



October 8, 2013

Patrick Fahn
Public Utility Analyst
ND Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505-0480



Dear Mr. Fahn:

Carlson McCain, Inc. (CMI) conducted a second on-site inspection of the Hess Corporation (Hess) Tioga Gas Plant (TGP) Expansion (Case No. PU-10-120) on October 2, 2013. Ryan Krapp, CMI Inspector, met with Mr. Scott Wright, Hess TGP Expansion Construction Manager; Mr. Greg Lee, Hess Environmental Compliance Manager; and Mr. Brandon Bell, Kiewit Infrastructure Group (Kiewit) Project Environmental Coordinator, at the Hess TGP field office. Permits and records were reviewed, construction progress was discussed and a construction site tour was conducted.

Construction progress was discussed with Mr. Wright. He indicated that most construction activities will be completed by November 1—the date the existing gas plant will be shut down for turnaround. At this time, the new expanded systems will be connected with the existing gas plant. The completion/startup date will be approximately December 1, with systems slowly being tested and fully operational in January, 2014. Mr. Wright indicated that he will submit a timetable to the ND Public Service Commission (PSC).

The Permit Checklist Table as reviewed at the last visit (November 2012) was reviewed with Mr. Wright. He indicated that these plans and issued permits have been carried out as necessary by the permits; however, they have not been supplied to the PSC. He committed to providing these in the near future.

Mr. Wright again provided the current permits with the Federal Aviation Administration, and plans for compliance with the North Dakota Department of Health (NDDoH) Air Quality. NDDoH Stormwater Programs (SWPPPs) and the Spill Prevention, Control, and Countermeasure (SPCC) program is managed and documents are maintained by Mr. Bell. The SWPPP biweekly reports were reviewed and appeared to be in order. Notes and photos of problem areas were included along with mitigation measures taken. Mr. Bell has implemented a strict SPCC program, including a personnel environmental conscientiousness training program. Mr. Bell investigates and helps direct cleanup as well as maintain the proper documentation and photos of all spill incidents. In total, 51 spills (hydraulic fluid, diesel fuel, anti-freeze) have been reported and properly cleaned up and disposed of since project startup on January 15, 2012.

Mr. Lee and Mr. Krapp proceeded to the expansion site to view construction practices and progress. Multiple phases of construction were still underway. Mr. Lee discussed and demonstrated the environmental and safety practices being implemented by Kiewit to comply with SWPPP and SPCC plans and permits. Hess and Kiewit have installed and are maintaining erosion control devices (silt fences, straw wattles, rock rip-rap), drainage ditches within and around the construction site, permanent concrete diversions/drains and a settling pond on the south side of expansion. The overall field site compliance review was found to be satisfactory. Inspection notes and photos taken on-site are attached.

Construction Inspection Summary
Hess Corporation, Tioga Gas Plant Expansion - Williams County
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Discussions with Hess and Kiewit personnel after inspection included:

- 1) Submit all weekly construction reports (absent since June 15) to PSC and include CMI on weekly emails.
- 2) Submit updated plans and permits to PSC as were provided during inspection.
- 3) Continue to ensure that SPCC plans and the biweekly SWPPP plans are being implemented and documented as they are currently.

Hess personnel agreed to further review these items and submit any updates to the PSC. Therefore, it is our opinion that the construction practices and procedures being implemented in the field and plans provided on-site by Hess are in compliance with the Public Service Commission Provisions for Transmission Facility Siting.

Please contact me at 701-595-7003 if you have any questions or comments.

Respectfully submitted,



Ryan J. Krapp
Natural Resource Specialist
rkrapp@carlsonmccain.com

cc: Mr. Scott Wright, Construction Manager, Hess TGP Expansion Project
Mr. Greg Less, Environmental Compliance Manager, Hess TGP Expansion Project
Mr. Brandon Bell, Project Environmental Coordinator, Kiewit Infrastructure Group

Attachments

Construction Inspection Summary
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Figure 1. Eastern border of the Hess TGP Expansion site. Photo taken facing north showing established vegetation and silt fencing functioning properly.



Figure 2. Diversion ditch established at eastern edge of site. Surface water runoff from the site is collected and diverted south to the storm water retention pond through the ditch.

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Figure 3. Recently refurbished water conveyance ditch leading directly to the storm water retention. Rock rip-rapped after pipeline (staked) was installed.

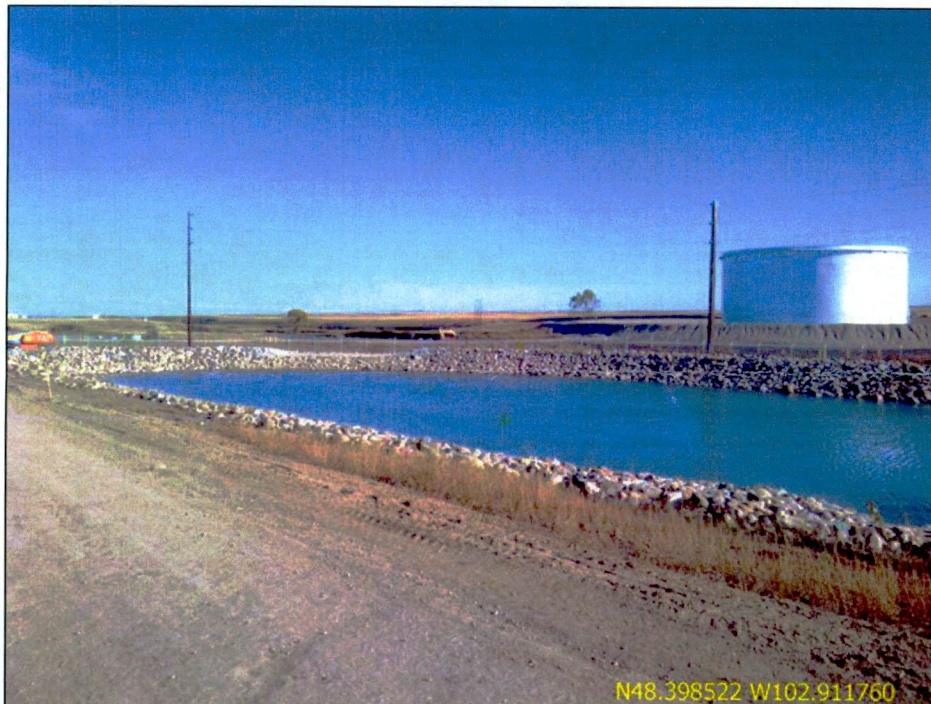


Figure 4. Storm water retention pond located on south side of expansion site. All on-site water is collected here and sediments settle out. Mr. Lee stated that the majority of this water is reused on-site for dust control and various construction activities.

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Figure 5. Storm water retention pond is rock rip-rapped with two inlet culverts from the construction site.



Figure 6. Concrete water collection drain in the interior of the plant site. Concrete conveyances and pipelines direct the water through the site to the pond.

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Figure 7. Concrete drain and conveyance being established to permanently direct surface water through the site to the pond.



Figure 8. Diversion ditch separating existing site from construction expansion zone. Silt fencing and straw wattles were previously used, but has been stabilized with erosion control matting and rocked.

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Figure 9. Photo taken facing west of drainage from original plant site. Large rocks placed to dissipate energy of flow water from overland and a downspout of adjacent building.



Figure 10. Photo taken facing north at the entrance of the TGP Expansion site. Permanent slopes have been matted and rocked.



FIELD INSPECTION LOG

DAILY LOG

DATE 10 02 13
SHEET 1 OF 3

PROJECT NAME: Hess Tioga Gas Plant (TGP) Expansion CASE NO. PU 10-120

FIELD ACTIVITY SUBJECT: Audit #2

NOTES:

Meet w/ Mr. Scott Wright

- Discussion on progress - Good as planned 2/10 start up

- Reviewed FAA permit logs - OK

- Weekly reports had stopped being submitted after June 15 due to personnel change

- Mr. Wright does have all individual reports, just not compiled or submitted

- Personnel in place now and will commence next week & all be submitted in near future

- Construction of expansion will cease on Nov. 1 due to existing gas plant turnaround & facilities will be connected

- Dec 1. is the anticipated construction completion & start up date of new facilities

cont. ->

LATITUDE, LONGITUDE

CHANGES FROM PLANS AND SPECIFICATIONS

WEATHER CONDITIONS

60°, Sunny, Lt. W. wind

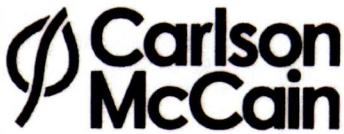
PHOTO(S)

N/A

CARLSON MCCAIN PERSONNEL ON SITE

Ryan Kravitz

SIGNATURE



FIELD INSPECTION LOG

DAILY LOG

DATE	10	02	17
SHEET	2	OF	3

PROJECT NAME: Hess TGP Expansion CASE NO. PU-16-120

FIELD ACTIVITY SUBJECT: Audit #2

NOTES: cont.

Meet w/ Mr. Greg Lee - Env. ^{Proj} ~~Comp~~
 + Mr. Brandon Bell - Kiewit Env. ~~Comp~~
 Reviewed SWPPP bi-weekly records as
 conducted + reported by Kiewit
 - reports w/ photos reviewed + in compliance
 - no major issues not resolved immediately

SPCC - Spill Logs ✓
 51- Diesel fuel, hydraulic oil, anti-freeze spills since
 12-15-2011. All documented + photos.
 - All appeared to be properly treated + disposed
 of w/ Safety Clean

Env Training Log
 - Shown that employees properly trained ✓
 cont. →

LATITUDE, LONGITUDE	CHANGES FROM PLANS AND SPECIFICATIONS
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WEATHER CONDITIONS	PHOTO(S) NA NA
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CARLSON MCCAIN PERSONNEL ON SITE RK

SIGNATURE [Signature]



FIELD INSPECTION LOG

DAILY LOG

DATE 10 2 13
SHEET 7 OF 3

PROJECT NAME: Hess TGP Eop CASE NO. PU-10-120

FIELD ACTIVITY SUBJECT: Audit #2

NOTES: cont.

Field Visit - Mr. Lee

- Slopes have been rocked, silt fence, straw waddles
- Concrete diversions est. in final const. areas
- Settling ponds effective

* Area outside of ^{current} const area

- Stream crossing est. w/ wooden bridge
- straw waddles in place but could use reinforcements / additional fence to ensure sediment remaining out of stream.

Inspection Review

- Overall, compliance in practice
- Need for documents to be submitted to PSC

LATITUDE, LONGITUDE

CHANGES FROM PLANS AND SPECIFICATIONS

WEATHER CONDITIONS

PHOTO(S)

Yes

CARLSON MCCAIN PERSONNEL ON SITE

SIGNATURE