

NORTH DAKOTA PUBLIC SERVICE COMMISSION

Application for Certificate of Corridor Compatibility

Magellan Midstream Partners, L.P.
Fargo Relocation Project

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INTRODUCTION

The Fargo Relocation Project (Project) is the relocation of approximately 2,300 feet of the existing co-located Alex to Grand Forks #1-6 inch (AG1) and the Alex to Fargo #2-8 inch (AF2) refined petroleum product pipelines by Magellan Pipeline Company, L.P. (Magellan). The Project is necessary to accommodate a North Dakota Department of Transportation (DOT) roadway reconstruction project over the existing lines. This Project is located entirely within the city limits of West Fargo, Cass County, North Dakota. The proposed Corridor is comprised of a well developed urban landscape which includes both commercial and residential property.

Magellan is submitting to the North Dakota Public Service Commission (Commission) a single consolidated application for a Certificate of Corridor Compatibility and Route Permit for the Project.

The application provides the information required by:

- North Dakota Century Code, Energy Conversion and Transmission Facility Siting Act, Chapter 49-22-08; and,
- North Dakota Administrative Code, Article 69-06-04, Certificate of Site or Corridor Compatibility.

The information presented in this application is organized according to the format prescribed in the Commission's Application Guidelines for a Certificate of Site or Corridor Compatibility, which divides the information into the following six main categories:

SECTION 1: DESCRIPTION

SECTION 2: STUDIES

SECTION 3: NEED FOR FACILITY

SECTION 4: LOCATION

SECTION 5: MITIGATIVE MEASURES

SECTION 6: LIST OF PREPARERS

SECTION 1: DESCRIPTION

1.1 PURPOSE OF FACILITY

The proposed Project is the relocation of approximately 2,300 feet of the AG1 and the AF2 pipelines. The purpose of the proposed Project is to maintain current pipeline operations while accommodating a DOT roadway reconstruction project which would encroach upon Magellan's current existing right of way.

The project will result in the abandonment of approximately 1,869 feet of existing AG1 and AF2 piping. Where practicable and with consideration of the construction impacts to individual land and business owners, Magellan shall remove and dispose select portions of the pipeline segment to be abandoned. This will result in the removal of approximately 494 feet of AG1 and 127 feet of AF2 with balance to be abandoned in situ.

1.2 TYPE AND SIZE OF FACILITY

1.2.1 TYPE

Magellan currently operates hundreds of miles of petroleum product transportation pipeline facilities throughout the State of North Dakota. The Project will not alter the existing pipeline capacity of approximately 65,000 barrels per day of refined petroleum products. Rather, this is simply a modification of Magellan's existing pipeline route, brought about by the need to accommodate an impending DOT road expansion project. The relocated steel pipeline will meet U.S. Department of Transportation regulations (USDOT), specifically the design, installation, pressure testing, operations and maintenance requirements outlined in 49 CFR Part 195.

1.2.2 SIZE

The relocated lines include 6-inch and 8-inch refined petroleum product pipes.

The 6 ⁵/₈-inch outside diameter steel pipe will meet the following minimum specifications: API 5L PSL 2 X52 line pipe with a nominal wall thickness of 0.280 inches; the nominal wall thickness will increase to 0.344 inches for specific locations such as road crossings. The maximum operating pressure (MOP) of the pipeline will be 1,440 pounds of pressure per square inch gauge (psig).

The 8 ⁵/₈-inch outside diameter steel pipe will meet the following minimum specifications: API 5L PSL 2 X52 line pipe with a nominal wall thickness of 0.322 inches; the nominal wall thickness will increase to 0.344 inches for specific locations such as road crossings. The maximum operating pressure (MOP) of the pipeline will be 1,440 pounds of pressure per square inch gauge (psig).

Upon installation of the pipeline, Magellan shall install pipeline markers as required by DOT to mark the location of the pipeline. Markers are an above ground rod used to depict the location of the buried utility alert third parties of its presence.

1.2.3 LENGTH

The proposed relocation consists of approximately 2,300 feet of pipe in total length.

1.2.4 LOCATION

The Project will be within the city limits of West Fargo which is located in Cass County, North Dakota. Please refer to maps provided in Appendix B.

1.2.5 ABOVE GROUND FACILITIES

There are no above ground facilities directly related to this project.

1.3 PROJECT SCHEDULE

1.3.1 CERTIFICATE OF CORRIDOR COMPATIBILITY

Magellan is seeking a Certificate of Corridor Compatibility in or before March 2012.

1.3.2 ROUTE PERMIT

Magellan is submitting the application for a Route Permit in February 2012, concurrently with this application for a Certificate of Corridor Compatibility. The two applications have been combined to form this Consolidated Application.

Magellan is seeking a Route Permit in or before March 2012.

1.3.3 CONSTRUCTION SCHEDULE

Magellan has scheduled construction to commence in early March 2012. Pipeline relocation is expected to be completed and in service by July 31, 2012. Restoration and commissioning activities will commence immediately after construction. Magellan, in coordination with the DOT, has developed this schedule to accommodate the larger efforts necessary to accommodate the road reconstruction and improvements. Coordination of utility relocations in advance of the road work is a key element in this process.

SECTION 2: STUDIES

2.1 CORRIDOR

Magellan selected the proposed relocation corridor (Corridor) based upon several criteria designed to conform to siting requirements and avoid and minimize socioeconomic and environmental impacts. The selection process was also influenced by the location of existing assets and the need to maintain connectivity between said assets.

The proposed Corridor is a one-mile wide area that is centered upon the proposed pipeline alignment (e.g., one-half mile on either side of the proposed pipeline). The proposed Corridor and preferred Route are illustrated on the maps located in Appendix B.

A comprehensive desktop analysis of the Corridor was augmented with consultations with the Federal and State agencies identified below, as well as a Class I Cultural Resource Inventory. The results of this environmental analysis are summarized below. Records of consultations with the agencies listed below are provided in Appendix C.

- U.S. Fish and Wildlife Service (USFWS)
- North Dakota Game and Fish Department (NDGFD)
- North Dakota Parks and Recreation-Natural Heritage Program (NDPRD)
- North Dakota Department of Trust Lands (NDDTL)
- North Dakota State Historic Preservation Office (SHPO)
- North Dakota Department of Health (NDDoH)

2.2 ENVIRONMENTAL DESKTOP ANALYSIS

2.2.1 WILDLIFE INVENTORY

The landscape within the Corridor is a fully developed urban environment which includes residential, commercial and industrial development. The agencies listed above were consulted regarding the potential occurrence of protected or sensitive species and their critical habitats within the Corridor.

Magellan engaged various Federal and State agencies in Project-specific consultations to identify potential occurrences of sensitive species or their critical habit(s). In addition to agency consultations and desktop analysis, Magellan also commissioned field inspections of the Corridor and the proposed Route to record the presence or absence of sensitive species or their critical habitats. The information gathered from these assessments will be used for final routing, permitting, and mitigation planning where necessary. The results of these studies are included in Appendix D, and

proposed mitigation is discussed in SECTION 4: Mitigative Measures in the Route Permit application. Please see Appendix C for the complete record of agency consultations.

2.2.2 WETLAND AND WATERBODIES ANALYSIS

Desktop analysis of aerial photography and National Wetland Inventory (NWI) maps was used to evaluate the location and extent of mapped wetlands and waterbody features within the Corridor. There are three (3) mapped wetland features in the Corridor and no waterbodies were found. Please see Appendix B for maps of the project area.

Magellan commissioned additional field studies of the Corridor and more specifically the proposed Route to delineate wetland and waterbody boundaries. The information gathered from these surveys was used for final routing, permitting, and mitigation planning where necessary. The results of these studies are included in Appendix D.

2.2.3 TREE/SAPLING/SHRUB ANALYSIS

Desktop analysis of aerial photography was used to evaluate the location and extent of woody vegetation within the Corridor. The woody cover present in the Corridor is entirely associated with cultivated plantings relating to residential and urban areas. Magellan commissioned additional studies of the Corridor and more specifically the proposed route to inventory woody vegetation, study avoidance mitigation and inventory proposed impacts for mitigation. The results of these studies are included in Appendix D.

2.3 AGENCY CONSULTATIONS

2.3.1 U.S. FISH AND WILDLIFE SERVICE

The USFWS administers several programs designed to identify and protect special status plant and animal species and critical habitats. E3 Environmental, LLC (E3), on behalf of Magellan, requested a Project review of the Corridor by USFWS on January 12, 2012. An agency response is pending.

2.3.1.1 FEDERALLY PROTECTED SPECIES REVIEW

Under authority of the Endangered Species Act (ESA), the USFWS has identified and maintains a list of species and critical habitats that have been afforded protection under the ESA. The ESA provides a program for the conservation of threatened and endangered plants and animals and the habitats that they inhabit.

On behalf of Magellan, E3 provided technical assistance with a protected species review and subsequent consultations with the USFWS. E3 reviewed USFWS published data and identified the following listed species and the potential for the species to occur within the Corridor.

- Whooping crane (*Grus americana*) – Endangered
- Gray wolf (*Canis lupus*) – Endangered

E3 reviewed the available information describing the life history, critical habitats, and conservation measures associated with each species to assess the potential effects of the Project on these resources.

The Project area is located within the city limits of West Fargo which is a fully developed urban area approximately 5 miles west of downtown Fargo, North Dakota. Since the original installation of the pipelines over 50 years ago, this area has become highly urbanized and has experienced the development of housing, commercial and industrial facilities as well as related infrastructure including roads, highways and utilities. As such, suitable habitat is not present in the Corridor for either of the species listed above. For this reason, we believe the pipeline relocation will have no effect on either the whooping crane or the gray wolf.

2.3.1.2 MIGRATORY BIRD TREATY ACT CONSULTATION

On January 12, 2012, E3, on behalf of Magellan, initiated consultation with the USFWS with respect to several topics that fall under the purview of the USFWS including the Migratory Bird Treaty Act (MBTA). The management of MBTA concerns correspond with the regional timing associated with annual phenology of migratory species. It is generally acknowledged that MBTA species of concern may be present in North Dakota from February 1 through July 15 annually. Hence, MBTA mitigation may be required if construction will take place during this timeframe.

The current proposed schedule calls for construction to begin in March, 2012. Given that the project area exists in the highly urbanized environment within the city limits of Fargo, North Dakota, it is unlikely that the Project will impact suitable migratory bird breeding habitat. In addition, the short duration of pipeline relocation activities (90 days) and the continuous activity at the worksite from onset of construction will also greatly reduce the likelihood that the Project will impact migratory bird species.

Magellan will continue to consult with agencies as necessary regarding this subject and shall develop MBTA mitigation as required (see Appendix C for related consultations).

2.3.1.3 BALD AND GOLDEN EAGLE PROTECTION ACT CONSULTATION

The Bald and Golden Eagle Protection Act (BGEPA) prohibits anyone without a permit from taking a bald or golden eagle, including their parts, nests, or eggs. The BGEPA defines “take” as pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect, molest, or disturb. The BGEPA also addresses impacts resulting from human-induced alterations occurring around previously used nesting sites.

On January 12, 2012, E3, on behalf of Magellan, initiated BGEPA consultations with the USFWS seeking confirmation of presence or absence of known nesting locations

for either eagle species within the Corridor. A response from the USFWS is pending. Please see Appendix C for related consultations.

Magellan augmented the agency consultation with field surveys to confirm the presence or absence of eagle nests in the area. A line-of-sight survey was performed, encompassing up to a 0.5 mile on either side of the proposed Route. These efforts were conducted on January 7, 2012. A certified wildlife biologist confirmed the absence of active eagle nests within the surveyed corridor. The results of these studies are fully detailed in Appendix D.

2.3.1.4 U.S. FISH AND WILDLIFE SERVICE MANAGED LANDS

On January 12, 2012, E3, on behalf of Magellan, initiated consultations with the USFWS seeking confirmation of the presence or absence of USFWS managed lands within the Corridor. A response from the USFWS is pending. Please see Appendix C for a copy of the correspondence.

2.3.2 NORTH DAKOTA GAME AND FISH DEPARTMENT

The NDGFD exercises oversight and management of the state's game species and certain state-managed lands (e.g., PLOTS Program). On December 21, 2011, E3, on behalf of Magellan, initiated Project-specific consultations with the NDGFD. A Project review was requested to confirm the presence or absence of both state-managed lands and wildlife concerns within the proposed Corridor.

On January 16, 2012, the NDGFD responded stating that the Project would have no foreseeable impact on wildlife or wildlife habitat. Please see Appendix C for a copy of the correspondence.

2.3.3 NORTH DAKOTA PARKS AND RECREATION DEPARTMENT

In North Dakota, the recreational and biological resources of the state - specifically rare species and ecological communities - fall under the scope of authority and expertise of the NDPRD-Natural Resource Division. The NDPRD also maintains a database comprised of the location and recorded occurrences of plant and animal species of special concern. The NDPRD authority includes management of state park lands and Land and Water Conservation Funded recreation projects.

On December 21, 2011, E3, on behalf of Magellan, initiated Project-specific consultations with the NDPRD. A Project review was requested to confirm the presence or absence of managed lands, ecological resources, rare species or their critical habitats.

A response from the NDPRD is pending. Please see Appendix C for a copy of the correspondence.

2.3.4 NORTH DAKOTA DEPARTMENT OF TRUST LANDS

The NDDTL is in charge of managing surface lands and mineral interests held in trust for various schools and institutions.

Consultations with NDDTL with respect to mineral interests were initiated on December 21, 2011. On December 21, 2011 and December 22, 2011, the NDDTL responded confirming the absence of both School and Mineral Trust lands within the proposed Project Corridor. Please see Appendix C for a copy of the correspondence.

2.3.5 NORTH DAKOTA STATE HISTORIC PRESERVATION OFFICE

The SHPO is responsible for managing the historic and archaeological resources of the state; as such, the SHPO maintains records of all previously recorded cultural resources within the state. Magellan commissioned, SWCA, Inc. (SWCA), to conduct a Class I Cultural Resource Inventory of the Corridor, and background research was conducted on December 21, 2011. The purpose of a Class I Cultural Resource Inventory is to review the existing records maintained by the SHPO. Research conducted by SWCA for the relocation identified 17 previously recorded cultural resource sites that are located within the proposed Corridor.

Please refer to Appendix C for related agency consultations, Appendix E for the Cultural Resource Survey Report and SECTION 4: Mitigative Measures in the Route Permit application for proposed mitigation measures.

2.3.6 NORTH DAKOTA DEPARTMENT OF HEALTH

The NDDoH administers regulatory programs governing certain water discharges. Magellan is currently in the process of preparing NDDoH permit application materials to acquire the requisite approval with respect to water discharges.

2.3.6.1 NDDOH POLLUTION DISCHARGE ELIMINATION SYSTEM

The NDDoH administers the North Dakota Pollution Discharge Elimination System (NDPDES) a regulatory program that regulates and issues permits for water discharges, such as construction stormwater, site dewatering and hydrostatic discharge permits. Magellan will obtain the following NDPDES permits from the NDDoH.

Construction Stormwater: Magellan will be seeking coverage under NDR10-0000 *Authorization to Discharge Under the North Dakota Pollutant Discharge Elimination System* general permit for construction sites as required when disturbing an area greater than five (5) acres. A project-specific erosion control plan referred to as Storm Water Pollution Prevention Plan (SWPPP) will be prepared and maintained on-site for the duration of the Project. Magellan will properly implement the SWPPP which will be designed to manage run-off and trench dewatering discharges in a manner that will minimize exposure to chemicals, waste, and petroleum products, as well as describe erosion control measures designed to minimize off-site transfer of sediments.

Hydrostatic test water discharges: Magellan will be seeking coverage under NDG07-0000 *Authorization to Discharge Under the North Dakota Pollutant Discharge Elimination System* general permit for various temporary discharges, including both construction site dewatering and hydrostatic test water discharges.

SECTION 3: NEED FOR FACILITY

3.1 ANALYSIS OF NEED BASED ON PRESENT AND PROJECTED DEMAND, INCLUDING SYSTEM STUDIES

The Project involves the relocation of approximately 2,300 feet of the existing co-located AG1 and AF2 pipelines by Magellan. The proposed Project is a modification of an existing system currently in operation and will not result in any change of capacity or product delivery/receipt locations. The Project is necessary to accommodate a DOT roadway reconstruction project which would encroach upon the existing lines.

This pipeline is an integral element of the regional infrastructure for delivery refined petroleum products. In 2010, this system was responsible for the distribution of approximately 40% of the refined petroleum products used within the State of North Dakota.

3.2 DESCRIPTION OF FEASIBLE ALTERNATIVE METHODS OF SERVING THE NEED

The Project objective is to maintain existing service to existing assets that are currently in-service. Alternatives to the existing alignment are limited due to the development of the area that has transpired since the installation of the AG1 in 1946 followed by AF2 in 1954. These alternatives included:

- No Action Alternative;
- Northeast Route Alternative

No Action Alternative:

A No Action Alternative would effectively remove these pipelines from operation, stranding the downstream portion of the systems and adversely impacting downstream markets currently serviced by these pipelines. Currently these pipelines transport approximately 40% of the refined petroleum products consumed in North Dakota, a loss of this transmission service would disrupt markets regionally. This alternative is not desirable. For these reasons, Magellan rejected a *No Action Alternative*.

Northeast Route Alternative:

Magellan evaluated an alternative alignment diverting from the eastern terminus in a northerly direction approximately 1,892 feet and then heading west approximately 1,460 feet to the western terminus at Magellan's refined petroleum products terminal located at 902 Main Avenue East, Fargo, North Dakota 58078 (Fargo Terminal). This alternative was considered due to its potential to reduce the number of occupied buildings occurring within 500 feet of the proposed alignment. However, it would extend the Project length by approximately 4,493 feet. The added length would have increased both the duration of the project as well as the environmental impacts

associated with ground disturbance with an incremental increase in to the overall Project costs. Finally, the establishment of an interconnect with the Fargo Terminal was not feasible from a northeasterly approach due to the existing piping and infrastructure at the facility. For these reasons, Magellan rejected the *Northeast Route Alternative*.

SECTION 4: LOCATION

4.1 CORRIDOR

Magellan has identified a Project Corridor consisting of a one-mile-wide area centered upon the proposed pipeline Route. The analysis of the proposed Corridor considered socio economic, environmental, logistics, engineering and financial factors. The Corridor described in this application provides Magellan with the most efficient means of maintaining service by accessing existing operating assets while accommodating DOT road improvement objectives.

Magellan owns and operates several assets in the region. The operations of these assets are conducted in a manner that maximizes overall value of the resource, which benefits regional stakeholders (producers, royalty owners, and the state, through tax revenues).

Magellan has initiated agency consultations, and performed internet-based research and desktop analysis of the Corridor. These efforts were augmented by a site visit to assess the biological characteristics of the project area. These results are discussed in detail in the Route Permit application.

4.2 IDENTIFY AND MAP CRITERIA

The information presented in this section was developed to demonstrate conformation with the Commission's siting criteria for transmission facilities. Magellan has conducted a thorough inventory of the Corridor and evaluated the resources that occur within it to sufficiently assess the compatibility of the Project with the PSC's siting criteria. The following sections identify and discuss the presence or absence of siting criteria within the Corridor. Where siting criteria are identified, the location of each is shown on the maps in Appendix B.

4.3 EXCLUSION AREA INVENTORY AND ANALYSIS

Exclusion areas are geographical areas that should be excluded from consideration when siting an energy transmission facility. A proposed corridor may contain exclusion areas, but the exclusion area may not encompass more than 50 percent of the corridor width at any point, unless there is no reasonable alternative. The following table and text identify and discuss exclusion areas identified within the Corridor.

Exclusion Area	Within Corridor
Federal	
National Parks or Memorial Parks	No
Historic Sites, Districts, or Landmarks	No
Natural Landmarks or Monuments	No
Wilderness Areas	No
State	
Historic Sites, Monuments, or Historical Markers	No
Archaeological Sites	Yes
Parks	No
Nature Preserves	No
County	
Parks	No
Recreation Areas	No
Municipal Parks	No
Other	
Areas Critical to the Life Stages of Threatened or Endangered Animal or Plant Species	No
Areas where Animal or Plant Species that are Unique or Rare to this State would be Irreversibly Damaged	No

4.3.1 FEDERAL RESOURCE REVIEW

Magellan has initiated consultations with various Federal agencies and has conducted a comprehensive review of published information. Magellan has concluded that no national parks, memorial parks, natural landmarks, monuments or federally designated wilderness areas will be crossed or will be affected by the Project. Please refer to SECTION 2: Studies in this document for a comprehensive discussion of the consultations, and Appendix C for copies of the correspondence.

Magellan has completed a Class I Cultural Resource Inventory of the Corridor. These efforts confirmed the absence of historic districts or landmarks of Federal interest. It was determined that a subsequent Class III Cultural Resource Inventory was not necessary due to the disturbed nature of the project area. Please refer to SECTION 2: Studies in this document for a comprehensive discussion of Magellan’s related consultations, Appendix D for the Natural Resource Report, and Appendix E for the Cultural Resource Report. Mitigation details are discussed in SECTION 4: Mitigative Measures of the Route Permit application.

4.3.2 STATE RESOURCE REVIEW

Magellan has confirmed through a combination of agency consultations, review of publicly-available information and field studies the absence of state parks, historic sites, monuments, historical markers, archaeological sites, or nature preserves within the proposed Corridor. Please refer to SECTION 2: Studies of this document for a

comprehensive discussion of Magellan’s consultations, Appendix C for copies of agency consultations, and Appendix E for the Cultural Resource Report.

4.3.3 COUNTY RESOURCE REVIEW

Magellan has confirmed through a combination of agency consultations, review of publicly-available information and field studies the absence of county parks or recreation areas, municipal parks, or parks owned by other subdivisions of government bodies within the proposed Corridor. Please refer to SECTION 2: Studies in this document for a comprehensive discussion of Magellan’s consultations and Appendix C for documentation of agency consultations.

4.3.4 AREAS CRITICAL TO THE LIFE STAGES OF THREATENED AND ENDANGERED ANIMAL OR PLANT SPECIES

Magellan has conducted a comprehensive desktop review of the Corridor; these efforts were augmented with agency consultations and additional Magellan-commissioned field surveys of the proposed Route to confirm the presence or absence of critical habitat. Field studies confirmed the absence of threatened and endangered species or their critical habitat within the surveyed area.

Please refer to Appendix C for documentation of the related agency consultations, as well as SECTION 2: Route Analysis and Findings in the Route Permit application for details of the field studies.

4.3.5 AREAS WHERE ANIMAL OR PLANT SPECIES THAT ARE UNIQUE OR RARE TO THIS STATE WOULD BE IRREVERSIBLY DAMAGED

Magellan has engaged in Federal and State agency consultations, reviewed published information regarding critical habitat, and conducted a desk top analysis of the Corridor for the purpose of assessing potential environmental impacts. Based on these studies, Magellan has concluded that neither protected species nor their critical habitats are present within the Corridor. Please refer to SECTION 2: Route Analysis and Findings in the Route Permit application for a detailed description of the field studies, Appendix C for supporting documentation of agency correspondence, and Appendix D for complete survey results.

4.4 AVOIDANCE AREA INVENTORY AND ANALYSIS

Avoidance areas are geographical areas that shall not be considered in the routing of a transmission facility unless, under the circumstances, it is shown that there is no reasonable alternative. A proposed corridor may contain avoidance areas, but may not encompass more than 50 percent of the corridor width at any point, unless there is no reasonable alternative. The following table and text identify and discuss avoidance areas within the proposed Corridor.

Avoidance Area	Within Corridor
Federal	
Historic Districts	No
Wildlife Areas	No
Wild, Scenic or Recreational Rivers	No
Wildlife Refuges	No
Grasslands	No
State	
Wild, Scenic, or Recreational Rivers	No
Game Refuges or Game Management Areas	No
Forests or Forest Management Lands	No
Grasslands	No
Other	
Other Historic Resources not meeting Exclusion Areas criteria	No
Areas of Known Geologic Instability	No
Areas within 500-Feet of a Residence, School, or Place of Business	Yes
Reservoirs and Municipal Water Supplies	No
Water Sources for Organized Rural Water Districts	No
Irrigated Land (does not apply to underground facilities)	Not Applicable
Areas of Recreational Significance which are not designated as Exclusion Areas	No

4.4.1 FEDERAL RESOURCE REVIEW

Magellan managed a comprehensive review of publicly-available information, Project-specific agency consultations, and field studies of the proposed Corridor, which indicated the absence of designated or registered historic districts, wildlife areas, refuges, grasslands, or wild, scenic, or recreational rivers within the Corridor. Please refer to SECTION 2: Studies in this document for a comprehensive discussion of Magellan’s consultations, Appendix C for supporting documentation of agency correspondence, and Appendix D for complete survey results.

4.4.2 STATE RESOURCE REVIEW

Magellan conducted a review of publicly available information and has concluded that there are no designated or registered state game refuges, game management areas, management areas, forests, forest management lands, grasslands, or wild, scenic, or recreational rivers within the Corridor.

4.4.3 HISTORICAL RESOURCES NOT MEETING EXCLUSION AREA CRITERIA

Magellan commissioned a Class I Cultural Resource Inventory of the Corridor. These studies identified and confirmed the presence of potential historical resources.

Researchers searched relevant records at the State Historical Society of North Dakota and other available sources for information regarding previously recorded historic and prehistoric sites located within the Corridor. Background research was conducted on December 21, 2011. Based upon these efforts, Magellan has concluded that there are no additional historical resources located within the Corridor that meet the avoidance criteria.

Please refer to SECTION 2: Studies in this document for a comprehensive discussion of Magellan's consultations. See also Appendices C and E for copies of relevant agency consultations and the Cultural Resource Report, respectively. Mitigation details are discussed in SECTION 4: Mitigative Measures of the Route Permit Application.

4.4.4 AREAS OF KNOWN GEOLOGIC INSTABILITY

The topography of the project area is not susceptible to landslides and there are no known areas of instability within the Corridor.

Additionally, North Dakota has not experienced an earthquake of sufficient magnitude to damage steel welded pipe or structural steel structures in recorded history.

4.4.5 AREAS WITHIN 500-FEET OF A RESIDENCE, SCHOOL OR PLACE OF BUSINESS

Magellan utilized aerial photography to identify structures located within 500 feet of the proposed pipeline alignment. Magellan obtained parcel identification numbers for properties that fall within 500 feet of the proposed project centerline to identify potentially affected parties. Aerial imagery was used to characterize structures as: commercial, residential or other. Magellan has identified 93 potential occupied structures located within 500 feet of the proposed alignment. See Appendix B for maps depicting these locations.

4.4.6 RESERVOIRS AND MUNICIPAL WATER SUPPLIES

Magellan has confirmed that the Corridor does not contain reservoirs or municipal water supply sources.

4.4.7 WATER SOURCES FOR ORGANIZED RURAL WATER DISTRICTS

Magellan has confirmed that the Corridor does not contain water sources that are utilized by organized rural water districts.

4.4.8 IRRIGATED LAND

This criterion does not apply to underground transmission facilities; as such, it is not applicable to this Project.

4.4.9 AREAS OF RECREATIONAL SIGNIFICANCE WHICH ARE NOT DESIGNATED AS EXCLUSION AREAS

Magellan has confirmed that the Corridor does not contain any other areas of Recreational Significance.

4.5 SELECTION CRITERIA

The selection criteria require assessment of the environmental impacts and alterations to land use that may result from the siting of the proposed Project. Magellan has successfully avoided or minimized negative effects to the maximum extent practicable.

4.5.1 AGRICULTURAL IMPACT ASSESSMENT

Agricultural Production: The Project will not impact any agriculturally productive land.

Family Farms and Ranches: The Project will not impact farm or ranch land.

Lands Suitable for Irrigation: This section is not applicable to buried pipelines (69-06-08-02.2h).

Surface Drainage: During restoration, those areas that were disturbed during construction shall be restored, the local topography shall be restored to its original contours, vegetation shall be reestablished, and impacts shall be minimal and temporary.

Ground Water: Groundwater resources in the Project Corridor include igneous (granite) rocks of Precambrian age topped by Cretaceous Shale and sandstone formations. The Cretaceous Shale is made up primarily of Graneros Shale and Dakota Sandstone, neither of which are sources of water in the region.

Due to at least four periods of major glacial activity in the area, the distribution of sediment across the landscape is uneven and complex. The depth of these deposits varies from approximately 200 feet to over 400 feet thick. Ground water throughout Cass County is obtained from the sand and gravel deposits associated with the glacial drift, and it is in these sediments that the West Fargo Aquifer System (WAFS) is found.

The WAFS is made up of three aquifers underlying an area of 10 square miles or more. They are indirectly connected to each other as well as to other numerous, smaller aquifers. The total area of aquifers and subaquifers in the WAFS is estimated to be approximately 90 square miles. The Project area (Route) sits directly atop the West Fargo Aquifer.

Subsurface excavations associated with the Project will not extend to more than 10 feet below the ground surface. At that depth, the Project will not intersect the groundwater table, nor will the Project alter recharge rates or the infiltration, permeability, or percolation of water into the groundwater reservoir. Additionally, the lateral movement and groundwater quality will not be affected by construction of the Project.

4.5.2 THE IMPACTS UPON

Noise-Sensitive Land Uses: A review of the Corridor found 93 potential noise-sensitive resources (inhabited structures) located within 500-feet of the proposed

pipeline alignment. The Project is located in an urban setting, thereby increasing the chances of construction activities impacting sensitive receptors. Construction activities shall be limited to daylight hours and shall be of limited duration thereby limiting the impacts of noise associated with construction activities. Once constructed and in-service, normal pipeline operations are not audible.

Extractive and Storage Resources: This Project will not impact any extractive or storage resources.

Wetlands, Woodlands, and Wooded Areas: A comprehensive desktop review of published data, including aerial photography and NWI data, was conducted to assess the presence or absence of wetlands, woodlands, and wooded areas. The review of the proposed Corridor confirmed the presence of mapped wetlands and the absence of waterbodies, woodlands or wooded areas. Magellan commissioned field surveys of the proposed Route to confirm these results. The results of these field studies will be used to determine a preferred alignment to minimize impacts to wetlands, woodlands, and wooded areas. Please refer to SECTION 2: Studies in this document for a comprehensive discussion of Magellan’s consultations. See also Appendices C and D for copies of relevant agency consultations and the Natural Resource Report, respectively.

Radio and Television Reception, and other Communication or Electronic Control Facilities: Magellan does not anticipate that the Project will impact radio, television, or other electronic control facilities.

Human Health and Safety: Magellan’s corporate Health and Safety policy meets or exceeds Federal and State laws, rules and regulations and is enforced equally with respect to both Magellan’s and contractor employees. The implementation of this policy promotes a safe and healthy workplace during construction and operation of all Magellan’s assets.

Animal Health and Safety: The wildlife currently inhabiting the Corridor are common and are generally mobile. The local wildlife inhabitants will be temporarily displaced by the Project without a measurable impact to the viability of these populations. No species of special concern are anticipated to experience direct impacts due to construction or operation of the Project.

Plant Life: All impacts will be temporary in nature and disturbed areas will be returned to pre-construction conditions, to the extent practicable. No species of special concern will be impacted by the Project.

4.6 POLICY CRITERIA

4.6.1 POLICIES AND COMMITMENTS TO LIMIT ENVIRONMENTAL IMPACT

Magellan will comply with requirements contained in the Corridor Certificate and Route Permit. Magellan will conduct its activities with the objectives of providing a Certificate of Corridor Compatibility

healthful and safe workplace for its employees and preventing accidents and environmental incidents. All persons and firms providing service to Magellan are required to conduct their work in compliance with environmental conditions, permit authorizations, and applicable regulations, and will be held accountable for their actions in that regard. Magellan is committed to conducting its business in compliance with all applicable environmental laws and regulations. These laws, regulations and standards are designed to safeguard the environment, human health, wildlife, and natural resources.

4.6.2 LOCATION AND DESIGN

The Project will be located entirely within Cass County, North Dakota, approximately 5 miles from downtown Fargo. The routing of the reroute would be oriented generally east and west and will be approximately 2,300 feet in length. Please refer to maps provided in Appendix B.

The AG1 will be a 6 5/8-inch outside diameter pipe. The pipe installed will meet the following minimum specifications: API 5L PSL 2 X52 line pipe with a nominal wall thickness of 0.280 inches; the nominal wall thickness will increase to 0.344 inches for specific locations such as road crossings. The MOP of the pipeline will be 1,440 psig.

The AF2 will be an 8 5/8-inch outside diameter pipe. The pipe installed will meet the following minimum specifications: API 5L PSL 2 X52 line pipe with a nominal wall thickness of 0.322 inches; the nominal wall thickness will increase to 0.344 inches for specific locations such as road crossings. The MOP of the pipeline will be 1,440 psig.

4.6.3 TRAINING AND UTILIZATION OF AVAILABLE LABOR IN THIS STATE FOR THE GENERAL AND SPECIALIZED SKILLS REQUIRED

The construction labor pool utilized by the Project will be primarily comprised of a small non-local workforce because pipeline construction is a specialized niche construction market that relies extensively on skilled trades with specific knowledge of pipeline construction techniques. The primary contractor will be a non-local contractor, supplying specialized skilled labor. Magellan will draw upon the local labor force to supply general laborers. The workforce is anticipated to reach a peak of approximately 20 personnel of which up to 10 percent could be local hires.

4.6.4 ECONOMIES OF CONSTRUCTION AND OPERATION

The Project represents a total investment of approximately \$1.34 million. Once constructed and in-service, the continued costs of maintenance and operation of the proposed pipeline are expected to be minimal.

4.6.5 USE OF CITIZEN COORDINATING COMMITTEES

Through its long-term corporate presence in the region, Magellan has established and maintains a good relationship with local community officials and the local population. These relationships provide multiple grass roots communication channels to inform local residents regarding the developments associated with the Project.

4.6.6 COMMITMENT OF A PORTION OF THE TRANSMITTED PRODUCT FOR USE IN THIS STATE.

The Project will not modify existing designed capacity of approximately 65,000 barrels of petroleum products per day and will maintain connections with existing facilities. The products that are currently handled, transferred, and shipped by these facilities deliver approximately 40% of the refined petroleum products consumed in North Dakota while the balance of these products may be delivered to markets located out of the state.

4.6.7 LABOR RELATIONS

Magellan maintains positive labor relations with its staff and contract work force and does not anticipate encountering any adverse labor relations on this Project. The labor market in the Project area is supportive of the oil and gas industry.

4.6.8 THE COORDINATION OF FACILITIES

Magellan owns and operates all of the affected facilities; thus, coordination will be seamless and executed from within Magellan's internal management systems.

4.6.9 MONITORING OF IMPACTS

Magellan or its predecessors-in-interest have operated various assets in the area since 1946 and through the continuous operation of these assets it has established and maintained positive landowner and community relationships throughout the region. Magellan's operations reflect its commitment to corporate citizenship standards that are founded on integrity. Magellan will monitor landowner concerns, if any, through its Land Department and will respond to all reasonable concerns. Similarly, Magellan will monitor community concerns and will respond to all reasonable concerns brought to its attention by local community leaders. Magellan is currently in the process of selecting a primary contractor for the construction of the Project, and will coordinate with this contractor with respect to the oversight responsibilities for construction activities. Environmental responsibilities shall be coordinated in the same manner.

4.6.10 UTILIZATION OF EXISTING AND PROPOSED RIGHTS-OF-WAY AND CORRIDORS

The Project route includes approximately 1000 feet (43%) of existing utility corridor and 1000 feet (43%) of road right of way. See Appendix B for maps depicting these locations.

4.6.11 OTHER EXISTING OR PROPOSED TRANSMISSION FACILITIES

No other transmission facilities are currently planned. Appendix F contains Magellan's 10-Year Plan.

SECTION 5: MITIGATIVE MEASURES

5.1 LOCATION

Magellan has chosen a Project Corridor which consists of a one-mile-wide area centered upon the proposed pipeline Route. The analysis of the proposed Corridor considered socio economic, environmental, logistics, engineering and financial factors. The Corridor described in this application provides Magellan with the most efficient means of maintaining service by accessing existing operating assets while accommodating DOT road improvement objectives.

The Corridor described in this application meets the siting criteria, minimizes Project length, and utilizes existing Magellan assets, avoiding the need to build additional assets, thereby minimizes collateral environmental impacts.

Environmental studies within the proposed Corridor suggest the area lacks sensitive features, such as critical wildlife habitat, major wetlands or waterbodies, or other unique environmental features. In addition to these routing considerations, compliance with environmental permits procured for the Project will serve to effectively mitigate the impacts of construction along the final approved route. Standard pipeline construction techniques will involve temporary impacts, but long-term or permanent impacts will be avoided through implementation of modern construction techniques, adherence to permit requirements.

5.2 CONSTRUCTION

Construction of the proposed Project will be conducted in an orderly sequence designed to complete the Project in the minimum amount of time required to safely prepare the site, install the pipeline and restore the areas disturbed by construction.

Construction is estimated to require a minimum of 90 days from initial site preparation to commissioning, with restoration to immediately follow. Construction techniques will be employed that minimize the area of ground disturbance, off-site deposition of sediments and long-term impacts to the surrounding area. Construction activities shall conform to all applicable permit stipulations; these requirements are mandated by the agency and implemented by the Project sponsor for the purpose of minimizing impacts to the environment.

Restoration will immediately follow Project construction. Final grading will restore the original contours of the land, to the extent practicable. Disturbed areas will be prepared for re-seeding and restoration will be coordinated to meet landowner and applicable agency specifications.

5.3 OPERATION

Once constructed and put into service, the proposed Project will operate continuously, maintaining service from the West Fargo Tank Terminal to downstream receipt points by interconnection of the proposed Project piping with the remaining unaffected portion of these two pipeline systems. Normal pipeline operations are imperceptible to the general public, as they are silent, buried and therefore not visible, and require only minimal above-ground activity. Standard operating procedures will conform to applicable USDOT requirements, which include regular pipeline monitoring and periodic inspection; additionally, routine maintenance of the right-of-way will likely be required on a regular basis to remain in compliance.

SECTION 6: LIST OF PREPARERS

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M.S. Wildlife Biology, University of Minnesota – Twin Cities; and B.S. Wildlife Biology, Michigan State University. Mr. McCarthy is an environmental compliance analyst with 15 years of environmental consulting experience working with various energy assets and regulatory agencies. As a compliance analyst he has managed the environmental requirements for facility siting, pipeline routing, federal licensing, and various federal, state and local permits. Mr. McCarthy is a certified wildlife biologist and in this role conducts and coordinates field studies, agency consultations, mitigation and avoidance plans.

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B.A. Environmental Studies, University of St. Thomas, St. Paul, MN. Ms. Sampson is a compliance specialist and throughout her career she has emphasized energy related projects. Her experience includes providing permitting and siting support associated with energy transmission projects located across the Upper Midwest. Ms. Sampson has experience in all levels of federal, state and local permitting. She has recently worked on several ND PSC filings and has managed agency consultations and construction permitting related to these projects.