



Public Service Commission

State of North Dakota

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August 28, 2015

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1133 College Drive, Suite 1000
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**RE: Banner Transportation Company, LLC (fka Arrow Field Services, LLC)
Pipeline Case No. PU-11-99
Construction Inspection Report**

On November 2, 2011, the North Dakota Public Service Commission issued an order in this case authorizing the Company to construct a 1.5 mile, 8 inch diameter crude oil pipeline.

As per the North Dakota Public Service Commission order and Certification Relating to Order Provisions, the Commission retains the right to conduct construction inspections. The North Dakota Public Service Commission retained a third-party vendor to conduct these inspections. Below we provide a weblink to the third-party post construction inspection report for your review and a link to the Commission's order in the proceeding. We also list actions recommended in the post construction inspection report for follow-up by the Company to confirm compliance with the Commission orders.

As per the post construction inspection report, the following information should be provided:

- Maps of approved corridor and associated GIS files, to be reconciled with the as-built drawings. Clarification is needed for 1) which route was chosen on the east end of the pipeline where it left the CDP facility (two alternatives were analyzed), 2) the alignment of the built route, 3) the disturbed area adjacent to the route in the NE ¼ of Section 19.
- Documentation of repair of compacted soils and ruts in the drainage southeast of the tie-in on the west end.
- Documentation of repair of silt fences at Dry Creek and subsequent removal of silt fences along Dry Creek once adjacent vegetation is established and soils are stabilized
- A copy of the Conservation Plan for the Project as recommended by the USFWS.
- An explanation as to why the route was not moved closer to the section line to avoid fragmentation of Sprague's pipit habitat as per the USFWS.

- Tree and Shrub Mitigation Plan and three years of monitoring reports are needed, that is, the 2013 and 2014 reports should be filed with the final report documenting a 75 percent survival rate filed in 2015.
- Documentation as to the seed mix used and verification that vegetation has been established within the grassland area on the east half of the corridor. There were indications in a few areas that mixing of topsoil with subsoil had occurred, or that insufficient topsoil was replaced during reclamation. These areas had lighter-colored soils and poor revegetation establishment within the grassland area.
- It appeared crop production may have been suspended due to pipeline construction activities. Though presumably crop losses were being monetarily mitigated, the Company should report whether former land uses have been achieved.
- Verification that the pipeline was designed, constructed and is now operated in compliance with US DOT 49 CFR Parts 194 and 195.
- Justification as to why the 80 foot buffer was not retained along Dry Creek.

Regarding tree and shrub mitigation, the following information should be provided:

1. A tree and shrub plan for approval by the Commission as required by Item #10 of the "Tree and Shrub Mitigation Specifications" attached to the Commission's November 2, 2011 Order.
2. If replacement trees and shrubs were planted, provide documentation required by Item # 14 of "Tree and Shrub Mitigation Specifications."
3. If replacement trees and shrubs were planted, provide documentation required by Item # 15 of "Tree and Shrub Mitigation Specifications."

The construction report can be found at:

<http://www.psc.nd.gov/database/documents/11-0099/079-020.pdf>

The Commission Order can be found at:

<http://www.psc.nd.gov/database/documents/11-0099/051-010.pdf>

Please forward your response to the recommended Company actions, confirming these activities are complete, and describe actions and timelines for activities that are not complete. Please provide this documentation within 30 days.

If you have any questions regarding this letter, please contact me at 701-328-4077.

Best regards,



Patrick Fahn

Director, Compliance and Competitive Markets