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January 13, 2009

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PUBLIC SERVICE COMMISSION

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GLORIA GEIGER
ACTING EXECUTIVE SECRETARY
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BISMARCK ND 58505-0480

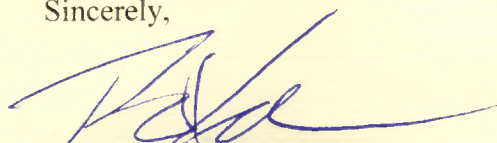
Re: NuStar Pipeline Operating Partnership, LP
Case No: PU-08-194
Our File No. 12607

Dear Ms. Geiger:

Attached is the original Affidavit of Joe Graham in Support of Motion to Withdraw Application for Certificate of Public Convenience and Necessity. This document was filed electronically on January 9, 2009, and a scanned copy and seven copies were filed on January 12, 2009.

If you have any questions, please feel free to contact me.

Sincerely,


Thomas D Kelsch

TDK:ms
Encs



29 PU-08-194 Filed: 1/14/2009 Pages: 6
Affidavit of Joe Graham Supporting Withdrawal of
Application

NuStar Pipeline Operating Partnership, L.P.
KelschKelschRuff&Kranda, Todd Kranda

4. The North System pipeline is owned by NuStar, a limited partnership, organized and existing under the laws of the State of Delaware.
5. The North System was originally constructed by Amoco Oil Company (Amoco) in 1958 as a proprietary pipeline to transport petroleum products from Amoco's Mandan, North Dakota refinery to Roseville, Minnesota.
6. Tesoro Petroleum Corporation (Tesoro) or its affiliate purchased the North System and the Mandan Refinery in September, 2001 from BP Corporation North America Inc. and Amoco Oil Company and/or their affiliates (collectively BP).
7. In December 2002, NuStar (at that time known as Kaneb Pipe Line Operating Partnership, L.P. ("Kaneb Pipe Line")) purchased the North System from Tesoro. At the time of this purchase, Kaneb Pipe Line was an experienced pipeline operator, having owned and operated pipelines for many years.
8. Since Kaneb Pipe Line's acquisition of the North System, the System has transported refined products in the pipeline for its single customer, Tesoro, from Tesoro's Mandan, North Dakota Refinery to Roseville, Minnesota and the terminals located along the pipeline.
9. I understand that on or about July 1, 2005, via a merger transaction, Kaneb Pipeline became a subsidiary of NuStar Energy L.P. After this merger, Kaneb Pipe Line continued to operate as a subsidiary of NuStar Energy and Kaneb Pipe Line continued to own and operate the North System.
10. Effective March 31, 2008, Kaneb Pipe Line Operating Partnership, L.P. changed its name to NuStar Pipeline Operating Partnership, L.P.

11. The North System has been in existence for over fifty years, and from the information that NuStar has been able to obtain, the North Dakota Public Service Commission has never required any of the companies that have operated the pipeline to obtain a Certificate of Public Convenience and Necessity ("PC&N").

12. NuStar furnishes common carrier transportation services in North Dakota according to the rules and regulations issued by NuStar. The potential customers of the North Dakota pipeline transportation services are those in the business of manufacturing and/or transporting refined products in North Dakota. Since its purchase of the pipeline, NuStar has provided transportation services in North Dakota on the North System pipeline to a single entity. I am not aware of any other potential customer who has expressed a desire or need to transport refined products in North Dakota in the North Pipeline.

13. The British Petroleum Corp "BP" Whiting refinery is not located in North Dakota, but rather in Indiana. BP owns a pipeline that is capable of transporting refined products from Whiting, Indiana to Roseville, Minnesota. These products can be delivered at NuStar's terminal in Roseville, Minnesota. However, this activity takes place in Minnesota and such products are not transported in the North System pipeline.

14. Magellan Midstream Partners LP (Magellan) owns a competing Terminal Facility in Roseville, Minnesota. At its customer's request, NuStar may transfer products from NuStar's Roseville, Minnesota to Magellan's Roseville terminal. Similarly, products can be transported from Magellan's terminal to NuStar's. However, this activity does not take place in North Dakota, but rather in Minnesota. No products from the Magellan terminal in Roseville are transported in NuStar's North pipeline.



MN

Moorhead

Valley City

Jamestown (east)

Jamestown (North)

Medina

Driscoll

Mandan







BNRR

SD



Central East and North Systems 7/28/08

Legend

-  Origin/Termination Points
-  Non-NuStar Delivery Points
-  Pump Stations
-  NuStar Energy, LP Refined Product Terminals
-  NuStar Energy, LP Central East Refined Products PL System
-  NuStar Energy, LP North Refined Products PL System

