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September 14, 2010

PUBLIC SERVICE COMMISSION

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Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Avenue
Dept. 408
Bismarck, ND 58505-0480

In re: Bridger Pipeline LLC
Case No. PU-09-750

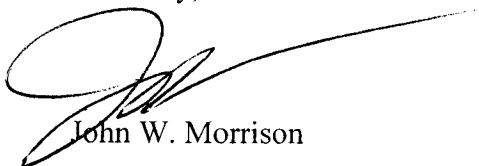
Dear Mr. Nitschke:

Enclosed please find enclosed for filing in the captioned matter the original plus ten (10) copies of the following:

1. Late filed Exhibit 12 – Bridger Pipeline LLC Ten Year Plan;
2. Late filed Exhibit 13 – September 2010 Report.

We are also enclosing a CD containing a digital copy of Late filed Exhibit 13 and a copy of Bridger's Proposed Findings of Fact, Conclusions of Law, and Order ("Proposed Order") in the captioned matter. We will also email a Word version of the Proposed Order directly to Patrick Fahn's attention.

Sincerely,



John W. Morrison

43 **PU-09-750** Filed: 9/14/2010 Pages: 17
Proposed Findings of Fact, Conclusions of Law, and Order

Bridger Pipeline LLC

John Morrison, Crowley Fleck PLLP

cc: Kathye Spillman (Email)
Tad True (Email)
Mitchell Armstrong (Email)
Patrick Fahn (Email)

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Bridger Pipeline LLC
Crude Oil Pipeline-Billings, Dunn, and
McKenzie Counties
Siting Application**

Case No. PU-09-750

**PROPOSED
FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
September ___, 2010**

Appearances

Commissioners Kevin Cramer, Tony Clark and Brian P. Kalk.

John W. Morrison, Attorney at Law, Crowley Fleck, PLLP, 400 East Broadway, Suite 600, Bismarck, North Dakota 58501, on behalf of the Applicant, Bridger Pipeline LLC.

Mitchell D. Armstrong, Attorney at Law, Special Assistant Attorney General, 122 E. Broadway Ave, Bismarck, ND 58501, on behalf of the Public Service Commission.

Patrick Fahn, Director-Compliance and Competitive Markets Division, Public Service Commission, State Capitol, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Al Wahl, Administrative Law Judge, Office of Administrative Hearings, 1701 North Ninth Street, Bismarck, North Dakota 58501-1882, as Administrative Law Judge.

Preliminary Statement

On December 23, 2009, Bridger Pipeline LLC (“Bridger”) filed a Letter of Intent with the Public Service Commission (“Commission”). Bridger proposes to construct approximately 77 miles of 12-inch crude oil pipeline in McKenzie, Dunn and Billings Counties, North Dakota.

On January 27, 2010, the Commission acknowledged Bridger’s Letter of Intent, shortened the waiting period for filing the siting application to thirty days, and assessed a filing

fee of \$100,000.00.

On July 23, 2010, Bridger filed a combined application for a certificate of corridor compatibility and route permit authorizing the construction of the aforesaid pipeline. As part of its application, Bridger requests that the Commission waive the procedures set forth in North Dakota Century Code §§ 49-22-08 and 49-22-08.1 to allow a single consolidated application for a corridor certificate and a route permit for this project. Bridger further requests that the Commission reduce the minimum width of the corridor for this project, from 6 miles, as required by North Dakota Administrative Code § 69-06-04-02, to one mile and that it be exempted from providing mylar maps of the proposed corridor and route.

On August 4, 2010, the Commission found that the application of Bridger was complete and issued a Notice of Filing and Notice of Hearing for a public hearing for September 9, 2010, at 12:00 noon MDT at City hall, 165 Railroad St. SE, Killdeer, North Dakota, 58640. The issues to be considered in this matter include:

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse affects on the environment, natural resources, and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed facility locations 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?

Having allowed all interested persons an opportunity to be heard and having heard, reviewed and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

1. Bridger is a Wyoming limited liability company with its principal place of business located at 455 North Poplar Street, Casper, Wyoming.
2. Bridger is a part of the True Companies of Casper, Wyoming and currently operates a number of pipelines, including the Little Missouri Pipeline in North Dakota, the Poplar System in eastern Montana, and the Powder River System in Wyoming. Bridger has been authorized to do business in the State of North Dakota since October 9, 2003, as evidenced by a Certificate of Good Standing issued by the North Dakota Secretary of State on September 8, 2010.

Project Design

3. Bridger proposes to construct a new 12-inch line from a point just north of ND Highway 23 approximately 15 miles west of the Four Bears Bridge in McKenzie County to an interconnection with Bridger’s Heart River Pipeline at the Skunk Hill Junction approximately 18 miles northwest of Dickinson, North Dakota. The northern half of the pipeline will generally parallel the Dakota Gasification Company’s 14-inch carbon-dioxide line in McKenzie County, while the southern half will generally follow the most direct route northeast to southwest to connect at the Skunk Hill Junction.
4. The pipeline will provide pipeline transportation of crude oil produced in McKenzie, Dunn and Mountrail counties to (1) Guernsey, Wyoming via Bridger’s Heart River and

Little Missouri systems and the Butte Pipeline system; (2) Clearbrook, Minnesota through Enbridge pipeline using Belle Fourche Pipeline's connection at Alexander, North Dakota; and (3) Tesoro High Plains Pipeline through Belle Fourche's existing connections at Treetop.

5. Construction of the line Bridger proposes in this proceeding will improve delivery destination options and markets for system shippers and will increase the availability of pipeline transportation as an alternative to on-road transport via cargo tanker truck. In doing so it will help to minimize the safety concerns associated with trucking crude oil, particularly in winter months with icy roads, and will also reduce traffic overburdens on public highways. Bridger estimates that the pipeline will reduce traffic on area highway by 150 truckloads per day initially, and the reduction may ultimately increase to 300 truckloads per day.
6. The proposed project consists of approximately 77-miles of 12-inch pipeline to be installed in right-of-way obtained by Bridger. The northern 37 miles of the pipeline will be located in an existing pipeline corridor, parallel to an existing Dakota Gasification Company 14-inch carbon dioxide pipeline. The southern 40 miles of the pipeline generally follows the most direct route to connect the northern section with the existing Heart River pipeline.
7. The proposed pipeline will have an initial capacity of approximately 60,000 barrels per day. A truck terminal, storage tanks and pump facility will be installed at the northern end of the pipeline. A second truck terminal will be constructed near the intersection of the pipeline and ND Highway 200. The only other above ground facilities will be

pipeline markers, rectifiers which are a part of the cathodic protection system for the pipeline, pig launchers and receivers and block valves. The block valves will be located on either side of three river crossings and at four planned gathering line interconnection points. There may also be several small fenced-in enclosures to house power and control systems associated with block valves. One additional above-ground valve set will be located approximately 36-miles from the north end of the line to facilitate the possible addition of a mid-line pump station at a later date, which would increase the capacity to 110,000 barrels of oil per day.

8. During construction, Bridger will generally require a construction corridor of 100 feet and has acquired easements from the landowners for such a corridor. In some locations, the construction corridor will be narrowed to 50-feet to avoid some archeological features, wooded areas, and topographic features.
9. Installing the northern 37-miles of the pipeline adjacent to the existing carbon dioxide pipeline will minimize land disturbance and other environmental and human impacts associated with a new route.
10. The design, construction, and operation of the pipeline will conform to the Department of Transportation regulations prescribed under 49 CFR Part 195-Transportation of Hazardous Liquids by Pipeline.
11. If constructed as a single project with one construction crew, the project would add approximately 50 construction workers, of which approximately 40 to 50% will be hired from the regional labor pool. Bridger anticipates using four separate construction crews, which will increase the total number of construction workers at any one time to between

150 and 200, but will also shorten the duration of the construction phase. Those workers, together with other environmental, safety and construction consultants and inspectors will have a significant positive impact on the local economy. After construction is complete, the project will add to the tax base of Billings, Dunn and McKenzie Counties.

Siting Criteria

12. North Dakota Administrative Code Chapter 69-06-08, sets forth certain criteria to guide the Commission in evaluating the suitability of granting an application for a certificate of corridor compatibility and route permit. The criteria as set forth in North Dakota Administrative Code Section 69-06-08-02, are classified as Exclusion Areas, Avoidance Areas, Selection Criteria and Policy Criteria. A transmission facility route must not be sited within an Exclusion Area. A transmission facility route must not be sited within an Avoidance Area unless the applicant shows under the circumstances there are no reasonable alternatives. In determining whether an Avoidance Area shall be designated for a facility, the Commission may consider, among other things, the proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes. In accordance with the Commission's Selection Criteria, a transmission route shall be approved if it is demonstrated that no significant adverse impacts will result from the location, construction, and maintenance of the transmission facility. In accordance with the Commission's Policy Criteria, preference may be given to an applicant demonstrating certain benefits of the transmission facility.

13. Bridger evaluated a one-mile wide corridor for the exclusion, avoidance, selection and policy criteria of the Commission.

Cultural Resources

14. The Hutmacher Farm, a state historical site which is listed in the National Register of Historic Places is within the one-mile study corridor and the Killdeer Mountain Battlefield State Historic Park is near, although outside, the one-mile study corridor. No surface facilities are to be installed in the area of these two sites and therefore once installation is complete, the pipe will not be visible from either of these sites.
15. The pipeline will also cross the Little Missouri River which is a state scenic river. Because the river flows approximately 274 miles in a generally west to east direction, there is no reasonable alternative to crossing the river. The pipeline will parallel the existing carbon dioxide pipeline crossing of the river and will not be visible once it is installed. Although block valves will be required by USDOT regulations, Bridger will set the block valves away from the river bank to minimize visual impacts from the river.
16. The pipeline will also parallel a portion of ND Highway 22 which has been designated as the Killdeer Mountain Four Bears Scenic Byway for approximately 5 miles. However, the pipeline will be located approximately one-quarter mile west of the highway, will parallel the existing carbon dioxide pipeline, and, because no block valves or aboveground piping will be required in this area, will not be visible from the highway once installation is complete.
17. Bridger, through a consultant, conducted an archeological and cultural resource assessment of the corridor and route. A Class I cultural resources inventory was

completed for the entire proposed route and one and a half miles on each side of the proposed centerline, thereby more than covering the proposed one-mile corridor. A Class III inventory was then undertaken, involving a pedestrian transect survey of the proposed route augmented by shovel test probes. This survey covered a corridor from 100 to 300 feet wide for the entire route, together with some possible reroutes, resulting in a total of 92.8 miles. The Class III inventory resulted in the documentation of 34 sites, including 13 archaeological sites, seventeen archaeological isolated finds and four historic sites. To the extent feasible, Bridger has rerouted the pipeline to avoid these sites, but due to the dense grouping of some archeological sites, it was not feasible to avoid all of them. Bridger and its consultants have worked with the North Dakota State Historical Preservation Office and have agreed to monitor certain sites during construction and to narrow the construction corridor to 50 feet and fence off certain other sites. On the basis of that agreement, the archeological consultant has determined that no historic properties will be affected by the construction.

18. There are no designated or registered national parks, national memorial parks, national historic sites or landmarks, national natural landmarks, national monuments, national wilderness areas, national monuments, or designated or registered state parks, state historical markers, state archaeological sites or state nature preserves within the proposed corridor.
19. There are no state or national historic districts; national wildlife areas; national wild, scenic or recreational rivers; national wildlife refuges; or designated or registered state

game refuge;, state game management areas; state management areas; state forests; state forest management lands; or state grasslands within the proposed corridor.

20. A small portion of the Little Missouri National Grasslands is included within the corridor, but will not be crossed by the pipeline route.

Vegetation and Wildlife

21. Bridger, through its consultants, conducted investigations to determine the potential impact of the pipeline upon vegetation and plant species, including obtaining information and input from the North Dakota Game and Fish Department, the United States Fish and Wildlife Service, and the North Dakota parks and Recreation Department. Botany and wildlife surveys were conducted along the 77 mile proposed route.
22. There are no areas critical to the lifestages of threatened or endangered animal or plant species or areas where animal or plant species that are unique or rare to North Dakota would be irreversibly damaged.
23. A number of sites related to sensitive animal and plant species, or species of concern, are located within the corridor. White locoweed (a state sensitive species) and Indian milkvetch (a state candidate species) were located within the study corridor, but Bridger will narrow the construction corridor to prevent any impact to these species. A prairie falcon nest was observed but will be approximately 630 feet from the proposed pipeline and since construction will not occur during the nesting season, no greater setback is required. Several prairie dog colonies were identified but they will be more than 500 feet from the proposed pipeline. Short-horned lizards and pronghorn were also observed in

the area, but Bridger will use best management practices to minimize any disturbance to these species.

24. The corridor and route are also within the migration flyway of the Arkansas Wood Buffalo Population of whooping cranes, as is most of the western two-thirds of North Dakota. If a whooping crane is sighted within one mile of the pipeline during construction, work on that portion of the pipeline within one mile of the sighted whooping crane will stop until clearance is obtained from the United States Fish and Wildlife Service.
25. Any impact on vegetation and wildlife from construction of the pipeline will be temporary.

Other Exclusion and Avoidance Criteria

26. The proposed pipeline is not located within 500 feet of any residences, schools or places of business.
27. The proposed pipeline will not affect any reservoirs or municipal water supplies or water sources for organized rural water districts.

Woodlands and Wetlands

28. Tree rows and other woody areas occur in limited amounts through the corridor. Bridger will minimize the clearing of any wooded areas and will comply with the Commission's Tree and Shrub Mitigation Specifications.
29. The proposed pipeline will cross four rivers, nine creeks, and numerous tributaries. Of these, the Little Missouri River and the Green River are classified as Class I fishery resources, and the pipeline will be bored under these rivers. None of the other

waterbodies will be permanently drained or filled and any impact will be short-term and minor.

Other Selection Criteria

30. A substantial portion of the land in the proposed corridor is agricultural and pasture land where crop or livestock production is extensive. There are no irrigated lands for irrigation within the proposed corridor. Construction is anticipated to start after the completion of the 2010 growing season and prior to the 2011 season. The pipeline will be installed at a depth that exceeds the typical tillage depth and will not interfere with normal agricultural operations after construction is complete. After construction, agricultural lands will be returned to preconstruction uses. Bridger will compensate landowners for any crop loss resulting from construction or pipeline maintenance or repair.
31. The pipeline will not impact family farm operations or affect any lands suitable for irrigation.
32. Any impact the pipeline will have on surface drainage and groundwater flow patterns, will be temporary resulting from construction activities.
33. Other than temporary noise associated with construction and the short-term visual effects resulting from construction, the project will not have any impact on noise sensitive land uses or visual effects on the adjacent area.
34. No extractive or storage resources have been identified which will be affected by the project.

35. Bridger consulted with the following federal, state and local agencies: the United States Army Corps of Engineers, U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, U.S. Forest Service, Federal Highway Administration, U.S. National Resources Conservation Service, Southwest Water Resource District, North Dakota State Historical Society, North Dakota State Water Commission, North Dakota Game and Fish Department, North Dakota Parks and Recreation Department, North Dakota Department of Transportation, McKenzie County, Billings County, Dunn County, Blue Buttes Township and Keene Township.
36. The pipeline will be constructed and maintained in accordance with the U.S. Department of Transportation Pipeline and Hazardous Material Safety Administration (PMHSA) federal regulations. The pipeline will be coated and a cathodic protection system will be installed to prevent against corrosion. A telemetry system will also provide 24-hour monitoring of the pipeline operations, including pressures, temperatures and flow rates.
37. Bridger will retain one or more environmental inspectors on the project during active construction who will be responsible for overseeing contractor's compliance with the environmental requirements and permits during construction. Bridger will use standard construction techniques employed by other projects in the North Dakota such as the Dakota Gasification Company 14-inch CO₂ pipeline and various Enbridge Pipeline pipeline projects.
38. After construction, Bridger will conduct post construction monitoring of the project area until the right-of-way has been successfully restored and crossings stabilized. Post-

construction monitoring will be conducted on all areas disturbed during construction to determine successful revegetation of all project areas.

Other Matters

39. Prior to the hearing, Bridger submitted four revised maps which identify four minor re-routes necessitated by requests from the landowner, who was the North Dakota State Land Department. These re-routes do not impact any cultural resources or any other exclusion, avoidance, or selection criteria.
40. Bridger has completed about 50% of the right of way acquisition. Bridger anticipates that some additional minor re-routes may be necessary to accommodate landowner issues, but believes that any such reroutes will be fully contained within the study corridor and will not adversely impact any exclusion, avoidance or selection criteria.
41. North Dakota Century Code § 49-22-07.2 authorizes the Commission to waive procedures, time schedules, and public hearings otherwise required by the Siting Act, when the Commission finds that a proposed facility is of such length, design, location or purpose that it will produce minimal adverse effects.
42. The anticipated cost for the proposed pipeline is \$29,000,000.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicant, Bridger, and over the subject matter of this application under North Dakota Century Code Chapter 49-22.
2. Bridger is a utility as defined in North Dakota Century Code Section 49-22-03(13).

3. The pipeline proposed by Bridger is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).
4. The location, construction, and operation of the proposed pipeline will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
5. The proposed pipeline corridor and route are compatible with the environmental preservation and the efficient use of resources.
6. The proposed pipeline corridor and route will 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.
7. The proposed project is of such design and location that it will produce minimal adverse effects, as defined under North Dakota Century Code Section 49-22-07.2.

From the foregoing Findings of Fact and Conclusions of Law, the Commission now makes its:

Order

The Commission orders:

1. Bridger's application for waiver of procedures and time schedules is granted.
2. Bridger is issued Certificate of Corridor Compatibility for a Transmission Facility Corridor No. ____ and Route Permit for Construction of a Transmission Facility No. ____ to construct the 77-mile 12-inch diameter pipeline. The route that is approved for this purpose is the route identified on Appendix 4.B to the Application which was marked as Exhibit 3 at the hearing, as supplemented by the reroutes identified in Exhibit 4 as submitted at the hearing.

3. Bridger shall notify Commission staff of any modifications to the route in advance and provide satisfactory documentation evidencing the location of any such re-route or other modification to the route and the fact that such modifications will not adversely impact any exclusion, avoidance or selection criteria.
3. September 7, 2010 Certification Relating to Order Provisions – Pipeline Siting is incorporated by reference and attached to this order.

Dated this ____ day of September, 2010.

PUBLIC SERVICE COMMISSION

Tony Clark
Commissioner

Kevin Cramer
Chairman

Brian P. Kalk
Commissioner