, recognizing it for operating one or more years without an employee lost workday case involving days away from work and without a workplace-related fatality of an employee or non-employee during the evaluation period.

Community

Tesoro and its employees partner with surrounding communities, donating not only money but also time to support local activities focused on education, environment and community vitality. The Mandan refinery and its employees, in particular, are recognized for a tradition of commitment and contributions to the communities of Mandan and Bismarck and to the state of North Dakota. This commitment is reflected by Tesoro's contributions to the Missouri Slope Areawide United Way and by the support of more than 70 volunteers, representing one-third of the refinery employees, who give countless personal volunteer hours each year to the *Golden Age Project*, which makes repairs and improvements to the homes of senior citizens. Employees also raise thousands of dollars each year to support cerebral palsy research through participation in the *Great American Bike Race*.

Among the areas that benefit and enrich North Dakota communities, Tesoro Mandan is most passionate about education and the environment. For the past 17 years, Tesoro Mandan refinery employees have joined with Mandan and Bismarck Girl Scouts and Boy Scouts and the Mandan and Bismarck City Forestry and Parks and Recreation Departments to plant more than 300 trees and bushes in honor of Arbor Month each May.

In 2007, Tesoro awarded a \$50,000 grant to help restore native prairie areas, improve wildlife habitat, and develop educational and recreation opportunities at President Theodore Roosevelt's Elkhorn Ranch in North Dakota.





RECEIVED

APR 09 2008

PUBLIC SERVICE COMMISSION

NuStar Pipeline Operating Partnership, L.P.

2330 North Loop 1604 West • San Antonio, Texas 78248
Telephone (210) 918-4631

April 8, 2008

Transmittal No. 2

OIL PIPELINE TARIFF FILING

To the NORTH DAKOTA PUBLIC SERVICE COMMISSION (NDPSC)

Attn: Public Utilities Division
600 E. Boulevard Avenue
Bismarck, ND 58505-0480

Dear Commissioner:

The following NuStar Pipeline Operating Partnership, L.P. tariffs, issued and effective on May 9, 2008 are sent to you for filing:

NDPSC No. 2 (Cancels NDPSC No. 9*)	May 9, 2008
*Kaneb Pipe Line Operating Partnership, L.P. Series	

NuStar Pipeline Operating Partnership, L.P. certifies that copies of this filing have been sent via first class mail, or other means of transmission as agreed upon by the subscriber, to each subscriber of the affected tariff publication. NuStar Pipeline Operating Partnership, L.P. requests that all protests to this filing be telefaxed to Joe Graham at (210) 918-3521.

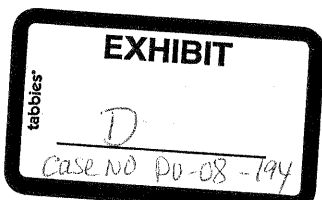
NuStar Pipeline Operating Partnership, L.P. requests acknowledgement of receipt. For the purpose of obtaining the requested acknowledgement, NuStar Pipeline Operating Partnership, L.P. has enclosed a duplicate copy of this transmittal letter and a postage-paid self-addressed return envelope.

If you have any questions regarding this filing, please contact the undersigned at (210) 918-4631.

Respectfully submitted,

Joe Graham
Director, Tariffs & Regulatory Planning

1 **PU-08-148** Filed: 4/9/2008 Pages: 9
NDPSC No. 2 Tariff (Cancels NDPSC No. 9)



NDPSC No. 2

Cancels

NDPSC No. 9*

*Kaneb Pipe Line Operating Partnership L.P. Series

NuStar Pipeline Operating Partnership, L.P.

LOCAL NON-INCENTIVE PIPELINE TARIFF

Applying on

PETROLEUM PRODUCTS

As Defined in Item No. 10

TRANSPORTED BY PIPELINE

FROM AND TO POINTS NAMED HEREIN

The rates named in this Tariff are expressed in cents per barrel of forty-two (42) United States gallons and are subject to change as provided by law, also to regulations named herein.

The rates published herein will have no effect on the quality of the human environment.

Issued: April 8, 2008

NDPSC Effective Date: May 9, 2008

Issued By:

Mary F. Morgan, Sr. Vice-President

Compiled By:

Joe Graham, Tariffs & Regulatory Planning Director

NuStar Pipeline Company, LLC
General Partner of NuStar Pipeline Operating Partnership, L.P.
2330 North Loop 1604 West
San Antonio, TX 78248
Phone (210) 918-4631 Fax (210) 918-3521

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ABBREVIATIONS AND REFERENCE MARKS	
NDPSC No.	North Dakota Public Service Commission Number
[S]	Intrastate rate only
±	No terminal facilities provided by the carrier.
[U]	Unchanged
[W]	Change in wording only
[C]	Cancel

ALPHABETICAL LIST OF POINTS FROM AND TO WHICH RATES IN SECTION 2 APPLY			
Points from which rates apply	Item Number	Points to which rates apply	Item Number
Mandan, North Dakota	105	Jamestown, North Dakota Mandan, North Dakota	105 105

**SECTION 1
RULES AND REGULATIONS**

The [W] NuStar Pipeline Operating Partnership, L.P., hereinafter referred to as "carrier", will receive petroleum products for transportation under the following conditions:

Item No. 10. PETROLEUM PRODUCTS DEFINED

The term "petroleum product" as used herein, means any petroleum product which by American Society for Testing Materials test methods, substantially distills below seven hundred (700) degrees Fahrenheit, has a Reid vapor pressure not exceeding twenty-eight (28) pounds at one hundred (100) degrees Fahrenheit and a color not darker than No. 3.

Item No. 15. TESTING

Carrier may sample and/or test any shipment prior to acceptance or during receipt of shipment.

Item No. 20. MEASURING

Carrier will gauge or meter petroleum products at origin at time of receipt and at destination at time of delivery. Shipper or consignee shall have the privilege of being present or represented at the time of measurement. Petroleum products will be received and delivered on the basis of volume corrections for temperature from observed temperatures to temperatures on the basis of sixty (60) degrees Fahrenheit.

~~[C]Carrier will only be accountable for delivery of that quantity of products accepted for transportation after a tender deduction of one-tenth of (1/10) of one (1) percent by volume on the quantity of all petroleum products accepted for transportation.~~

Item No. 25. FACILITIES AT ORIGIN AND DESTINATION

Section A - Origin. Petroleum products will be accepted for transportation only when shipper has provided equipment and facilities satisfactory to the carrier for receiving such shipments at point of origin at a pumping rate equal to carrier's then current rate of pumping.

Section B - Destination. Carrier will provide at its terminals reasonable facilities for receiving, storing, and loading petroleum products.

Shipper or consignee may provide facilities for receiving, storing, and loading petroleum products at carrier's terminals, or at other delivery points on the pipeline.

Carrier assumes no responsibility to accept any petroleum product from any shipper at any time that either the carrier, shipper or consignee does not have facilities for promptly receiving such product from the line at designated destinations.

Item No. 30. MINIMUM SHIPMENT

A minimum of five thousand (5,000) barrels of one quality and specification of a "petroleum product" will be accepted for shipment from one or more shippers at one point of origin at one time. However, the minimum will not apply to buffer material required by carrier to reduce contamination. Shipments involving line reversals will be accepted subject to delay until carrier has accumulated sufficient barrels or more of the same or other products to move in the same section of the line in the same direction, at the same time.

Item No. 32. MINIMUM CONSIGNMENT

A total of not less than one thousand (1,000) barrels of a petroleum product may be consigned simultaneously by one or more shippers to any destination, providing there remains in the pipeline after delivery of such consignment at least three thousand (3,000) barrels of the same kind of a petroleum product consigned to a destination beyond such delivery point.

Item No. 35. MINIMUM DELIVERIES FROM CARRIER'S TERMINALS

For delivery of petroleum products from carrier's terminals, consignee or consignor shall provide the required motor tank trucks. Each tank truck to be loaded with other petroleum products must have a minimum total capacity of two thousand five hundred (2,500) gallons.

NuStar Pipeline Operating Partnership, L.P. – NDPSC No. 2 (Cancels NDPSC No. 9*)

*Kanab Pipe Line Operating L.P. Series

Item No. 40. DUTY OF CARRIER

The carrier shall transport and deliver at the destination, with reasonable diligence, the quantities of petroleum products accepted for transportation less the tender deduction.

In the event of non-delivery due to interface cuts or other operating losses, the carrier shall have the right to satisfy any claim by product replacement or cash payment.

Item No. 45. IDENTITY OF SHIPMENT

The shipper or consignee will not receive the identical petroleum products shipped. Petroleum products shipped will be commingled with other substantially-similar petroleum products. Carrier will deliver petroleum products substantially-similar to the petroleum products shipped, but petroleum products delivered may vary in color, gravity, and quality from the petroleum products shipped.

Item No. 50. LIABILITY OF CARRIER

Carrier shall not be liable for any delay in delivery of petroleum products or for any loss of damage to, or contamination of petroleum products that are caused by events beyond Carrier's reasonable control, including, without limitation acts of God, acts of government, acts of public enemies, acts of terrorists accidents, civil unrest, explosions, fires, floods, labor disputes, riots, strikes, war, breakdowns of machinery, or shortages of fuel or power or by act of default of shipper, or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all product in the loss, and each shipper or consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to shippers and consignees showing the apportionment of any such loss.

As a condition to Carrier's acceptance of petroleum products for shipment, each shipper will release, indemnify, defend, and hold harmless Carrier from and against any and all claims, causes of action, costs, damages, fines, liabilities, and losses (including, without limitation, reasonable attorneys' fees and defense costs) arising out of: the breach of any provision of this tariff by the shipper, its consignees, or the employees, contractors, agents, or other representatives of the shipper or its consignees; and injuries (including, without limitation, death) to persons, damage to property, and damage to the environment in connection with the delivery or receipt of petroleum products to or from Carrier. Shipper's release, indemnify, defense, and hold harmless obligations will apply regardless of cause and regardless of the theory of recovery, but not to the extent that a liability is caused by Shipper's negligence.

Item No. 55. CLAIMS, TIME FOR FILING

As a condition precedent to recovery, claims for loss or damage must be filed in writing with the carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against carrier only within two (2) years and one (1) day from the day when notice in writing is given by the carrier to the claimant that carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, carrier will not be liable and such claims will not be paid.

Item No. 60. PRORATION OF PIPELINE CAPACITY

When there is tendered to carrier for transportation of a quantity which exceeds the current capacity of the carrier, the petroleum products offered by each shipper for transportation will be prorated on ratios established by actual barrels moved in the previous twelve (12) months.

Item No. 65. INJECTION ADDITIVES AND DYES

When requested by a shipper or a consignee, carrier will if injection ratio of the requested additive is within the capabilities of the present injection equipment, for a service charge of [U] six (6) cents per barrel of petroleum product treated, perform the service of injecting dyes, additives and additive mixtures, including pour point depressants into oils at carrier's terminal, provided however, that the party requesting such service shall furnish or pay for all required dyes and additives.

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*Kanab Pipe Line Operating L.P. Series

For a service charge of [U] six (6) cents per barrel of gasoline treated, carrier will perform the service of injecting, reporting and control associated with all deposit control gasoline additives. In addition, the party will furnish or pay for the required deposit control gasoline additive.

In the event the specifications or injection ratio of a shipper's additives are outside the capabilities of carrier's injection equipment, the carrier may require the party requesting the service to install satisfactory injection equipment or pay an installation charge for such equipment.

Item No. 67. DIESEL HANDLING:

Carrier has established a diesel handling surcharge to recover the costs necessary for carrier to facilitate the handling of both high and low sulfur diesel products; pursuant to the Environmental Protection Agency's (EPA's) regulation of 40 CFR Part 80.

The diesel surcharge of [U] three and fifty three (3.53) cents per barrel will apply only to the shipments of diesel fuel products.

The surcharge will have a ten year life, whereupon at the end of the tenth year the surcharge will be cancelled. The capital investment costs will not be included in [W] NuStar Pipeline Operating Partnership, L.P.'s rate base. At the end of each annual period, Carrier will adjust the diesel surcharge upward or downward based on the previous year's applicable actual volumes and costs.

Item No. 70. DEMURRAGE CHARGES

In order to provide space for delivery of succeeding shipments into carrier's facilities and otherwise to prevent or relieve congestion at carrier's terminals, carrier shall give notice to those shippers or consignees whose petroleum products are causing congestion directing them to remove such products. If the products of more than one shipper or consignee are causing congestion but less than all such products must be removed, the products specified in the notice shall be determined on a first-in-first-out basis. Demurrage charges shall be payable upon presentation of bill by the carrier. Products specified in the notice which are not removed at the close of a thirty (30) day period, beginning the day after such notice is sent by the carrier, shall be subject to a demurrage charge of [U] one (1) cent per barrel per day until removed. Demurrage charges shall be payable upon presentation of bill by the carrier.

Item No. 75. RECONSIGNMENT

If no backhaul movement is required, and if current operating conditions permit, petroleum products in the custody of carrier may be reconsigned to destinations named herein. No charge will be made for such reconsignment; however, the products so reconsigned shall be subject to the rates, rules and regulations applicable from point of initial origin to point of final destination on the date of such reconsignment.

Item No. 77. INSTANTANEOUS BILLING (PETROEX)

When requested by the consignor, carrier will accumulate in the appropriate program format, consignor-consignee information and will transmit same on a daily basis, Monday through Friday, to the General Electric Company Petroex System or other similar means.

~~[C]Item No. 79. TRANSMIX CHARGES~~

~~In addition to the charges for transportation and for other services provided herein, a charge of [U] one (1) cent per barrel will be made for all petroleum products tendered for the transportation and processing cost of transmix created during the operation of the pipeline.~~

Item No. 87. TAX REGISTRATION

The Carrier shall require the shipper, consignee or consignor to provide proof of registration with appropriate Federal and State agencies for the collection of any sales and excise taxes. Failure to provide such proof of registration shall not relieve shipper, consignee or consignor of the appropriate tax liability.

Any charges levied against the Carrier by any State or Federal agency will be collected by the Carrier in accordance
NuStar Pipeline Operating Partnership, L.P. – NDPS No. 2 (Cancels NDPS No. 9*)

*Kanab Pipe Line Operating L.P. Series

with the provision stated in tariff Item No. 90.

Item No. 90. PAYMENT OF CHARGES FOR TRANSPORTATION AND OTHER SERVICES

The charges for transportation, storage and services accruing on petroleum products accepted for shipment shall be based on the rate applicable to the destination at which delivery is made. If required, charges shall be prepaid at point of origin or shall be paid before release of petroleum products from the custody of the carrier. Petroleum products accepted for transportation shall be subject to a lien for all lawful charges. Charges are due on receipt. If such charges are not paid in full within 15 days from the date of the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at a rate of 25% APR. Carrier reserves the right to off-set any such charges against any monies owed to Shipper by Carrier or any Petroleum Products of Shipper in Carrier's custody.

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SECTION 2

**LOCAL NON-INCENTIVE RATES
for the
TRANSPORTATION OF PETROLEUM PRODUCTS
(as defined in Item No. 10)
BY PIPELINE**

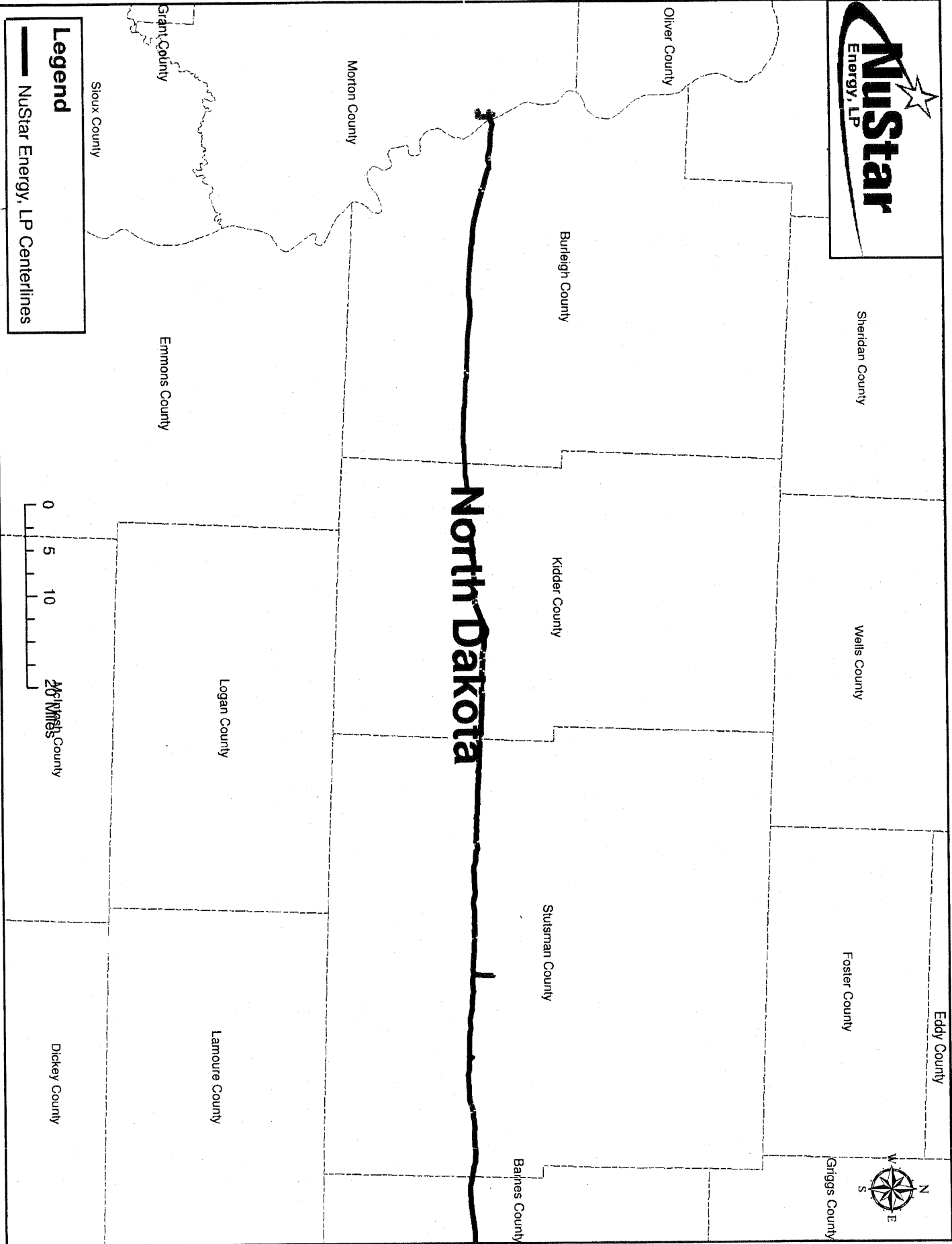
All Rates in cents per barrel of forty-two (42) United States Gallons
The rates contained in this section apply only via the lines of the
[W] NuStar Pipeline Operating Partnership, L.P.

Item No. 105.

Rates in this Item include delivery into storage at carrier's terminals or consignor facilities and storage and terminal services as applicable. See Items No. 65 [W] and 67 for applicable charges for diesel handling surcharge and injecting additives respectively.

FROM:	Mandan, ND		
TO	All Barrels		
[S] ± Mandan (BN), ND	[U] 29.21	----	----
[S] Jamestown, ND	[U] 58.43	----	----

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Legend
— Nustar Energy, LP Centerlines

0 5 10 Miles





NuStar Pipeline Operating Partnership, L.P.

2330 North Loop 1604 West • San Antonio, Texas 78248
Telephone (210) 918-2000

May 27, 2008

Transmittal No.3

Oil Pipeline Filing

Docket IS _____

Secretary Kimberly D. Base
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: NuStar Pipeline Operating Partnership, L.P.
F.E.R.C. No. 8 (Cancels F.E.R.C. No. 3)**

Dear Secretary Base:

NuStar Pipeline Operating Partnership, L.P. (NuStar), a subsidiary of NuStar Energy L.P., submits the following tariff in accordance with the Interstate Commerce Act and the Rules and Regulations of the Federal Energy Regulatory Commission:

Tariff	Effective Date
F.E.R.C. No. 8 (Cancels F.E.R.C. No. 3)	July 1, 2008

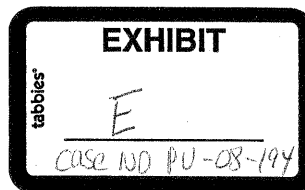
F.E.R.C. No. 8 makes the following changes:

- **Rates.** FERC No. 8 contains rates that have been increased by indexing pursuant to 18 CFR § 342.3 and Docket No. RM93-11-000 issued May 21, 2008. Rates have been increased by the annual change in the Producer Price Index for Finished Goods + 1.3% The attached schedule calculates the maximum July 1, 2008 to June 30, 2009 index ceilings, existing rates and the proposed rates.

NuStar certifies that this filing has been sent to each subscriber of the affected tariff publication by first-class mail or other means to which the subscriber has agreed. NuStar will also post this filing on its website at www.nustarenergy.com. Pursuant to 18 CFR § 343.3(a), NuStar requests that all protests to this filing be telefaxed to Joe Graham at (210) 918-3521.

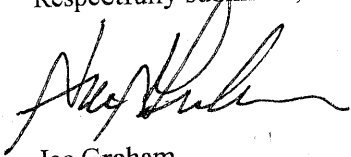
NuStar requests acknowledgement of the receipt pursuant to 18 CFR 341.2(c)(3). For the purpose of obtaining the requested acknowledgement, NuStar has enclosed a duplicate copy of this transmittal letter and a postage paid, self-addressed return envelope.

If you have any questions regarding this filing, please contact the undersigned, Joe Graham, at (210) 918-4631.



Transmittal No. 3
F.E.R.C. No. 8
Page 2 of 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joe Graham", written over a horizontal line.

Joe Graham
Director, Tariffs & Regulatory Planning

Encl: Rate Schedule – Indexing North System

cc: David Ulevich
Federal Energy Regulatory Commission
888 First Street, NE
Washington DC 20426

NuStar Pipeline Operating Partnership, L.P.

LOCAL INCENTIVE AND NON INCENTIVE PIPELINE TARIFF Applying on **PETROLEUM PRODUCTS**

As Defined in Item No. 10
**TRANSPORTED BY PIPELINE
FROM AND TO POINTS NAMED HEREIN**

The rates named in this Tariff are expressed in cents per barrel of forty-two (42) United States Gallons and are subject to change as provided by law, also to regulations named herein.

Issued under authority of 18 C.F.R. 342.3.

The rates published herein will have no effect on the quality of the human environment.

Issued Date: May 29, 2008

Effective Date: July 1, 2008

Issued By:
Mary F. Morgan, Sr. Vice-President

Compiled By:
Joe Graham, Tariffs & Regulatory Planning Director

NuStar Pipeline Company, LLC
General Partner of NuStar Pipeline Operating Partnership, L.P.
2330 North Loop 1604 West
San Antonio, TX 78248
(210) 918-4631 Fax (210) 918-3521

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Map	8

ABBREVIATIONS AND REFERENCE MARKS	
F.E.R.C.	Federal Energy Regulatory Commission
BN	Burlington Northern Railroad
No.	Number
[S]	Intrastate rate only
±	No terminal facilities provided by the carrier.
[U]	Unchanged rate
[I]	Increase

ALPHABETICAL LIST OF POINTS FROM AND TO WHICH RATES IN SECTION 2 APPLY			
Points from which rates apply	Item Number	Points to which rates apply	Item Number
Mandan, North Dakota	105	Aberdeen, South Dakota	105
		Jamestown, North Dakota	105
		Mitchell, South Dakota	105
		Mandan, North Dakota	105
		Moorhead, Minnesota	105
		Sauk Centre, Minnesota	105

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SECTION 1

RULES AND REGULATIONS

The NuStar Pipeline Operating Partnership, L.P., hereinafter referred to as "carrier", will receive petroleum products for transportation under the following conditions:

Item No. 10. PETROLEUM PRODUCTS DEFINED

The term "petroleum product" as used herein, means any petroleum product which by American Society for Testing Materials test methods, substantially distills below seven hundred (700) degrees Fahrenheit, has a Reid vapor pressure not exceeding twenty-eight (28) pounds at one hundred (100) degrees Fahrenheit and a color not darker than No. 3.

Item No. 15. TESTING

Carrier may sample and/or test any shipment prior to acceptance or during receipt of shipment.

Item No. 20. MEASURING

Carrier will gauge or meter petroleum products at origin at time of receipt and at destination at time of delivery. Shipper or consignee shall have the privilege of being present or represented at the time of measurement. Petroleum products will be received and delivered on the basis of volume corrections for temperature from observed temperatures to temperatures on the basis of sixty (60) degrees Fahrenheit.

Item No. 25. FACILITIES AT ORIGIN AND DESTINATION

Section A - Origin. Petroleum products will be accepted for transportation only when shipper has provided equipment and facilities satisfactory to the carrier for receiving such shipments at point of origin at a pumping rate equal to carrier's then current rate of pumping.

Section B - Destination. Carrier will provide at its terminals reasonable facilities for receiving, storing, and loading petroleum products.

Shipper or consignee may provide facilities for receiving, storing, and loading petroleum products at carrier's terminals, or at other delivery points on the pipeline.

Carrier assumes no responsibility to accept any petroleum product from any shipper at any time that either the carrier, shipper or consignee does not have facilities for promptly receiving such product from the line at designated destinations.

Item No. 30. MINIMUM SHIPMENT

A minimum of five thousand (5,000) barrels of one quality and specification of a "petroleum product" will be accepted for shipment from one or more shippers at one point of origin at one time. However, the minimum will not apply to buffer material required by carrier to reduce contamination. Shipments involving line reversals will be accepted subject to delay until carrier has accumulated sufficient barrels or more of the same or other products to move in the same section of the line in the same direction, at the same time.

Item No. 32. MINIMUM CONSIGNMENT

A total of not less than one thousand (1,000) barrels of a petroleum product may be consigned simultaneously by one or more shippers to any destination, providing there remains in the pipeline after delivery of such consignment at least three thousand (3,000) barrels of the same kind of a petroleum product consigned to a destination beyond such delivery point.

Item No. 35. MINIMUM DELIVERIES FROM CARRIER'S TERMINALS

For delivery of petroleum products from carrier's terminals, consignee or consignor shall provide the required motor

tank trucks. Each tank truck to be loaded with other petroleum products must have a minimum total capacity of two thousand five hundred (2,500) gallons.

Item No. 40. DUTY OF CARRIER

The carrier shall transport and deliver at the destination, with reasonable diligence, the quantities of petroleum products accepted for transportation less the tender deduction.

In the event of non-delivery due to interface cuts or other operating losses, the carrier shall have the right to satisfy any claim by product replacement or cash payment.

Item No. 45. IDENTITY OF SHIPMENT

The shipper or consignee will not receive the identical petroleum products shipped. Petroleum products shipped will be commingled with other substantially-similar petroleum products. Carrier will deliver petroleum products substantially-similar to the petroleum products shipped, but petroleum products delivered may vary in color, gravity, and quality from the petroleum products shipped.

Item No. 50. LIABILITY OF CARRIER

Carrier shall not be liable for any delay in delivery of petroleum products or for any loss of damage to, or contamination of petroleum products that are caused by events beyond Carrier's reasonable control, including, without limitation acts of God, acts of government, acts of public enemies, acts of terrorists accidents, civil unrest, explosions, fires, floods, labor disputes, riots, strikes, war, breakdowns of machinery, or shortages of fuel or power or by act of default of shipper, or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all product in the loss, and each shipper or consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to shippers and consignees showing the apportionment of any such loss.

As a condition to Carrier's acceptance of petroleum products for shipment, each shipper will release, indemnify, defend, and hold harmless Carrier from and against any and all claims, causes of action, costs, damages, fines, liabilities, and losses (including, without limitation, reasonable attorneys' fees and defense costs) arising out of: the breach of any provision of this tariff by the shipper, its consignees, or the employees, contractors, agents, or other representatives of the shipper or its consignees; and injuries (including, without limitation, death) to persons, damage to property, and damage to the environment in connection with the delivery or receipt of petroleum products to or from Carrier. Shipper's release, indemnify, defense, and hold harmless obligations will apply regardless of cause and regardless of the theory of recovery, but not to the extent that a liability is caused by Shipper's negligence.

Item No. 55. CLAIMS, TIME FOR FILING

As a condition precedent to recovery, claims for loss or damage must be filed in writing with the carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against carrier only within two (2) years and one (1) day from the day when notice in writing is given by the carrier to the claimant that carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, carrier will not be liable and such claims will not be paid.

Item No. 60. PRORATION OF PIPELINE CAPACITY

When there is tendered to carrier for transportation of a quantity which exceeds the current capacity of the carrier, the petroleum products offered by each shipper for transportation will be prorated on ratios established by actual barrels moved in the previous twelve (12) months.

Item No. 65. INJECTION ADDITIVES AND DYES

When requested by a shipper or a consignee, carrier will if injection ratio of the requested additive is within the capabilities of the present injection equipment, for a service charge of [U] six (6) cents per barrel of petroleum product treated, perform the service of injecting dyes, additives and additive mixtures, including pour point depressants into oils at carrier's terminal, provided however, that the party requesting such service shall furnish or pay for all required dyes and additives.

For a service charge of [U] six (6) cents per barrel of gasoline treated, carrier will perform the service of injecting, reporting and control associated with all deposit control gasoline additives. In addition, the party will furnish or pay for the required deposit control gasoline additive.

In the event the specifications or injection ratio of a shipper's additives are outside the capabilities of carrier's injection equipment, the carrier may require the party requesting the service to install satisfactory injection equipment or pay an installation charge for such equipment.

Item No. 67 DIESEL HANDLING

Carrier has established a diesel handling surcharge to recover the costs necessary for carrier to facilitate the handling of both high and low sulfur diesel products; pursuant to the Environmental Protection Agency's (EPA's) regulation of 40 CFR Part 80.

The diesel surcharge of [U] three and fifty three (3.53) cents per barrel will apply only to the shipments of diesel fuel products.

The surcharge will have a ten year life, whereupon at the end of the tenth year the surcharge will be cancelled. The capital investment costs will not be included in NuStar Pipeline Operating Partnership, L.P.'s rate base. At the end of each annual period, Carrier will adjust the diesel surcharge upward or downward based on the previous year's applicable actual volumes and costs.

Item No. 70. DEMURRAGE CHARGES

In order to provide space for delivery of succeeding shipments into carrier's facilities and otherwise to prevent or relieve congestion at carrier's terminals, carrier shall give notice to those shippers or consignees whose petroleum products are causing congestion directing them to remove such products. If the products of more than one shipper or consignee are causing congestion but less than all such products must be removed, the products specified in the notice shall be determined on a first-in-first-out basis. Demurrage charges shall be payable upon presentation of bill by the carrier. Products specified in the notice which are not removed at the close of a thirty (30) day period, beginning the day after such notice is sent by the carrier, shall be subject to a demurrage charge of [U] one (1) cent per barrel per day until removed. Demurrage charges shall be payable upon presentation of bill by the carrier.

Item No. 75. RECONSIGNMENT

If no backhaul movement is required, and if current operating conditions permit, petroleum products in the custody of carrier may be reconsigned to destinations named herein. No charge will be made for such reconsignment; however, the products so reconsigned shall be subject to the rates, rules and regulations applicable from point of initial origin to point of final destination on the date of such reconsignment.

Item No. 77. INSTANTANEOUS BILLING (PETROEX)

When requested by the consignor, carrier will accumulate in the appropriate program format, consignor-consignee information and will transmit same on a daily basis, Monday through Friday, to the General Electric Company Petroex System or other similar means.

Item No. 87. TAX REGISTRATION

The Carrier shall require the shipper, consignee or consignor to provide proof of registration with appropriate Federal and State agencies for the collection of any sales and excise taxes. Failure to provide such proof of registration shall not relieve

shipper, consignee or consignor of the appropriate tax liability.

Any charges levied against the Carrier by any State or Federal agency will be collected by the Carrier in accordance with the provision stated in tariff Item No. 90.

Item No. 90. PAYMENT OF CHARGES FOR TRANSPORTATION AND OTHER SERVICES

The charges for transportation, storage and services accruing on petroleum products accepted for shipment shall be based on the rate applicable to the destination at which delivery is made. If required, charges shall be prepaid at point of origin or shall be paid before release of petroleum products from the custody of the carrier. Petroleum products accepted for transportation shall be subject to a lien for all lawful charges. Charges are due on receipt. If such charges are not paid in full within 15 days from the date of the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at a rate of 25% APR. Carrier reserves the right to off-set any such charges against any monies owed to Shipper by Carrier or any Petroleum Products of Shipper in Carrier's custody.

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SECTION 2

[I] ALL RATES ON THIS PAGE ARE INCREASED

**LOCAL INCENTIVE AND NON-INCENTIVE RATES
for the
TRANSPORTATION OF PETROLEUM PRODUCTS
(as defined in Item No. 10)
BY PIPELINE**

All Rates in cents per barrel of forty-two (42) United States Gallons

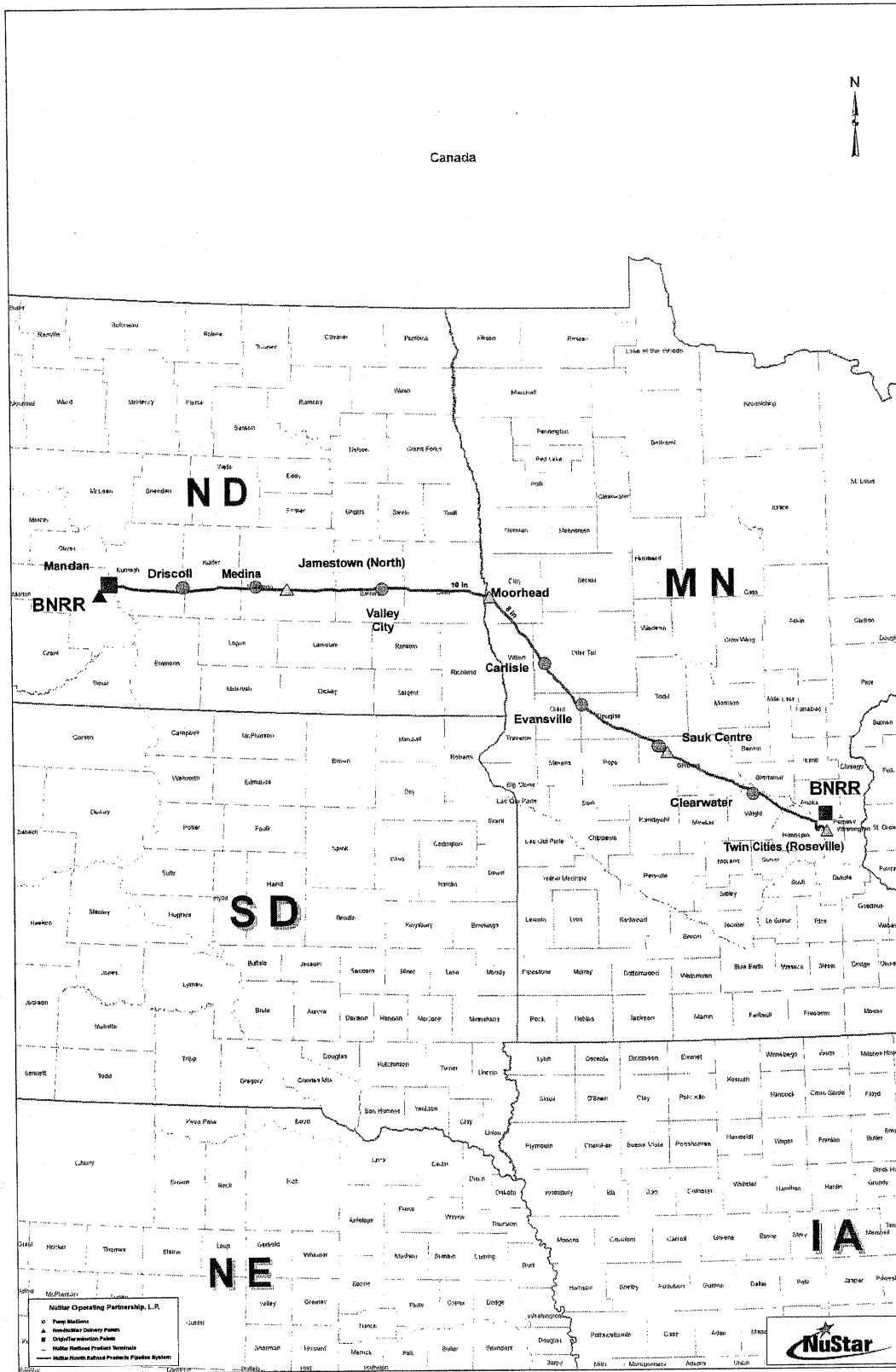
The rates contained in this section apply only via the lines of the
NuStar Pipeline Operating Partnership, L.P.

Item No. 105. (Volume Incentive Rates)

Rates in this Item include delivery into storage at carrier's terminals or consignor facilities and storage and terminal services as applicable. See Items No. 65 and 67 for applicable charges for injecting additives and diesel handling surcharge respectively.

(v) Movements will be accumulated on an annual basis per shipper for these combined destinations and then movements to Roseville, MN destinations will receive indicated discounts for all barrels within specified volumes.

FROM: Mandan, ND	All Non-Incentive Barrels Or 1 Barrel through 7.000 million barrels	7,000,001 barrels through 9.325 million barrels	Greater than 9.325 million barrels
TO			
[S] ± Mandan (BN), ND	30.72	----	----
[S] Jamestown, ND	61.45	----	----
Moorhead, MN	122.92	----	----
Sauk Centre, MN	184.35	----	----
(v) Roseville, MN	221.24	73.74	155.49
(v) ± Roseville (Williams), MN	208.95	61.45	143.79
(v) ± Roseville (BN), MN	208.95	61.45	143.79
Aberdeen, SD	305.81	----	----
Wolsey, SD	326.32	----	----
Mitchell, SD	352.12	----	----
Yankton, SD	379.54	----	----
Sioux Falls, SD	391.82	----	----



**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

NuSTAR PIPELINE OPERATING PARTNERSHIP L.P.)
NORTHERN PRODUCT SYSTEM)
PUBLIC CONVENIENCE AND NECESSITY)

Case No. PU-08-194

**AFFIDAVIT OF SERVICE
RESPONSE TO REQUEST TO WITHDRAW APPLICATION
FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

The undersigned, SANDRA SANTILLI certify that on the 20th day of August, 2008, I deposited with the U. S. Postal Service in Denver, Colorado, sufficient postage affixed, true and correct copies of the City of Fargo's Response to Request to Withdraw Application for Certificate of Public Convenience and Necessity, and Request for Hearing, addressed to the following persons:

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and Todd D. Kranda, Esqs.
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