

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-10-218

ORDER

April 10, 2013

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.

The Commission’s September 5, 2012 Order issued First Amended Certificate of Corridor Compatibility No. 128 and First Amended Route Permit No. 137 to allow several modifications to the proposed pipeline placement in order to accommodate landowner requests and to allow a change to the original alignment near Watford City due to the large amount of rapid development taking place in the area.

On January 18, 2013 BakkenLink filed a request for modification to the approved corridor and route to accommodate three reroutes at landowner requests, known as the Knapp, the Lillibridge, and the Hoffmann reroutes; and one reroute due to the relocation of the Arrow Receipt Point, known as the Levang Reroute; all in McKenzie County, North Dakota.

At its February 1, 2013 Special Meeting, the Commission determined that it would delegate authority to staff to approve the BakkenLink route deviations outside the designated corridor. Before Staff approval was given, BakkenLink was required to file verification that BakkenLink obtained landowner approval for the Levang Reroute, file a certification that the reroutes would not impact any new exclusion or avoidance areas, file copies of environmental and cultural studies, file a copy of the State Historic Preservation Office's concurrence with a finding of No Historical Properties Affected, and file confirmation from the local road authority that the Hoffmann Reroute would not affect plans for potential road improvements. The Commission also determined that Staff approval would be subject to the subsequent issuance of a Notice of Opportunity

for Hearing providing opportunity for comments or requests for hearing on the four reroutes.

On February 7, 2013, Bakkenlink filed an 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.

BakkenLink's February 7, 2013 filing also included a Certification of Darren Snow in Support of the Application of BakkenLink Pipeline LLC for an Amended Corridor Certificate and Route Permit, who is the Vice President with regard to BakkeLink's crude oil pipeline project (Certification).

On February 8, 2013, Commission Staff approved the four reroutes conditioned on expiration of a Notice of Opportunity for Hearing, to be issued by the Commission, and without receipt of any comments or requests for hearing.

On February 13, 2013, the Commission issued a Notice of Filings, Notice of Informal Hearing, and Notice of Opportunity for Hearing, scheduling an Informal Hearing for March 27, 2013, 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 March 18, 2013.

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 February 27, 2013, the North Dakota Department of Health (DOH) 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. These February 27, 2013 comments are substantially the same as comments filed by the DOH on August 20, 2012 in this proceeding.

On March 27, 2013, the Informal Hearing was held as scheduled.

The February 7, 2013 Certification of Darren Snow states that the requested reroutes do not impact any new exclusion or avoidance areas; that the requested reroutes do not affect any of the Commission's exclusion, avoidance, or selection criteria; that the requested reroutes do not involve any water crossings or section line crossings; that the requested reroutes do not affect existing or future county roads; that all necessary environmental and archaeological reviews have been completed; and that no new landowners are affected.

BakkenLink conducted a cultural resource inventory on a 200-foot-wide to 500-foot-wide survey corridor for the proposed reroutes.

As the materials filed by Bakkenlink in its February 7, 2013 filing 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.

As the materials filed by Bakkenlink in its February 7, 2013 filing 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.

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.

The location, construction and operation of the Project are compatible with environmental preservation and the efficient use of resources.

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.

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.

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.

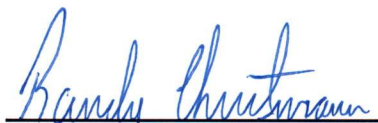
Having allowed all interested persons an opportunity to be heard and having reviewed and considered all evidence presented, the Commission makes the following:

Order

The Commission orders:

1. BakkenLink Pipeline LLC's application for a waiver of procedures and time schedules is granted.
2. Second 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 purposes of the reroutes that are subject of this Order, the reroute corridors consist of a 200-foot-wide area, centered on the pipeline reroutes for the length of the reroutes.
3. Second 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



Randy Christmann
Commissioner



Brian P. Kalk
Chairman



Julie Fedorchak
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

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

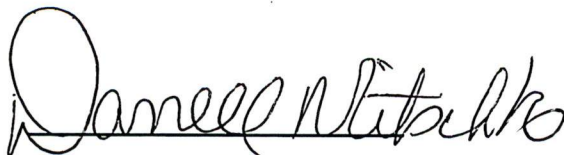
This is to certify that the Commission has designated a transmission facility corridor for BakkenLink Pipeline LLC for the construction of a 12-inch pipeline; and three 8-inch lateral pipelines for a total of 132 miles of pipe and associated facilities in Billings, McKenzie, Stark and Williams Counties,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

This certificate is issued in accordance with the Order of this Commission dated February 29, 2012; amended in accordance with the Commission's Order dated September 5, 2012; and amended in accordance with the Commission's Order dated April 10, 2013 in Case No. PU-10-218 and is subject to the conditions and limitations noted in those Orders.

Bismarck, North Dakota, April 10, 2013.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Second 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; amended in accordance with the Commission's Order dated September 5, 2012; and amended in accordance with the Commission's Order dated April 10, 2013 in Case No. PU-10-218 and is subject to the conditions and limitations noted in those Orders.

Bismarck, North Dakota, April 10, 2013.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner