



Basin Transload, LLC 10-inch Crude Oil Pipeline Construction Inspection Report

PU-12-775

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Prepared for:

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1.0 EXECUTIVE SUMMARY

The North Dakota Energy Conversion and Transmission Facility Act (North Dakota Century Code Chapter 49-22) authorizes the North Dakota Public Service Commission (Commission) to determine that the location, construction, and operation of jurisdictional energy conversion and transmission facilities will produce minimal adverse effects on the environment and the welfare of citizens of North Dakota.

The Commission retained E3 Environmental, LLC (E3) to conduct inspections on the Commission's behalf of the Basin Transload, LLC (Basin) 10-inch Crude Oil Pipeline Project (Project) located in Burke County, North Dakota. This project was assigned Commission Case Number PU-12-755. The purpose of the inspections is to ensure the Project complies with siting laws, rules, and the Commission Findings of Fact, Conclusions of Law, and Order.

On behalf of the Commission, E3 conducted three (3) inspections of the Project, two (2) during active construction and one (1) during the restoration phase of the project. The two (2) reports associated with active construction were prepared and filed with the Commission (Docket No. 61 and 75) and are attached to this report. The one (1) inspection during the restoration phase was submitted via email on 12/3/2014 (Docket #77) and is attached to this report been included with this documentation. E3 has prepared this Construction Inspection Report (Report) utilizing information collected during field inspections as well as information provided in the public record. This Report documents E3's conclusions and recommendations as to whether this Project has been constructed in compliance with the siting laws, rules and applicable Commission orders.

Section 3.0 documents the Project specifications and provides the compliance status for each item. The Project was constructed as outlined in the application materials and efforts were undertaken to minimize impacts. E3 recommends that Basin provides the Project's as-built drawings as soon as possible to fully satisfy the Commission's rules, laws and orders. Additionally, it is recommended that Basin provide documentation that final reclamation and reseeding was done according to NRCS recommendations and documentation regarding the number of trees/shrubs removed during construction, if any and subsequently prepare a tree and shrub mitigation plan if necessary.

2.0 BACKGROUND AND SCOPE

Basin submitted a Consolidated Application to the Commission on November 9, 2012 seeking a Certificate of Corridor Compatibility and a Route Permit for the Project. The Commission issued Certificate of Corridor Compatibility No. 141 and Route Permit No. 154 on January 16, 2013. On May 13, 2013 Basin filed an amendment with the Commission requesting route modifications (Docket #59). The Commission reviewed and issued a letter on July 16, 2013 requesting additional or revised documentation for the re-route (Docket #69). On October 9, 2013 Basin filed supplemental information in support of the application for an amended corridor and route (Docket #74).

The Commission hosted a Pre-Construction Conference Call on March 7, 2013 and active construction commenced the week of March 25, 2013. Construction activities continued until the week of July 12, 2013 and restoration activities were initiated in the summer of 2013.

The Project scope included approximately 7 miles of 10-inch steel pipe and associated aboveground appurtenances.

To prepare this Report E3 reviewed the information on the Commission's website (NDSPC, 2014) and documented its findings in Section 3.0. Tyler Danielson, E3, conducted a final inspection of the Project on November 13, 2014. At the time of inspection all construction activities had been completed and restoration activities had been implemented. Ground cover through areas of the Project, which were not in agricultural use, was satisfactory at the time of inspection. Some straw wattles were still present in some areas, however provided the landowner has not requested the removal of the straw wattle(s) then they may remain in place until they naturally degrade. No compliance issues were identified during the inspection.

3.0 FINDINGS

Items of possible non-compliance are highlighted in grey.

Table 1: Project Specifications with Written or On-Site Verification Information

Project Document	Description of Project Specification	Verification Through Written Documentation	Verification Through On-Site Inspection
SITING AND LOCATION			
Findings of Fact 3, App p.1-1	Designated location in Burke County, North Dakota. Project originates from the Tesoro's High Plains Pipeline and extends westward to a storage facility located Near Columbus, North Dakota.	N/A	The Project was built as proposed in the designated project area described in the Application and Order.
Findings of Fact 7 through 20, App Section B p. 2-3 through 2-27, Table 4-2, Figure 4-3 & Figure 4-4	Siting criteria analysis - exclusion, avoidance, selection, policy. Avoidance areas: historical resources, residences, wildlife management areas, wetlands and water bodies.	Docket #5 & 24 - Application	The Project was built as proposed and within the rights-of-way.
App p. 2-4	Total land disturbance of approximately 106 acres.	Docket #5 & 24- Application	The project was constructed within the proposed rights-of way.
PROJECT DESIGN AND ENGINEERING			
Findings of Fact 3 & 4, App p.1-4 &1-6	The Project includes approximately 7 miles of 10-inch steel pipe and the maximum allowable operating pressure is 1,480 pounds per square inch gauge, with a nominal daily capacity of 80,000 barrels per day, with an annual capacity of 29,200,000 barrels.	Provide as-builts within 3 months of the completion of construction.	N/A
Findings of Fact 5, App p.1-6	Surface structures will be located at the east terminus of the pipeline (Tesoro Lignite Station) and the west terminus of the pipeline (Basin Transload Facility). These above ground structures include a mainline check valve, a mainline block valve, pig launching and receiving stations, cathodic protection equipment, and pipeline markers.	Provide as-builts within 3 months of the completion of construction.	N/A
Order 32	Provide copy of the as-builts within three (3) months of the completion of construction.	Provide as-builts within 3 months of the completion of construction.	N/A
PRE-CONSTRUCTION			
ND Century Code Ch. 49-22-07.1; ND Admin. Code Article 69-06-03	Letter of Intent.	Docket #1 & 4 – Letter of Intent	N/A
ND Century Code Ch. 49-22-08; ND Admin. Code Article 69-06-04	Application for a certificate of site or corridor compatibility.	Docket #5 & 24– Application; Docket #43 - Certificate	N/A
ND Century Code Ch. 49-22-07	Certificate of site compatibility or route permit.	Docket #5 & 24– Application; Docket #43 - Certificate	N/A
ND Century Code Ch. 49-22-04; ND Admin. Code Article 69-06-02	Ten-year plan.	Basin has filed 10-year plans with the ND Commission refer to ND Commission records PU-13-028, PU-13-338, & PU-14-528	N/A
Recommended Order 1	Waiver or reduction of procedures and time schedules	Docket #5, Waiver granted by ND PSC	N/A

Project Document	Description of Project Specification	Verification Through Written Documentation	Verification Through On-Site Inspection
Order 2 & 5	Hold pre-construction meeting. Inform Commission of intention to start construction prior to commencement of construction and provide weekly reports.	Docket #47, Preconstruction meeting minutes. No preconstruction notification found.	N/A
Order 30	Inform Commission of plans to modify facility and obtain approval.	Docket #3, 59, 69 & 74 – Modification to Route	The project was constructed based on re-route.
Findings of Fact 9, Order 3 & 4, App p. 2-1 through 2-3 & Appendix A.	Obtain permits and approvals from other agencies.	Docket #33 – Permits and Approvals Checklist Docket #5 & 24- Application (Appendix A) Docket #47-Preconstruction Meeting	N/A
Findings of Fact 23, Order 35 & 36	Participate in the North Dakota One-call Excavation Notice System	Docket #47-Preconstruction Meeting (item 35)	N/A
CULTURAL RESOURCES			
Findings of Fact 10 & 11, Exhibit 8; Order 11 & 12; App p. 2-9 through 2-10, 4-9 & Appendix C.	Avoidance of all identified sites potentially eligible and listed in the National Register of Historic Places. A total of eight (8) cultural resources were documented during the Class I cultural resource survey of the Project Corridor; A total of three (3) cultural resources were documented during the Class III cultural resource survey for the Route; No Historic Properties Affected and No Significant Sites Affected determination was given by the SHPO.	Docket #31 & 48- SHPO concurrence letter	No impacts to those areas were documented.
CONSTRUCTION, RECLAMATION, AND SOILS			
Finding of Fact 20, Exhibit 6, Order 20 & App p. 2-21 through 2-23 & 4-13.	Trees and shrubs replaced in accordance with mitigation specification. A sampling plan must be developed by the company and filed with ND PSC prior to construction and documentation identifying the number of trees removed, along with the mitigation plan for the replacement plantings must be filed with the ND PSC.	Docket #29 – Tree and shrub specifications. No sampling/mitigation plan or documentation identifying the number of tree(s) removed found.	Unable to determine during inspections if trees/shrubs were removed
Findings of Fact 17; Exhibit 6; Order 10 & 27 App p. 2-25 through 2-27, 4-9, 4-13 & App. C.	No impacts to endangered, threatened or sensitive plant or animal species.	None reported.	N/A
Findings of Fact 21, Pre-Con. Notes p. 2 & App p. 1-4	Temporary construction right-of-way of 125 feet, reduced to 50 feet in wooded areas. Permanent right-of-way of 70 feet.	N/A	E3 observed that the Project had been constructed within the 125 foot right-of-way.
Order 14	All pre-existing township, county roads and lanes used during construction must be restored/repared to their pre-existing condition at the minimum.	Dockets #50-52, 54-58 & 60-Weekly reports	No impacts to those areas were documented.
Order 5	Provide weekly construction activity updates inspection reports.	Docket #50-52, 54-58, 60, 62-68, 70-71 & 73-Weekly reports.	N/A
Findings of Fact 24	Follow Emergency Response Plan approved by DOT Pipeline and Hazardous Materials Safety Administration.	N/A	N/A
Order 15	Construction should be suspended when weather conditions are unsafe and constructions activities can cause damage to roads or land.	Docket #50-51, 55-56 & 62-64 – Weekly reports.	N/A
Order 6	Pipeline buried to a minimum depth from the ground surface to the top of the pipe of 48 inches in range land, 48 inches for cultivated land, 48 inches at the bottom of a ditch for road crossings, and 72 inches across undeveloped section lines.	N/A	E3 was unable to visually confirm the depth of the pipeline at time of inspections.
Order 13	Buried facility crossings of graded roads bored unless open cutting permitted by responsible governing agency.	Docket #33-Exhibit contains a list of permits obtained for the project.	Road crossings were completed in compliance with permit conditions.
Order 21, 22 & 25; App p. 2-13, 21, 41	Repairs or replacement to fences, gates, drain tile. Temporarily disturbed areas will be restored as soon as practicable.	Docket #60, 62-68, 70-71 & 73- Weekly reports.	Some reclamation measures were given in inspection Docket #75 & 61, but they were resolved by the last inspection Docket #77.

Project Document	Description of Project Specification	Verification Through Written Documentation	Verification Through On-Site Inspection
App p. 2-23,	Construction equipment will be thoroughly washed prior to its use for construction to mitigate the spread of noxious weeds.	Docket #5 & 24 -Application.	N/A
Order 17 App p. 2-23	Reclamation, fertilization, and reseeded is completed in accordance with the NRCS recommendations.	Provide documentation that final reclamation and reseeded was done according to NRCS recommendations	N/A
OPERATION			
Order 27	Report injuries or the death of any threatened or endangered species within five (5) business days.	None reported.	N/A
Order 26, 28	Provide safety measures for traffic control or to restrict public access to transmission facility. Procedure for handling complaints.	Docket #49 – Preconstruction meetings discuss procedures for handling complaints.	N/A

4.0 REFERENCES

North Dakota Public Service Commission (NDPSC) 2014. Online Case Search. Available from: http://www.psc.nd.gov/database/company_case_list.php. Accessed December 2014.

5.0 SIGNATURES

Recommendations and findings in this report are based upon current public information.

Katie Schmidt, E3, prepared this report and did so in a manner with care.

Katie Schmidt

Katie Schmidt, E3 Environmental, LLC

12/12/14

Date