

Enbridge Pipelines (North Dakota) LLC  
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**ENBRIDGE™**

April 4, 2011

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**PUBLIC SERVICE COMMISSION**

Commissioner Tony Clark, Chairman  
Commissioner Kevin Cramer  
Commissioner Brian P. Kalk  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, North Dakota 58505-0480

RE: Docket No. PU-10-613, EPND Pipelines (North Dakota) LLC  
Beaver Lodge Loop Project – Supplemental Filing for  
Late Filed Exhibits No. BL-7, BL-8: Report on Discussions  
with Mountrail County and Idaho Township Representatives  
Re: Location of Pipeline in South ½ of Sections 32, 33

Dear Commissioners:

This serves as Enbridge Pipelines (North Dakota) LLC's ("EPND") Supplemental Filing for Late Filed Exhibits No. BL-7 and BL-8 in the above-referenced matter. This Supplemental Filing responds to the letter filed on March 3, 2011 by Wade G. Enget, Mountrail County State's Attorney ("Enget Letter"), which attempts to explain the reasons why Mountrail County, Idaho Township and the City of Stanley disagree with the proposed Beaver Lodge Loop Project's ("BLLP") proposed route through the City of Stanley. EPND is compelled to submit this Supplemental filing because the Enget Letter contains material inaccuracies and mischaracterizations that require a response.

1. First, the blanket assertion that "the location of this pipeline hinders the infrastructure improvements (water, sewer and streets) contemplated" is without merit. EPND has committed to considering a number of alternative construction measures such as a trenchless pipe installation method, using pipe with heavier wall thickness, installing the pipe at a greater depth, or utilizing a narrower construction footprint or a narrower permanent easement, provided the location, timing and extent of the proposed infrastructure improvements can be defined with certainty. In the event the improvement plans cannot be adequately defined until a later date, EPND has even committed to paying any incremental costs incurred during installation of future sewer and water lines that are directly caused by the presence of the BLLP pipeline. The local representatives fail to explain how the proposed BLLP route hinders their plans in light of these potential accommodations and, in fact, fail to even acknowledge the substantial commitments EPND has made to ensure the successful construction and co-location of the parties' respective projects.

It may be that the local representatives are unfamiliar with these commonly used alternative construction methods. EPND has extensive experience with co-locating and operating pipelines with utilities and other existing infrastructure and is confident that the BLLP and local infrastructure development can be coordinated to achieve all parties' goals. The local representatives have not provided any explanation as to why BLLP and local development cannot co-exist in the proposed route.

2. Next, the Enget Letter asserts that “Enbridge was directed by the PSC to meet with representatives from Mountrail County to discuss, evaluate and determine the best route for the pipeline taking into consideration the construction occurring in the vicinity, development in the area and future development in the area.” This is a mischaracterization of the PSC’s actions.

EPND was directed to file a report of “its discussion with [local representatives] re: location of pipeline in S½ of Secs. 32 and 33” as stated in the Exhibit List as submitted by ALJ Wahl on January 27, 2011. EPND met local representatives and participated in a discussion regarding the BLLP pipeline location. EPND’s position is that the proposed BLLP pipeline route best minimizes impacts to humans and the environment and is in the best interests of *all* stakeholders. Local representatives have not explained why in their opinion the BLLP pipeline route does not minimize impacts to humans and the environment while accounting for local development.

3. The Enget Letter also asserts that “[t]he proposed location of the Enbridge Pipeline would create a permanent 45 foot “no-build” easement on land abutting the public roadway, which could have the effect of keeping truck traffic from flowing to the South of the City [of Stanley] proper.” This assertion mischaracterizes the reason for the setback area adjacent to the public roadway.

EPND’s easements are *not* “no-build” easements and are not the cause of the setback requirement. The setback adjacent to the roadway existed prior to EPND acquiring easements and is established by local ordinance that prohibits permanent structures in the setback area. Installing the pipeline in this pre-existing setback area minimizes the impact to development of adjacent lands and the Enget Letter provides no explanation as to why installation within a utilities corridor *created by the local municipality* will impede the flow of traffic “to the South of the City [of Stanley].”

Furthermore, locating the BLLP pipeline route within the setback area will *not* affect widening 61<sup>st</sup> Street NW. The schedule for construction and funding for widening 61<sup>st</sup> Street NW is uncertain and is representative of the general uncertainty associated with local development plans. The Enget Letter claims that local representatives are presently acquiring lands for construction of a frontage road. However, EPND is not aware of any documents on file with the Mountrail County Recorder’s Office noting acquisition of lands for a frontage road. Additionally, as evidenced at the March 16, 2011 meeting local representatives continue to debate on a final road width, *if* a frontage road will be constructed, or *if* points of ingress/egress will be constructed along an expanded 61<sup>st</sup> Street NW. Local representatives cannot explain why installation of the BLLP pipeline in the setback area will impede widening 61<sup>st</sup> Street NW.

4. The Enget Letter next asserts that “the County Fair Building Project is located adjacent to the proposed pipeline. The proposed pipeline limits further development in the area.” This assertion is inaccurate as the proposed pipeline is not adjacent to the County Fair Building Project.

EPND has already received consent from the City of Stanley to install the pipeline within the setback area on the north side of 61<sup>st</sup> Street NW and has paid the City for these easement rights. Mountrail County has no interest in this land and the County Fair Building Project is being constructed on land that is located on the south side of 61<sup>st</sup> Street NW. The County chose to construct its project there despite the fact that three (3) active Hess pipelines (wet gas, fuel gas, and oil pipelines) are already located on that parcel of land. The BLLP pipeline will not be located adjacent to the County Fair Building and the local representatives cannot explain how the proposed installation of the BLLP

pipeline in the setback area north of 61<sup>st</sup> Street NW will adversely impact construction of the County Fair Building Project south of 61<sup>st</sup> Street NW.

5. The Enget Letter also asserts that “Doug Aller of Enbridge explained that the proposed route is in the best interest of Enbridge. To move the pipeline [s]outh of the reservoir would require a new environmental study[.] [C]onstruction of the pipeline would not take place until 2012.” This is a mischaracterization of the discussions and misstates Enbridge’s plans.

Mr. Aller explained that the BLLP pipeline route is in the best interests of *all* stakeholders. EPND’s route analysis and selection process is not one based on internal convenience. A pipeline is not a line indiscriminately drawn on a map. The proposed BLLP pipeline route was chosen after careful consideration because it minimizes impacts to humans and the environment. Conducting the environmental study is not the issue. Re-routing the BLLP pipeline south through the reservoir as suggested by the local representatives causes unnecessary environmental impacts. EPND’s strong preference is to avoid routes that cause unnecessary environmental impacts. Local representatives cannot explain why they believe the Little Knife River Crossing route will *minimize* environmental impacts when two additional crossings of the Little Knife River will occur if the pipeline is routed further to the south.

As indicated in the PSC filings, EPND is prepared and intends to begin construction of BLLP in 2011. To accommodate the local representatives still uncertain infrastructure improvement plans and to make efficient use of two construction seasons prior to BLLP’s proposed in-service date of January 1, 2013, EPND *may* postpone construction of a *portion* of BLLP. EPND’s corridor certificate and route permit applications request immediate approval to construct as early as June 2011. Receiving necessary approvals as soon as possible would facilitate avoiding construction in challenging winter weather conditions. The local representatives are incorrect in stating that EPND’s construction of BLLP will not take place until 2012.

6. Finally, the Enget Letter asserts that “Enbridge [did] not consider an alternative route. Enbridge did not consider the concerns of Mountrail County, the City of Stanley and Idaho Township.” This is incorrect.

EPND carefully and thoughtfully considered options for the BLLP pipeline route, which is evidenced in EPND’s various PSC filings. EPND’s primary goal in route selection is to minimize impacts to humans and the environment. EPND’s decision to not use its existing pipeline corridor through the City of Stanley is an example of EPND’s thoughtful consideration of minimizing the impacts of the project. EPND has considered the local representatives’ concerns and they are incorrect in stating that EPND has failed to consider an alternative route or their concerns.

## **CONCLUSION**

EPND is confident that the proposed BLLP pipeline route will not be detrimental to local development. EPND remains a willing participant in the collective coordination and accommodation of local development. The parties can and will successfully complete their respective projects without having to modify the proposed pipeline route.

North Dakota Public Service Commission  
April 4, 2011

EPND respectfully requests that the ND-PSC carefully consider this Supplemental Filing and the Late Filed Exhibits No. BL-7 and BL-8 and issue a Certificate of Corridor Compatibility and Route Permit for Docket No. PU-10-613 as proposed by EPND.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Sitek', enclosed within a hand-drawn oval.

Mark S. Sitek  
Senior Project Director  
Major Projects – Bakken

cc: Mitchell Armstrong  
Patrick J. Fahn  
Wade G. Enget