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June 14, 2011

**RECEIVED**

JUN 14 2011

**PUBLIC SERVICE COMMISSION**

*via Hand Delivery*

Mr. Darrell Nitschke  
Executive Director  
North Dakota Public  
Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

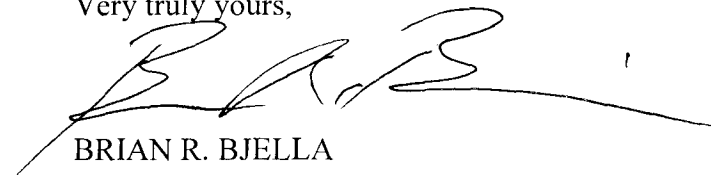
Dear Mr. Nitschke:

In re: Letter of Intent  
Berthold Station Expansion Project  
Ward County, North Dakota  
Our File No. 31-411-005

Enclosed please find for filing the original and ten copies of Letter of Intent.

Please call should you have any questions.

Very truly yours,



BRIAN R. BJELLA

bw  
Enc.

1 **PU-11-232** Filed: 6/14/2011 Pages: 5  
**Letter of Intent**

BILLINGS BISMARCK BOZEMAN HELENA KALISPELL M

Enbridge Pipelines (North Dakota) LLC  
Brian Bjella, Crowley Fleck

Enbridge Pipelines (North Dakota) LLC  
2505 16<sup>th</sup> Street SW  
Minot, North Dakota 58701

Kevin Hatfield  
Sr. Dir., Gathering Systems  
Office: (701) 857-0838  
kevin.hatfield@enbridge.com

**ENBRIDGE™**

June 13, 2011

Mr. Darrell Nitschke  
Executive Director  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

Re: Letter of Intent  
Berthold Station Expansion Project  
Ward County, North Dakota

Dear Mr. Nitschke:

In accordance with North Dakota Century Code ("NDCC") §49-22-07.1 and Chapter 69-06-03 of the North Dakota Administrative Code ("NDAC"), Enbridge Pipelines (North Dakota) L.L.C. ("EPND") hereby submits the original and ten (10) copies of this Letter of Intent to file a Consolidated Application for a Certificate of Corridor Compatibility and Route Permit ("Permit"). The Permit would authorize the expansion and phased-in construction of certain upgrades to EPND's Berthold Station, all being located in Ward County, North Dakota.

Pursuant to NDCC §49-22-07.2 and NDAC Chapter 69-06-03, EPND is requesting that the Public Service Commission waive the requirement to file a Letter of Intent one year prior to filing an Application for a Corridor Certificate or a Route Permit. Instead, EPND requests a shorter period of no more than ten days prior to filing its Application for Corridor Certificate and Route Permit. EPND makes this request because this project must be in service as soon as possible in order to serve the increasing demand to move Williston Basin crude petroleum production to market. EPND plans to file its Application for a Corridor Certificate and Route Permit the week of July 5, 2011.

Pursuant to NDAC §69-06-03-02, EPND provides the following information to meet its Letter of Intent requirements.

**I. Description of the Size and Type of Facility and the Area to be Served**

The upgrades to the Berthold Station include two phases of construction to install new station piping, pumping unit(s), metering facilities and other related valves and appurtenances. EPND also plans to install new tankage and expand the Berthold Station property by acquiring approximately 80 acres of land located directly west of the station site, and leasing or purchasing up to another 240 acres of land located northwest of the station site.

Oil producers in the Williston Basin of North Dakota continue to demand additional export capacity to transport the increasing Bakken crude oil production from the western counties of North Dakota. These areas are currently experiencing historical levels of drilling activity resulting in greatly increased production of crude oil. Enbridge seeks to meet those demands by increasing pipeline capacity into and from Berthold Station. With the EPND capacity into Clearbrook in full apportionment, and with the Line 26 Reversal export capacity initially limited to 25,000 bpd,<sup>1</sup> additional capacity is needed beyond Enbridge's Bakken Expansion Program<sup>2</sup> capacity of 145,000 bpd in 1Q 2013.

Therefore, in direct response to this rising demand, EPND has developed the Berthold Station Expansion Project to meet the immediate need for storage and transportation capacity ex-Berthold. These facilities will be constructed in two phases. Phase I will include approximately 5,000 feet of new 16-inch station piping, a skid-mounted pumping unit, and metering facilities including all related valves and appurtenances; Phase II will include 4,000 feet of new 8-inch station piping, pumping units, tankage, metering facilities including all related valves and appurtenances, all being located in Ward County, North Dakota. These upgrades will enable EPND to deliver up to 31,000 barrels per day (bpd) of crude oil volumes by 1Q 2012 (Phase I) and 70,000 bpd by 2Q 2013 (Phase II) from its Berthold Station to a new rail export facility. These facilities will provide a critical link for Bakken producers to utilize unit-train capacity for the ultimate transportation of such volumes to market by rail.

## **II. Map of the Study Area for the Proposed Site or Corridor**

See attached map showing the location of the Berthold Station and the planned location of such upgrades.

## **III. Anticipated Construction and Operation Schedule**

EPND desires to begin construction as soon as possible. Subject to Commission approval, EPND anticipates commencing construction by November 1, 2011, in order to have Phase I in service by 1Q of 2012 and Phase II in service by 2Q 2013.

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<sup>1</sup> On August 16, 2010 in Docket No. PU10-564, EPND filed a "Certification Letter" stating its plans to make certain station upgrades and modifications to its existing Berthold Station in order to reactivate and reverse the flow of Line 26, thus adding an incremental 25,000 barrels per day of export capacity to EPND's North Dakota Pipeline system. By Acknowledgement Letter dated August 23, 2011, this Commission accepted the certification letter as filed in the above referenced docket.

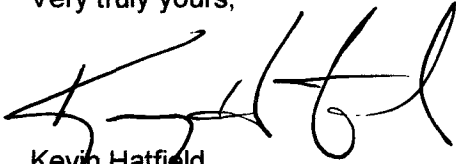
<sup>2</sup> As approved and permitted by this Commission on May 5, 2011 in Docket No. PU-10-612 (Bakken Expansion Project) and on May 16, 2011 in Docket No. PU-10-613 (Beaver Lodge Loop Project)

**IV. Estimate of the Total Cost of Construction**

EPND estimates the cost of phased-in construction of the upgrades at the Berthold Station at \$102.5 million.

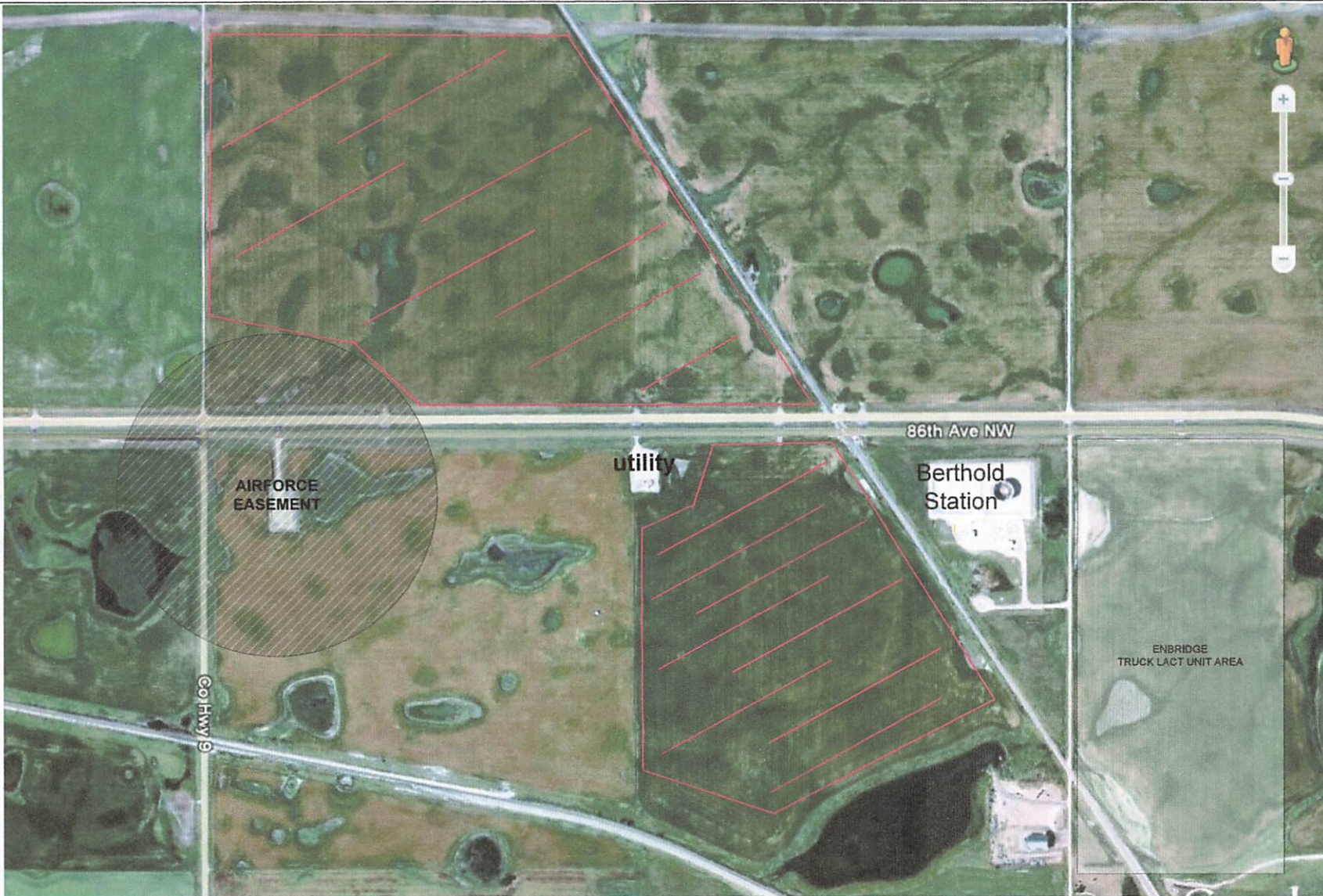
Should you have any questions, please contact the undersigned at (701) 857-0838 or Claudia Schrull, Manager of our Regulatory group at (713) 821-2045. Thank you for your attention to this matter.


Very truly yours,

A handwritten signature in black ink, appearing to read 'Kevin Hatfield', written over a horizontal line.

Kevin Hatfield  
Senior Director, Gathering Systems

Enc.



				<b>Facilities Development Engineering</b>	
				<b>BERTHOLD STATION EXPANSION PROJECT AREA MAP</b>	
Drawn By	Date	Dwg. No.	Scale		
SFC	June 2011	1	NTS		