

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

BakkenLink Pipeline LLC
Crude Oil Pipeline – Williams to Billings County
Siting Application

Case No. PU-10-218

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER GRANTING AMENDED
CORRIDOR CERTIFICATE AND AMENDED ROUTE PERMIT**

September 5, 2012

Appearances

Commissioners Brian P. Kalk, Kevin Cramer, and Bonny M. Fetch.

Lawrence Bender, Attorney-at-Law, Fredrikson & Byron, P.A., 200 North Third Street, Suite 150, Bismarck, North Dakota 58501, on behalf of BakkenLink Pipeline LLC.

Mark Gruman, Assistant Attorney General, North Dakota Office of Attorney General, 600 East Boulevard, Dept. 125, Bismarck, North Dakota 58505, on behalf of the North Dakota Public Service Commission.

Patrick Fahn, Director – Compliance and Competitive Markets Division, Public Service Commission, 600 East Boulevard, Bismarck, North Dakota 58505, on behalf of the North Dakota Public Service Commission.

Preliminary Statement

On February 29, 2012, the North Dakota Public Service Commission (“Commission”) issued its Findings of Fact, Conclusions of Law, and Order, granting BakkenLink Pipeline LLC (“BakkenLink”) Certificate of Corridor Compatibility No. 128 and Route Permit No. 137 to authorize construction of a crude oil pipeline project in Billings, Dunn, McKenzie, Stark, and Williams Counties, North Dakota (“Project”). The Certificate of Corridor Compatibility and Route Permit were conditioned upon Bakkenlink receiving the North Dakota State Historic Preservation Office’s (“SHPO”) final concurrence.

On July 24, 2012, Bakkenlink filed an application seeking approval of modifications to the Project route and corridor. The application included the Affidavit of Jame Todd, Addendum 1 to Class II and Class III Cultural Resources Inventory, Updated Wetland and Waterbody Crossings data, and Application for Waiver or Reduction of Procedures and Time Schedules, in support of the application. In its waiver request, Bakkenlink requests waiver of the following:

1. Procedures that may require separate filings of applications for an amended certificate of corridor compatibility, an amended route permit, and waiver of procedures and time schedules;
2. Procedures that may require separate notices of such applications;
3. Procedures that may require public hearings on such applications; and
4. Procedures that may require separate hearings on such applications, if either a formal or informal hearing is required.

The corridor and route modifications are located in Billings, Dunn, McKenzie, Stark, and Williams Counties, North Dakota. As modified, the Project would consist of approximately 132 miles of 12-inch and 8-inch diameter underground pipeline.

BakkenLink is requesting the proposed route and corridor modifications for two primary reasons. First, BakkenLink made several modifications to the proposed pipeline placement in order to accommodate landowner requests. Second, the original alignment near Watford City became impractical due to the large amount of rapid development that is taking place in the area.

On August 1, 2012, the Commission found the application of BakkenLink to be complete and issued a Notice of Filings, Notice of Informal Hearing, and Notice of Opportunity for Hearing, scheduling an informal hearing for August 29, 2012, at 1:30 p.m. in the Commission Hearing Room on the 12th Floor of the State Capitol. The Notice further provided that comments and requests for a hearing must be received by August 31, 2012.

The Notice identified the following issues to be considered with respect to Bakkenlink's application for waiver of procedures and time schedules:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects and that adherence to applicable procedures and time schedules may be waived?
2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The Notice identified the following issues to be considered with respect to Bakkenlink's application for an amended Certificate of Corridor Compatibility and an amended Route Permit.

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse effects on the environment 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?

On August 20, 2012, the North Dakota Department of Health filed comments stating that it believes environmental impacts from the proposed construction will be minor and recommended certain construction methods to minimize fugitive dust emissions, minimize adverse effects on water bodies, and minimize construction activity noise.

On August 21, 2012, the SHPO filed a letter concurring that no historical properties will be affected by the Project.

On August 27, 2012, Bakkenlink filed with the Commission an Addendum 2 to Class II and Class III Cultural Resources Inventory.

On August 29, 2012, the informal hearing was held as scheduled. No requests for public hearing were received.

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. BakkenLink conducted a cultural resource inventory on a 200-foot-wide to 500-foot-wide survey corridor. A map depicting the survey corridor width is incorporated by reference and attached to this Order.
2. As the materials filed by Bakkenlink in its July 24, 2012 application state, and as was further discussed at the informal hearing, no exclusion or avoidance areas will be impacted by the requested corridor and route amendments.
3. As the materials filed by Bakkenlink in its July 24, 2012 application state, and as was further discussed at the informal hearing, the State Historical Society of North Dakota, State Historical Preservation Office, has concurred that no historic properties are affected by the requested corridor and route amendments.

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

Conclusions of Law

1. The Commission has jurisdiction over the applicant, BakkenLink Pipeline LLC, and over the subject matter of this application under North Dakota Century Code Chapter 49-22.

2. BakkenLink is a utility as defined in North Dakota Century Code Section 49-22-03(13).
3. The proposed pipeline is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).
4. The location, construction, and operation of the Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
5. The location, construction and operation of the Project are compatible with environmental preservation and the efficient use of resources.
6. The Project 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 Project is of such design and location that it will produce minimal adverse effects, in accordance with North Dakota Century Code Section 49-22-07.2.
8. It is appropriate for the Commission to waive those certain procedures and time schedules as requested in the Application and provided under North Dakota Century Code Section 49-22-07.2.

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

Order

The Commission orders:


1. BakkenLink Pipeline LLC's application for a waiver of procedures and time schedules is granted.
2. First Amended Certificate of Corridor Compatibility Number 128 is issued to BakkenLink Pipeline LLC designating a corridor for the construction, operation, and maintenance of a 12-inch and 8-inch crude oil pipeline system with receipt points and associated facilities in Billings, McKenzie, Stark and Williams Counties. For the purposes of the Certificate, the corridor consists of a 200-foot-wide to 500-foot-wide area, centered on the pipeline route for the length of the route, as depicted on the map incorporated by reference and attached to this Order. Where the route parallels the existing DGC carbon dioxide pipeline, the corridor consists of a 200-foot-wide area centered on the DGC pipeline route.

3. First Amended Route Permit Number 137 is issued to BakkenLink Pipeline LLC granting authority to construct and operate a 12-inch and 8-inch crude oil pipeline system with receipt points and associated facilities in Billings, McKenzie, Stark, and Williams Counties.

PUBLIC SERVICE COMMISSION


Kevin Cramer
Commissioner


Brian P. Kalk
Chairman


Bonny M. Fetch
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**First Amended
Certificate of Corridor Compatibility Number 128**

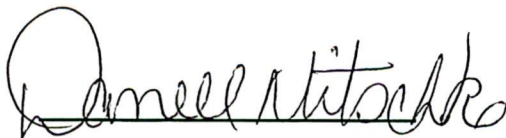
This is to certify that the Commission has designated a transmission facility corridor for BakkenLink Pipeline LLC for the construction of a 12-inch pipeline; and three 8-inch lateral pipelines for a total of 132 miles of pipe and associated facilities in Billings, McKenzie, Stark and Williams Counties, North Dakota, for the transmission of crude oil.

This certificate is issued in accordance with the Order of this Commission dated February 29, 2012 and amended in accordance with the Order of this Commission dated September 5, 2012 in Case No. PU-10-218 and is subject to the conditions and limitations noted in those Orders.

Bismarck, North Dakota, September 5, 2012.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

First Amended Route Permit Number 137

This is to certify that the Commission has designated a transmission facility route for BakkenLink Pipeline LLC for the construction of a 12-inch pipeline; and three 8-inch lateral pipelines for a total of 132 miles of pipe and associated facilities in Billings, McKenzie, Stark and Williams Counties, North Dakota, for the transmission of crude oil.

This permit is issued in accordance with the Order of this Commission dated February 29, 2012 and amended in accordance with the Order of this Commission dated September 5, 2012 in Case No. PU-10-218 and is subject to the conditions and limitations noted in those Orders.

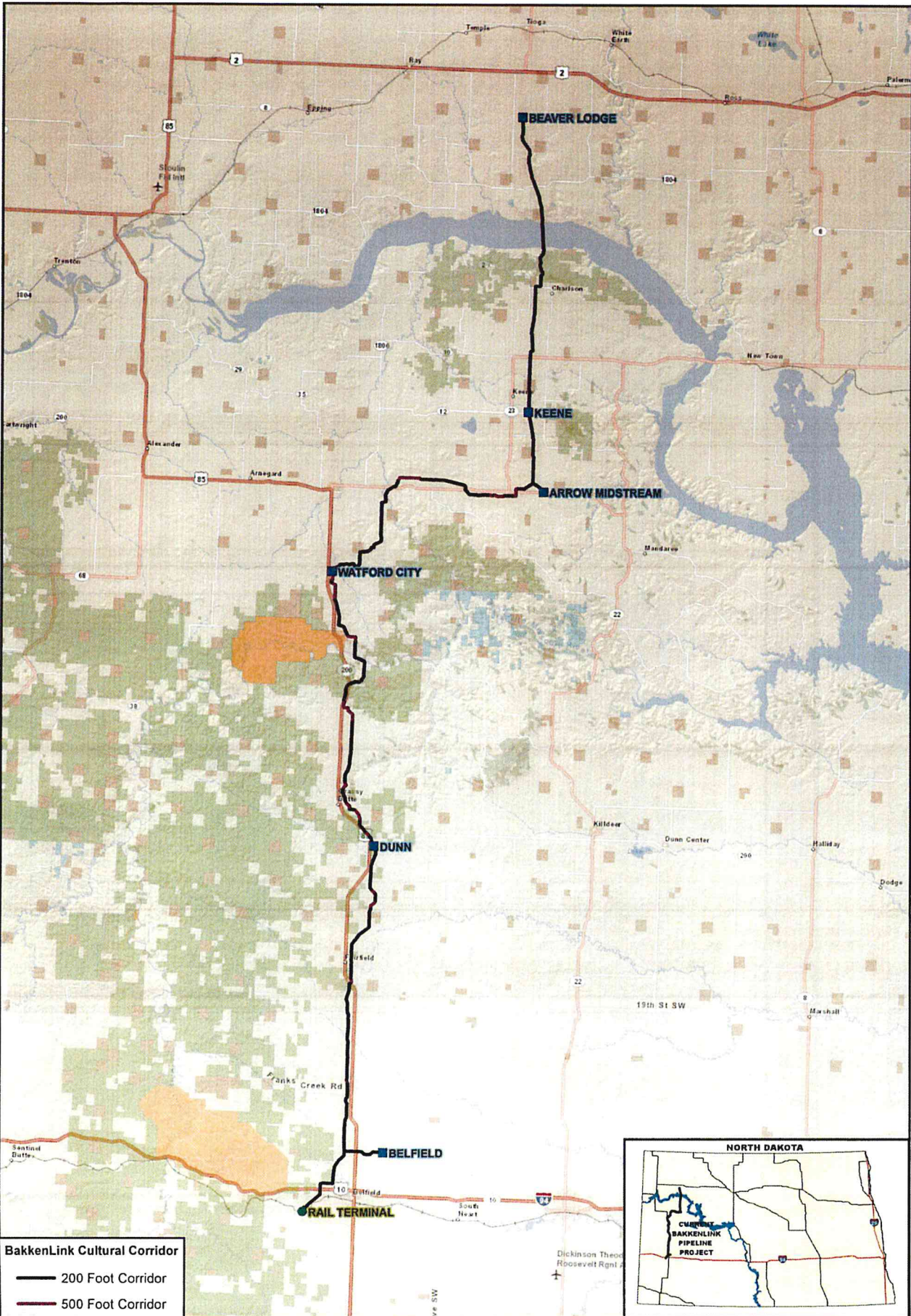
Bismarck, North Dakota, September 5, 2012.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner



BakkenLink Cultural Corridor
 — 200 Foot Corridor
 — 500 Foot Corridor



**BAKKENLINK PIPELINE PROJECT
 WESTERN NORTH DAKOTA**

ROUTE IS NOT FINAL AND IS SUBJECT TO CHANGE

**BakkenLink
 Pipeline LLC**
 BARTLETT & WEST