NORTH DAKOTA PUBLIC SERVICE COMMISSION

DOCKET NO. PU-11-605

APPLICATION OF

ENBRIDGE PIPELINES (NORTH DAKOTA) LLC

for

ROUTE PERMIT FOR A CRUDE OIL PIPELINE

GRENORA STATION UPGRADE PROJECT
OCTOBER 2011

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SECTION B

LOCATION

B.1 APPLICANT'S POLICIES AND COMMITMENTS TO LIMIT ENVIRONMENTAL IMPACT

An integral part of Enbridge Pipelines (North Dakota) LLC's ("EPND") business conduct is an environmental protection policy. Environmental protection efforts will span the entire Project, from planning through construction, to restoration and into full operation.

B.1.a Construction

In this Application, EPND is proposing to upgrade its Grenora facility located south of Grenora, North Dakota. The upgrade, referred to hereinafter as the Grenora Station Upgrade Project ("Project"), includes the redesign and reconfiguration of the existing Grenora Station as more fully described in Section A.3 of the Application for Certificate of Corridor Compatibility. EPND also plans to install a new 40,000 barrel tank for the receipt of new supply volumes. (*see* Exhibits B.1.2). The Project enables EPND to receive additional supply volumes from a new shipper-owned and operated truck unloading facility. The Project also enables EPND to increase the injection capacity into its mainline system by December 2012. The Project will result in temporary short-term localized impacts, but is not expected to result in significant long-term change to the surrounding environment.

Planning, design, construction, and restoration will incorporate the equipment and measures discussed in Sections B.6 and B.9. Environmental monitoring and inspection will take place during and after construction. Environmental representatives will monitor compliance with required environmental protection measures, permit conditions, and specifications, and provide ongoing oversight for day-to-day issues that may arise during construction. Contract specifications will incorporate environmental protection and mitigation measures, and contractors will be expected to implement these measures in the field. EPND will provide Contractor training and project orientation.

Environmental data has been assessed as described in Section B of the Application for Certificate of Corridor Compatibility. EPND will

continue to work with appropriate regulatory agencies to gather comprehensive information during the permitting process.

B.1.b Ongoing Pipeline Operation

The EPND System, formerly owned by Portal Pipeline Company[1], has been in operation since the 1980's and is regulated by the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration under 49 Code of Federal Regulations (CFR) Part 195 (and other codes). EPND is committed to pipeline safety. Accordingly, EPND has developed a comprehensive set of operating and maintenance procedures that assure pipeline safety. Additionally, EPND has a continuing commitment to conduct its operations in an environmentally responsible manner. EPND reduces pipeline impact to the environment by maintaining a constant concern for pipeline integrity, operational safeguards, emergency response, and landowner relationships. EPND personnel are responsible for environmental, maintenance, and internal pipeline integrity plans that monitor compliance with the various pipeline safety and environmental regulations, and EPND's own company policy. Moreover, EPND has a review program in place to ensure the effectiveness of policies and procedures and continued compliance with applicable regulations.

B.1.c Energy Conservation Considerations

Energy conservation is a major concern for EPND. Energy/power costs represent the largest single recurring expense in pipeline operation. EPND pays constant attention to energy conservation.

EPND continually works with its individual energy providers to assure economical and efficient use of power for its North Dakota pipeline system. EPND also continuously reviews and tracks firm and non-firm power requirements, and works closely with electrical utilities in planning for transmission and generation needs.

EPND's energy conservation goal is to minimize power/energy unit costs through the implementation of internal programs directed at continuous improvement of energy utilization efficiency. EPND has considered several energy efficiency and conservation programs. The following provides a brief explanation of the programs reviewed during the Project development phase:

[1] Pursuant to the North Dakota Public Service Commission's Order in Case No. 10,472.

B.1.c.(1) Pipeline Diameter

In the instant application, EPND proposes no changes to the design capacity of its mainline system. As previously stated, the new station facilities proposed in this application will increase the injection capacity of the Grenora Pump Station to deliver crude oil volumes into the North Dakota mainline system

B.1.c.(2) Variable Frequency Drives (VFDs)

The installation of variable frequency induction motor drives ("VFDs") is a program that has been in place for approximately 16 years. VFDs allow the pipeline operator to vary the pump rotation speed, thereby controlling the pressure produced to match the desired flow rate. This eliminates the need to dissipate or waste pressure (energy) with pressure control valves (PCVs). VFDs, however, do introduce energy losses and, therefore, are considered only when there is a range of operating conditions (primarily flow rate, density and viscosity) that would often require dissipation of pressures produced by the pumps. Ideally, if operating conditions were constant, the pump would deliver constant pressures eliminating the need for pressure dissipation. Therefore, operating conditions play a key role in designing the pumping stations for optimum efficiency.

VFDs will be specified to control the operating speed of the two mainline injection pumps associated with the proposed Grenora Station Upgrade Project.

B.1.c.(3) Pipeline Control Center

EPND pipeline control operators are trained in applied hydraulics and pipeline control through the use of a computerized pipeline control simulation system. They are trained to operate the pipeline at an optimum flow rate using efficient combinations of pumps, thereby minimizing energy consumption. Operators have the capability to start and stop pumps and monitor pipeline operating conditions to assist in achieving an energy efficient operation.

B.1.c.(4) Pump and Motor Efficiency

It is EPND's standard policy to purchase high efficiency pumps and motors in an effort to conserve long range energy requirements. For example, a pump drawing 110 hp, operating 300 days per year at 80% efficiency will consume 0.75 million kilowatt hours (kWh) of energy annually and sets a demand of 103 kW. Increasing the efficiency by only 1% translates into 9,138 kWh of energy savings. The positive-displacement pumps planned for Grenora Station offer high efficiency and energy savings for a wide range of service conditions. Typically, these pumps provide an efficiency of approximately 90% and combined pump/motor efficiency in excess of 80%.

B.1.c.(5) Electric Service Agreements

EPND is presently working with its various energy providers to renegotiate, if applicable, new electric service agreements for the Project.

B.2 DISCUSS THE FACTORS LISTED IN SECTION 49-22-09 NDCC TO AID THE COMMISSION'S EVALUATION OF THE PROPOSED PIPELINE ROUTE

The North Dakota Public Service Commission ("ND-PSC" or "Commission") consider the following factors in evaluating the designation of corridors and routes:

B.2.a Available Research and Investigations Relating to the Effects of the Location, Construction, and Operation of the Proposed Facility on Public Health and Welfare, Natural Resources, and the Environment

A discussion of the effects of the location, construction, and operation of the Project on public health and welfare, natural resources, and the environment is included in Section B of the Application for Certificate of Corridor Compatibility. Research and investigation relating to these effects have included cultural resource reviews, protected species and sensitive area reviews, and wetland studies.

B.2.b The Effects of New Energy Conversion and Transmission Technologies and Systems Designed to Minimize Adverse Environmental Effects

The Project does not include new energy conversion or transmission technologies that are expressly designed to minimize adverse environmental effects. As described in EPND's Environmental Mitigation Plan (EMP), current construction techniques and mitigation measures will be employed to minimize the effect of construction on environmental resources (*see* Exhibit E of the Application for Certificate of Corridor Compatibility). These measures are also discussed in Section D.5 of the Application for a Certificate of Corridor Compatibility.

B.2.c The Potential for Beneficial Uses of Waste Energy from a Proposed Energy Conversion Facility

The Project does not involve new energy conversion facilities. No usable waste energy will result from the Project.

B.2.d Adverse Direct and Indirect Environmental Effects, Which Cannot be Avoided Should the Proposed Site or Route be Designated

Unavoidable adverse direct and indirect environmental effects may include short-term or temporary effects on vegetation, wildlife, and conversion of agricultural lands to industrial use, as described in Section D.2 of the Application for a Certificate of Corridor Compatibility. Less than 0.1 acre of permanent wetland impacts and less than 0.5 acre of temporary wetland impacts will occur as a result of the construction of an access road (*see* Exhibit B.1).

EPND is currently in consultation with the U.S. Army Corps of Engineers (COE) – Omaha District to determine if the impacted wetland is within their jurisdiction. If the wetland is a jurisdictional feature, EPND will continue consultation with the COE to determine the appropriate permitting process (*see* Section D.2.c.(3) of the Application for a Certificate of Corridor Compatibility for further discussion).

EPND will implement mitigation measures to minimize direct and indirect environmental impacts as described in EPND's EMP (*see* Exhibit E).

B.2.e Alternatives to the Proposed Site, Corridor or Route, Which are Developed During the Hearing Process and Which Minimize Adverse Effects

No routing alternatives were considered in this Project since no linear pipeline is being considered.

B.2.f Irreversible and Irretrievable Commitments of Natural Resources Should the Proposed Site, Corridor or Route be Designated

About 18 acres of agricultural land will be converted to industrial land upon the ND-PSC issuing an order and permit to construct, own and operate the facilities described herein. As described in Section D.2.c.(5) of the Application for a Certificate of Corridor Compatibility, this represents a negligible percentage of all agricultural land in Williams County. Of the 12.38 acres of wetlands delineated in the 152-acre survey area, less than 0.1 acre (< 1%) would be permanently impacted. Only minimal irreversible or irretrievable commitments of natural resources will result from the Project. EPND will implement mitigation measures to minimize these impacts as described in EPND's EMP (*see* Exhibit E).

B.2.g **The Direct and Indirect Economic Impacts of the Proposed Facility**

B.2.g.(1) The Project presents an opportunity to utilize and enhance existing mainline capacity to meet the needs for additional liquid petroleum transportation in this region.

B.2.g.(2) The Project has significant economic benefits, such as:

- Providing a stable source of crude oil supplies to the refining regions of PADD II and supporting a healthy economic environment throughout the entire Upper Midwest.
- Providing an increase of $437,800 in estimated property taxes.
- Providing an estimated 621 person-years of jobs in North Dakota with a total economic benefit of $77 million during construction in 2012.
- Providing 183 jobs and a total economic benefit of $39.5 million per year after the new facilities are placed in service.

B.2.h **Existing Plans of the State, Local Government, and Private Entities for Other Developments at or in the Vicinity of the Proposed Site, Corridor, or Route**

EPND is not aware of other existing development plans by state, local or other government entities or third parties at, or in the vicinity of, the proposed Project.

B.2.i **The Effect of the Proposed Site or Route on Existing Scenic Areas, Historic Sites and Structures, and Paleontological or Archaeological Sites**

In September 2011, EPND requested North Dakota State Historic Preservation Office (ND-SHPO) concurrence with the findings of the archaeological survey and Project clearance for the 152-acre survey area. The ND-SHPO responded with Project concurrence on September 14, 2011, stating that they concurred with the "No Historic Properties Affected" and "No Significant Sites Affected" determinations provided the Project is of the nature stated, and it takes place in the plotted locations (*see* Exhibit C.2).

Regarding existing scenic areas, the Project area is located in a part of North Dakota that is generally flat or gently rolling farm fields or rangeland, with no mountains, valleys, or other topography to break up the landscape. The current land use is predominately agricultural, as detailed in Section D.2.c.(1) of the Application for a Certificate of Corridor Compatibility, and as shown on Exhibit H.2.

The proposed Project is not expected to affect any paleontological resources. The bedrock of the region is covered with quaternary glacial drift, which only rarely contains fossilized material dating to the Quaternary Period.

B.2.j <u>The Effect of the Proposed Route on Areas Which are Unique Because of Biological Wealth or Because They are Habitats for Rare and Endangered Species</u>

As described in Section B.3 of the Application for a Certificate of Corridor Compatibility, EPND commissioned a habitat assessment and raptor nest survey of the survey area. The assessment did not reveal threatened and endangered species critical habitat areas of concern. No raptor nests were observed during the onsite evaluation (*<u>see</u>* Exhibit D.1).

Additionally, in September 2011, EPND submitted letters to the to the U.S. Fish and Wildlife Service (FWS), North Dakota Game and Fish Department (ND-GFD), and North Dakota Parks and Recreation Department (ND-PRD) requesting review of the surveyed area and a one-half-mile study area associated with the Project for concerns related to unique or rare wildlife species and their habitats. Please refer to Section B.3.1 of the Application for a Certificate of Corridor Compatibility for further details.

B.2.k <u>Problems Raised by Federal Agencies, Other State Agencies, and Local Entities</u>

To date, no problems or concerns have been raised by federal, state, or local agencies. EPND consulted with the following federal, state, and local agencies to identify potential environmental resources in the study area.

B.2.k.(1) North Dakota Public Service Commission

The ND-PSC has not completed its evaluation of the Project. To date, no concerns have been expressed to EPND.

B.2.k.(2) North Dakota Department of Health (NDDH)

As described in Section B.4.1 in the Application for a Certificate of Corridor Compatibility, EPND consulted with the North Dakota Department of Health (NDDH) regarding the location of the municipal water supply associated with the city of Grenora. Applications for hydrostatic test water discharge permits, air permits, and storm water discharge permits will be submitted to the department if the project is approved by the ND-PSC. To date, no concerns have been expressed to EPND.

B.2.k.(3) State Historical Society of North Dakota (State Historic Preservation Office)

A discussion regarding cultural resource investigations are discussed in Section B.1 of the Application for Certificate of Corridor Compatibility and Section B.2.i of this application. In summary, no sites are affected.

B.2.k.(4) North Dakota State Water Commission (ND-SWC)

EPND will evaluate potential sources of hydrostatic test water as part of its project planning. The North Dakota State Water Commission (ND-SWC) regulates appropriation of surface and ground water through its Water Appropriation Division. To date, no concerns have been expressed to EPND. If applicable, EPND will file for a water appropriations permit with the ND-SWC.

B.2.k.(5) U.S. Army Corps of Engineers (COE)

A discussion regarding permitting requirements to construct within and permanently impact wetland resources is presented in Section B.2 of the Application for Certificate of Corridor Compatibility. In September 2011, EPND submitted a request for Jurisdictional Determination to the COE-Omaha District to determine if any of the eight delineated wetlands fall under the jurisdiction of the COE. Less than

0.5 acre of wetlands will be temporarily impacted and less than 0.1 acre of wetlands permanently impacted as a result of the Project.

Upon receipt of the COE's Jurisdictional Determination, EPND will continue to consult with the COE to discuss permitting requirements for the Project. It is anticipated that if the impacted wetland is to be within the jurisdiction of the COE, the Project will be eligible for coverage under either COE NWP 14 (Linear Transportation Projects), which is specifically geared towards the construction of roads, driveways, and other transportation related features, or NWP 12 (Utility Line Projects), which is geared towards construction, maintenance, and repair of utility lines, which do not result in the permanent loss of greater than 0.5 acre of waters (wetlands and waterbodies) of the United States. Issuance of NWPs is typically granted 1-3 months after submittal of an application. To date, no concerns have been expressed to EPND.

B.3 IDENTIFY AND MAP CRITERIA LEADING TO PROPOSED PIPELINE ROUTE LOCATION WITHIN CORRIDOR

See Section D.2 of the Application for Certificate of Corridor Compatibility.

B.4 RELATIVE VALUE AND EFFECTS UPON EACH CRITERION INCLUDING LOCATION, CONSTRUCTION, AND OPERATION OF THE FACILITY

See Section D.3 of the Application for Certificate of Corridor Compatibility.

B.5 THE CRITERIA TO BE EVALUATED SHALL INCLUDE AT A MINIMUM ALL OF THE FOLLOWING, WHICH ARE WITHIN THE DESIGNATED CORRIDOR:

- Exclusion Areas;
- Avoidance Areas;
- Selection Criteria;
- Policy Criteria;
- Design and Construction Limitations; and
- Economic Considerations

Complete descriptions, potential impacts, and mitigation measures relevant to the six criteria cited above are provided in Section D.2 of the Application for Certificate of Corridor Compatibility.

B.6 MITIGATION MEASURES

See Section D.5 of the Application for a Certificate of Corridor Compatibility.

B.7 QUALIFICATIONS OF PERSONS CONTRIBUTING TO THE STUDY

See Section D.6 of the Application for a Certificate of Corridor Compatibility

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B.8 MAPS

See Section D.7 of the Application for a Certificate of Corridor Compatibility.

B.9 OTHER MATTERS

The information provided below is in accordance with North Dakota Century Code 49-22-08.1, Sections 1.e, 1.f, and 1.g.

B.9.a Right-of-Way Preparation, Construction and Reclamation Procedures

With regard to site preparation, construction and reclamation procedures, EPND has developed an EMP for this Project (*see* Exhibit E). EPND's EMP provides a detailed discussion of the guidelines and mitigation measures that EPND will implement on this Project.

B.9.b Hydrostatic Testing

All new facilities will be factory and field pressure tested as required by federal pipeline safety regulations and industry codes. Station piping proposed for the Project will be tested as appropriate under these regulations and codes. The testing process will be implemented in accordance with EPND's EMP and permits issued by the ND-SWC (water appropriation, if using ground or surface water) and NDDH (water discharge).

B.9.c Landowner Issues

No new landowners will be affected by the Project, as EPND currently owns the Grenora Pump Station property in fee, which consists of approximately 152 acres.

B.9.d Operations and Safety

B.9.d.(1) Pipeline Operation and Control

EPND's pipeline control center is located in Estevan, Saskatchewan.

The Control Center is manned by pipeline operators 24 hours a day. A computerized pipeline control system allows these operators to remotely monitor and control the pipeline and related facilities. The Control Center also serves as an emergency center to receive calls from employees, the public or public officials reporting unusual conditions or pipeline failures. The computerized pipeline control system has been designed to control the pipeline within pre-established minimum and maximum operating pressures.

Both the computer system and operating practices include procedures for abnormal operating conditions, including emergency shutdown and isolation of the pipeline and notification procedures in the event of suspected emergencies.

Truck unloading and crude oil transfer activities from the truck unloading area to Grenora Station tankage will be monitored by the EPND control center.

B.9.d.(2) Communications Capabilities

Land lines are used to exchange the necessary computerized data for pipeline monitoring and control. EPND maintains a UHF radio system, supplemented by cellular phones, to facilitate personnel communications during operation, maintenance, or emergency activities.

B.9.d.(3) Protection of the Pipe from Damage

EPND has an aggressive program in educating excavators and the public about the presence of the pipeline and preventing damage to the pipeline from excavating equipment. As in all other states where EPND and affiliates have existing facilities, EPND has joined and supports the North Dakota One-Call system.

The pipeline is protected from corrosion in a number of ways. Pipelines are covered with a protective coating. In addition, all buried or submerged metallic structures (pipeline systems) are under a cathodic protection system, as required by Pipeline Safety Regulations.

B.9.d.(4) Inspections

EPND conducts routine inspections of the pipeline and facilities to ensure that the system is operating properly, in compliance with CFR 49 Part 195.

Each calendar year (not to exceed a 15-month interval), the cathodic protection system is monitored by taking pipe/structure-to-soil and line current (where possible) readings. Additionally, each rectifier and anode ground bed used to impose cathodic protection on the pipeline and associated below-grade facilities is inspected to ensure proper operation. Repairs and adjustments to the cathodic

protection system are either made during the annual survey or during later maintenance activities. At least six times per year, each rectifier and critical cathodic protection interference bond to foreign structures is inspected and corrective measures taken, if needed.

In addition, EPND periodically evaluates the effectiveness of its cathodic protection system by conducting supplemental close interval surveys (*e.g.*, close interval pipe to soil, etc.) of the system. Although not required by regulation, this method allows EPND to assess the overall effectiveness of the pipeline system.

The pipeline route, including pump stations and related facilities, is patrolled by air at least 26 times per year to inspect the surface conditions of land on or adjacent to the pipeline right-of-way. If weather and other conditions permit, this aerial inspection is conducted weekly. Line walking inspection of the right-of-way is sometimes used to supplement aerial inspections in congested areas. This inspection also assists in identifying unknown construction or other unsafe activity on the pipeline right-of-way.

Isolating valves are checked at least twice per year to ensure proper operation. In the event of a leak, it is important for valves to close properly to isolate the section of pipeline and minimize the amount of petroleum that may escape. Other components of the pipeline, such as tanks and pump stations are also routinely inspected.

EPND periodically inspects the transmission segments of its pipeline system, in accordance with the integrity management standards under 49 CFR Part 195. These inspections are conducted with the use of an electronic inspection tool – called “instrument pigs.” These devices travel through the inside of the pipeline and are used to examine the condition (dents, gouges, corrosion, or cracks) of the pipe by on-board computers. Results of the inspection are analyzed, the pipe is inspected to verify preliminary findings, as necessary, and repairs are then made, as required.

All overpressure safety devices capable of limiting, regulating, controlling, and/or relieving operating pressures are inspected and tested to ensure the device is in good mechanical condition and functioning properly.

Periodically, inspectors from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("DOT-PHMSA") inspect EPND's compliance with applicable government regulations. Inspections of the EPND's written procedures, records, and facilities are also periodically conducted.

B.9.d.(5) Maintenance

Many other maintenance activities are performed on the pipeline and related facilities. EPND has a comprehensive preventative maintenance program that meets and, in many cases exceeds, minimum federal safety standards set forth in 49 CFR Part 195. When facilities are added or replaced, there are comprehensive standards for their design and installation in both EPND procedure manuals and contract specifications. Repair pipe is pre-tested and other components used to repair the pipeline meet national standards and regulatory requirements. Other procedures, such as welding procedures, movement of the pipe, coating repair, corrosion control, and tank maintenance are all guided by written procedures, which have been reviewed by the DOT-PHMSA inspectors.

B.9.d.(6) Training of Personnel

EPND has established a comprehensive orientation, technical, safety, emergency, and on-the-job training program that complies with the Operator Qualification rules issued by the DOT-PHMSA under 49 CFR Part 195. As personnel progress in pipeline operation and maintenance positions, they receive hundreds of hours of formal and on-the-job training. Demonstrations of competence are shown through review of job performance, periodic pipeline control system simulators, emergency exercises, welding certification tests, and other functions required to maintain safe pipeline operation and maintenance.

B.9.d.(7) Public Awareness Program

EPND carries out a continuing and comprehensive public awareness program to increase awareness of pipelines among affected public (those who live, work and congregate in the vicinity of the pipeline), school districts, excavators, farmers, local public officials and emergency officials. The objectives of Enbridge's public awareness program is to

provide information on pipeline operations, how to recognize and respond to a pipeline emergency, the importance of calling 811 before beginning any digging project, and our commitment to safety and damage prevention. EPND has also been active at the local, county and state level in emergency response planning and frequently conducts joint training/exercises to prepare potential responders to deal with emergencies.

The pipeline route is marked at all public roads and railway crossings (at a minimum) to increase the public's awareness of the underground pipeline. Additional markings are posted at valves, other pipeline facilities, and stations along the pipeline route.

B.9.d.(8) Emergency Preparedness

EPND's operating and maintenance practices are aimed at preventing emergencies. However, it is imperative that EPND be prepared to respond to an emergency. In addition to preventative activities described above, EPND's emergency response program has been prepared in compliance with DOT-PHMSA rules under 49 CFR Part 194. The Emergency Response Plan has been submitted, and approved by DOT-PHMSA and includes pre-planning, control point identification, notifications, and emergency and leak containment procedures.

B.9.d.(9) Spill Response

EPND has developed a Spill Prevention, Containment and Control Plan (SPCCP) (*see* Exhibit G) that describes planning, prevention and control measures to minimize impacts of project-related spills.

B.9.e Other Required Permits

EPND is working with the following federal and state agencies to secure the appropriate permits required for the Grenora Station Upgrade Project as specified below. *See* Table 1 which shows EPND's current status in obtaining those permits.

B.9.e.(1) North Dakota Department of Health (NDDH) – Construction Stormwater Permit and Stormwater Pollution Prevention Plan

EPND will comply with the provisions of the NDDH's North Dakota Pollution Discharge Elimination System (NDPDES) Construction Storm Water Permit program. Coverage under the construction general permit (NDR10-0000) for a project disturbing greater than 5 acres requires the submittal of a notice of intent (NOI) and development of a Storm Water Pollution Prevention Plan (SWPPP), which must be submitted to NDDH if disturbance related to the Project exceeds 50 acres. The SWPPP is a comprehensive document that details project activities and best management practices for erosion and sediment control. Coverage under the general permit becomes effective 7 days after the NOI is submitted to the NDDH.

The NDPDES storm water discharge general permit associated with industrial activity, NDR05-0000, is required if a facility falls under a specific primary Standard Industrial Classification (SIC) Code. Stations and facilities are assumed to operate (pre- and post-construction) under SIC 4612 (NAICS 486110) for pipeline transportation of crude oil. SIC 4612 does not require industrial storm water coverage. Therefore, provided SIC 4612 is not modified prior to construction, industrial storm water coverage will not be required for this Project.

B.9.e.(2) North Dakota State Water Commission (ND-SWC) – Hydrostatic Test Water Appropriation Permit

A water appropriation permit from the ND-SWC would be required to appropriate groundwater or surface waters for hydrostatic testing of the proposed pipeline, tanks, and miscellaneous piping. EPND has not yet evaluated potential water sources for this testing. Authorization is generally obtained from ND-SWC within three weeks from application submittal. In the event that no suitable ground or surface water sources are available, alternative sources (e.g., municipal) may be used.

B.9.e.(3) NDDH – Hydrostatic Test Water Discharge Permit

EPND will prepare and submit the NDPDES permit application - Short Form C for coverage under the general permit (NDG-070000) for discharges related to temporary dewatering activities, including hydrostatic

testing. Coverage is generally obtained within 30 days after the application is submitted to the NDDH.

B.9.e.(4) NDDH – Air Permit

The Grenora Terminal currently has two permitted tanks and is covered by a minor source permit issued by NDDH Environmental Health Section. The Project will require a construction and operation permit from the NDDH Environmental Health Section**.** The existing facility is a minor source with respect to air permitting. The facility will remain a minor source as a result of the Project.

EPND will complete the NDDH required Permit to Construct application. It is assumed that the total station emissions will be below the Prevention of Significant Deterioration (PSD) (250 tons per year) and Part 70 major source thresholds (100 tons per year per criteria pollutant and 10 tons per year of individual Hazardous Air Pollutants (HAPs) or 25 tons per year HAPs in aggregate) through the station and control equipment design. An administratively complete permit application which will describe all the applicable regulatory requirements, including New Source Performance Standards (NSPS) will be submitted. Permit issuance is anticipated within 90 days of submittal of an application.

B.9.e.(5) COE – Nationwide Permit Program

As detailed throughout this application, the Project will result in less than 0.1 acre permanent wetland impacts and less than 0.5 acre of temporary wetland impacts. EPND is currently in consultation with the COE – Omaha District to determine if the impacted wetland falls within their regulatory jurisdiction.

It is anticipated that if the Project impacts COE-jurisdictional features, it will likely be eligible for coverage under the COE's Nationwide Permit program (Nationwide Permit 12 or 14 – Utility Line Projects or Linear Transportation Projects, respectively).

EPND will work with the COE to determine the appropriate permit required (if applicable) for the Project. Permit issuance for Nationwide Permits is anticipated within 1-3

months after submittal of an administratively complete application.

B.9.e. (6) <u>EPA – Spill Prevention, Control, and Countermeasure</u>

Per the Environmental Protection Agency (EPA), the Grenora Station is required to maintain a Spill Prevention Control and Countermeasure Plan due to existing non-Department of Transportation (DOT) related facilities. EPND will review and update this existing plan as required when new facilities are constructed on site. As part of EPND's environmental mitigation measures, a separate Spill Prevention Control and Containment Plan is developed to handle project-related spills (*see* Exhibit G).

Table 1 – List of Other Required Permits

Permits/ Requirements	Agency	Applicability	Anticipated Preparation/Submittal Date	Anticipated Issuance/Completion Date
NDPDES Construction Storm Water Permit and Storm Water Pollution Prevention Plan	North Dakota Department of Health	Required if the Project will disturb five or more acres.	April 1, 2012	April 8, 2012
Water Appropriation Permit (Temporary Water Permit)	North Dakota State Water Commission	Required to appropriate hydrostatic test water.	April 1, 2012	May 1, 2012
NDPDES Temporary Dewatering/Hydrostatic Discharge Permit	North Dakota Department of Health	Required to discharge hydrostatic test water.	April 1, 2012	May 1, 2012
Air Permit to Construct Amendment	North Dakota Department of Health	Required if the station modifications will increase the potential for air quality emissions.	December 31, 2011	March 1, 2012
Nationwide Permit 12 (Utility Line Activities) or 14 (Linear Transportation Projects) (if applicable)	U.S. Army Corps of Engineers – Omaha District	Required for construction, maintenance, and repair of utility lines (NWP 12) or linear transportation features (NWP 14) that result in less than ½-acre of permanent impacts to wetlands under the jurisdiction of the COE.	January 15, 2012	March 15, 2012
Spill Prevention, Containment, and Countermeasures Plan Update	Environmental Protection Agency	Plan updates required prior to construction and operation.	October 2012	December 2012