

February 8, 2012

VIA HAND DELIVERY

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

RECEIVED

FEB 08 2012

PUBLIC SERVICE COMMISSION

**RE: MAGELLAN MIDSTREAM PARTNERS, L.P.
FARGO RELOCATION PROJECT – CASS COUNTY
CASE NUMBER PU-12-042**

Dear Mr. Nitschke:

Magellan Midstream Partners, L.P., respectfully submits herewith an original and ten (10) copies of the following documents in connection with the above-referenced matter:

1. Application for Waiver or Reduction of Procedures and Time Schedules;
2. Consolidated Application For a Certificate of Corridor Compatibility and a Route Permit; and
3. Affidavit of Service.

Also enclosed herewith is a CD containing the same in electronic format, as well as two checks totaling \$6,712.00 for the filing fee required pursuant to Section 49-22-22 of the North Dakota Century Code. The map for publication will be provided in the near future.

By copy of this letter, the Cass County Auditor is being served with a copy of the enclosed documents in accordance with Section 69-06-05-01(3) of the North Dakota Administrative Code.

If you have questions or need additional information, please advise.

Sincerely,

MOLLIE M. SMITH

MMS/tsv
Enclosures

cc: Mr. Michael Montplaisir, Cass County Auditor (w/ encl. – via Federal Express)
Mr. Sean Hennessee (w/o encl. – via e-mail)

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PU-12-42 Filed: 2/8/2012 Pages: 137
**Application for a waiver of procedures and time
schedules and for a corridor certificate and route
permit**

Magellan Pipeline Company, L.P.

Mollie Smith, Fredrikson & Byron, P.A.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF MAGELLAN MIDSTREAM PARTNERS,
L.P., FOR A CERTIFICATE OF CORRIDOR
COMPATIBILITY AND ROUTE PERMIT
FOR THE RELOCATION OF
APPROXIMATELY 2,300 FEET OF
EXISTING 6-INCH AND 8-INCH REFINED
PETROLEUM PRODUCTS PIPELINE IN
CASS COUNTY, NORTH DAKOTA

CASE NO. PU-12-042

**Application of Magellan Midstream Partners, L.P.,
for Waiver or Reduction of Procedures and Time Schedules**

In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit (Consolidated Application) for the relocation of approximately 2,300 feet of existing 6-inch and 8-inch refined petroleum products pipelines, all of which is located in the city limits of West Fargo in Cass County, North Dakota (the Project), Magellan Midstream Partners, L.P. (Magellan), submits to the North Dakota Public Service Commission (Commission) this application for a waiver or reduction of procedures and time schedules set forth in Chapter 49-22 of the North Dakota Century Code (Siting Act) and Article 69-06 of the North Dakota Administrative Code (Siting Rules). In accordance with Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, Magellan requests that the Commission waive the following requirements:

1. That the Commission hold a separate hearing on a waiver request, a Certificate of Corridor Compatibility (Corridor Certificate) application and a Route Permit application, as may be required by Sections 49-22-07.2, 49-22-08, 49-22-08.1, and 49-22-13 of the North Dakota Century Code and Chapter 69-06-01-02 of the North Dakota Administrative Code. Magellan requests that the Commission hold

a single consolidated hearing on this waiver request and its Consolidated Application. Magellan also requests that the Commission shorten the three-month period specified in Section 49-22-08(5) of the North Dakota Century Code and Section 69-06-06-02(2) of the North Dakota Administrative Code, and the six-month period specified in Section 49-22-08.1(5) of the North Dakota Century Code.

2. That the Commission waive the requirements of Sections 49-22-08 and 49-22-08.1 of the North Dakota Century Code insofar as these sections may require the separate filing of applications for a Corridor Certificate and a Route Permit, and insofar as they require separate publication of notices and filing separate applications.
3. That the Commission waive requirements for mylar maps and stereo-pair aerial photographs as set forth in the Commission's Energy Conversion and Transmission Facility Siting Guidelines for Certificate of Corridor Compatibility and Route Permit Applications. Geographic Information System (GIS) maps that meet the intent of the Commission's requirements are provided in the Consolidated Application.

Consistent with the Commission's Energy and Transmission Facility Siting Guidelines (Commission's Guidelines), Magellan provides the following information in support of its waiver requests:

A. Description of Proposed Project.

1. **Type:** The Project will require relocation of underground steel pipelines that transport refined petroleum products. Relocation is necessary to accommodate a North Dakota Department of Transportation (ND DOT) scheduled roadway expansion project.

2. **Product:** The Project will transport refined petroleum products.

3. **Size and Design:** The Project will require relocation of co-located 6-inch and 8-inch pipelines. The Project will not modify the existing design capacity of approximately 46,200 barrels per day, or the normal operating pressure of 950 pounds of pressure per square inch gauge (psig) for the 6-inch pipeline, and 1,100 psig for the 8-inch pipeline. The steel pipeline utilized for the Project meets United States Department of Transportation regulations, specifically the design criteria outlined in 49 CFR Part 195. The Project will also be constructed, operated and maintained in accordance with 49 CFR Part 195.

4. **Location:** The total length of the Project is approximately 2,300 feet, all of which is located within the city limits of West Fargo in Cass County, North Dakota. Maps of the proposed Project are provided in Appendix B to the Consolidated Application provided herewith.

5. **Geographical Service Area:** As noted above, the entire Project is located within the city limits of West Fargo in Cass County, North Dakota. The immediate area served by the Project will be North Dakota and western Minnesota.

6. **Time Schedule:** Magellan has a target in-service date for the Project of on or before July 31, 2012 to accommodate the ND DOT roadway expansion project. Magellan proposes to develop the Project on the following schedule:

- February 2012 — Magellan files with the Commission a consolidated application for a Corridor Certificate and Route Permit.

- March 2012 — The Commission issues a Corridor Certificate and Route Permit for the Project.
- March 2012 — Magellan will begin construction of the Project.
- July 2012 — Magellan will have completed construction of the Project.

7. **Future Plans:** At this time, Magellan has no specific plans for additions to or modifications of the Project.

B. Need for Relocation.

The Project is necessary to accommodate the ND DOT roadway expansion project scheduled to begin in the summer of 2012. In addition, the pipelines involved in the Project are integral to Magellan's refined petroleum products transmission system in North Dakota and western Minnesota. In 2010, Magellan distributed approximately 40% of the refined petroleum products used in the State of North Dakota via said pipelines. The Project will minimize the potential for supply disruptions that could occur due to the ND DOT roadway expansion project without the proposed relocation.

Additional analysis of the need for the proposed Project, including a discussion of the alternatives evaluated, is provided in Section 3 of the Corridor Certificate portion of Magellan's Consolidated Application, which accompanies this waiver application.

Magellan will file a Ten Year Plan on or before July 1, 2012, and the Project will be consistent with that Ten Year Plan.

C. Cost.

Magellan estimates that it will cost approximately \$1,342,500 to develop the Project.

D. Waiver Request.

Magellan requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Project. It is extremely

important that the permitting process be expedited in order to allow the relocation construction to begin as soon as possible so as to allow Magellan to meet the ND DOT's requested Project completion date of July 31, 2012. Any delays to the construction schedule for Magellan's Project will, in turn, delay the schedule for ND DOT's roadway expansion project.

Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedure and time schedules upon a finding that "the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in Magellan's Consolidated Application for the Project, granting the waivers requested is appropriate because the proposed facility will produce minimal adverse effects due to its length (only approximately 2,300 feet), its design (underground, small-diameter pipelines), its location (within a previously disturbed area that does not contain sensitive environmental features), and its purpose (to accommodate an ND DOT roadway expansion project).

In determining whether the proposed facility will result in adverse impacts on the environment, Magellan evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules, and the Commission's Guidelines. More specifically, Magellan evaluated the impacts of the Project considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22-09 of the North Dakota Century Code. Impacts associated with the Project, and mitigation measures that will be taken with respect to said impacts, are summarized in Sections 4 and 5 of the Corridor Certificate portion of the Consolidated Application, and Sections 3 and 4 of the Route Permit portion of the Consolidated Application. Based upon Magellan's siting criteria evaluation, and the factors set forth in the Guidelines, the proposed facility will have minimal adverse effects.

