

February 7, 2013

**VIA HAND DELIVERY**

Mr. Pat Fahn  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480



**RE: BAKKENLINK PIPELINE, LLC  
8- and 12-INCH CRUDE OIL PIPELINE  
– CASE NUMBER PU-10-218**

Dear Mr. Fahn:

Enclosed for filing, please find an original and ten (10) copies of BakkenLink Pipeline, LLC's Application for Waiver or Reduction of Procedures and Time Schedules. Also enclosed is a CD containing the above-referenced document in PDF format.

As noted in the attached Application, due to the minor nature of the requested reroutes, the time constraints regarding pipeline construction, and the fact that all affected landowners have approved the reroutes, BakkenLink Pipeline, LLC requests that the Commission staff make a determination regarding the requested modifications as soon as possible, and without holding a public hearing on the matter.

If you should have any questions, please advise.

Sincerely,

  
JILLIAN RUPNOW

Enclosures

cc: Mr. Darren Snow (w/ encl. - via e-mail)  
Mr. Steve Griesser (w/ encl. - via e-mail)

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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA

**BakkenLink Pipeline LLC**  
**Crude Oil Pipeline — Williams to Billings County**  
**Siting Application**

CASE NO. PU-10-218

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Application of BakkenLink Pipeline LLC, for Waiver or Reduction of  
Procedures and Time Schedules

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In connection with its request for an amended Certificate of Corridor Compatibility and amended Route Permit for approximately 132 miles of 8-inch and 12-inch steel crude oil pipeline extending from Beaver Lodge, North Dakota to a crude oil rail loading facility located near Fryburg, North Dakota (“Rail Facility”), being developed by another entity, BakkenLink Pipeline, LLC (“BakkenLink”) submits to the North Dakota Public Service Commission (“Commission”) this application for a waiver or reduction of procedures and time schedules set forth in North Dakota Century Code Chapter 49-22 (“Siting Act”) and North Dakota Administrative Code Article 69-06 (“Siting Rules”). In accordance with Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, BakkenLink requests that the Commission waive or reduce the following requirements:

1. The requirements of Sections 49-22-08 and 49-22-08.1 of the North Dakota Century Code insofar as these sections may require the separate filing of applications for an amended Certificate of Corridor Compatibility and an amended Route Permit, and insofar as they require separate publication of notices of filing of said applications.
2. The requirements of Sections 49-22-07.2, 49-22-08, 49-22-08.1 and 49-22-13 of the North Dakota Century Code and Chapter 69-06-01-02 of the North Dakota

Administrative Code insofar as these sections may require that the Commission hold a public hearing on a waiver request, the application for an amended Certificate of Corridor Compatibility, and/or the application for an amended Route Permit. Instead, BakkenLink requests that the Commission issue an amended Certificate of Corridor Compatibility and amended Route Permit without the opportunity for hearing. Furthermore, if either an informal or formal hearing is required, BakkenLink requests that the Commission grant the amended Certificate of Corridor Compatibility and amended Route Permit prior to the hearing, subject to public input.

Consistent with the Commission's Energy and Transmission Facility Siting Guidelines ("Guidelines"), BakkenLink provides the following information in support of its requests for waiver and reduction of procedures and time schedule:

**A. Description of Proposed Project.**

**1. Type:** The Project is a crude oil pipeline system consisting of approximately 132 miles of 8-inch and 12-inch steel crude oil pipeline extending from multiple receipt points in Billings, McKenzie, Stark, and Williams Counties, North Dakota, to an interconnection with a crude oil Rail Facility at Fryburg, North Dakota. The trunk-line will have bi-directional capability, and will be able to transport crude oil to and from the Rail Facility and Beaver Lodge. BakkenLink is developing and intends to construct, own, and operate the Project.

**2. Product:** The Project, as modified, will still transport light, sweet crude oil produced in portions of Billings, McKenzie, Stark, and Williams Counties, North Dakota.

**3. Size and Design:** The size and design of the Project, as modified, will remain the same as approved in the Commission's Order, excepting the following changes in length of

pipeline:

- **Knapp Reroute:** In Township 146 North, Range 99 West, Section 1, per landowner request, BakkenLink requests permission to reroute the Project to the west a maximum of 265 feet, centerline to centerline. This reroute will increase the overall length of the pipeline by 210 feet.
- **Lillibridge Reroutes:** In Township 150 North, Range 96 West, Section 20, per landowner request, BakkenLink requests permission for two reroutes, one slightly to the north of the approved corridor, and one a maximum of 280 feet south of the approved corridor, centerline to centerline. This reroute will increase the overall length of the pipeline by 150 feet.
- **Hoffman Reroute:** In Township 150 North, Range 98 West, Section 35, due to a tribal concern and landowner request, BakkenLink requests permission to reroute the Project 175 feet to the west, centerline to centerline. This reroute will increase the overall length of the pipeline by 95 feet.
- **Levang Reroute:** In Township 150 North, Range 95 West, Sections 13 and 18, BakkenLink requests permission to reposition the lateral to the Arrow Receipt Point due to the relocation of the Receipt Point. This reroute will decrease the overall length of the pipeline by 2,627 feet.

**5. Geographical Service Area:** As noted above, the Project will provide North Dakota Bakken oil producers in portions of Billings, McKenzie, Stark, and Williams Counties, North Dakota, with access to a number of potentially attractive markets across the United States.

**6. Time Schedule:** BakkenLink has received the necessary pre-construction permits and approvals, has acquired the necessary amended right of way (“ROW”) from all affected landowners. The anticipated in-service date for the segment of the Project from Arrow to Fryburg is May 2013. The segment from Beaver Lodge to Arrow is anticipated to be constructed during the second half of 2013.

**7. Future Plans:** In the future, additional receipt points may be developed, as well as outlet connections with third party pipelines, including potentially the Enbridge North Dakota pipeline system, the Tesoro High Plains Pipeline system, the Bridger pipeline system, and if it is approved and moves to construction, the Keystone XL Pipeline system.

**B. Need for Facility.**

The Project will address anticipated regional pipeline and outlet constraints as development of the Bakken continues. With the initial outlets via the Rail Facility and Beaver Lodge, BakkenLink will provide a number of producers in western North Dakota with a much needed alternative means of transporting their crude oil. BakkenLink will also significantly reduce the number of trucks needed for hauling oil which provides benefits to the local communities by reducing traffic and the State of North Dakota through an increase in the useful life of the highways and roads located along the route. Bakken producers will be able to access new markets via the Rail Facility. Additionally, the strategic position of the Project will encourage the development of pipeline gathering laterals and receipt points and outlet connections with third party pipelines.

**C. Cost.**

The corridor and route modifications will not significantly increase the total Project costs, which are estimated to be approximately \$139,000,000.

**D. Waiver Request.**

Waivers of time schedules and procedures are needed to prevent potentially significant delays in implementing an additional means of transporting Bakken crude oil from the Williston Basin. Construction of this Project will benefit landowners, municipalities, and citizens of North Dakota by significantly reducing traffic congestion and impacts on road infrastructure caused by truck transportation. It will also benefit oil producers and mineral owners by alleviating dependence upon existing pipeline capacity, which is currently constrained, and by providing access to new markets for Bakken crude oil products. Without the waivers of time schedules and procedures requested, BakkenLink will be unable to provide a needed means of transporting

crude oil to new markets in a timely manner, which will limit the ability of those producers to market their crude oil and will delay the reduction of truck traffic and its associated impacts.

Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that “the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects.” Granting the waivers requested is appropriate because the Commission has already issued a Certificate of Corridor Compatibility and Route Permit for the Project; thus, it has been determined that the Project will produce minimal adverse effects.

The pipeline is currently under construction between Arrow and Fryburg, with anticipated completion by May 2013. These minor route changes are located within this segment. Over 250 construction workers are presently employed. Timely grant of waiver requests minimizes and possibly prevents potentially high standby costs paid to the construction and related contractors or layoff of the workers. In addition, without a timely waiver grant, in-service may be delayed; increasing truck traffic and potentially reducing premium priced market options for the shippers. Each route change impacts only a single landowner. As such, the reroute has been mutually agreed to based on consultation with and approval from the affected landowner. All necessary environmental and archaeological reviews of these reroutes have been completed, including such on site reviews as were necessary. The route changes will not affect any of the Public Service Commission exclusion, avoidance or selection criteria. The route changes do not involve any water crossings or section line crossings. Furthermore, BakkenLink confirmed that no cultural sites are affected by these reroutes and the overall impacts from construction activities are expected to be reduced due to the fact that the total lineal feet of pipeline installed will be shortened by over 2,000 feet.

