

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. PU-13-22

**IN THE MATTER OF THE APPLICATION
OF BASIN ELECTRIC POWER COOPERATIVE
FOR A CERTIFICATE OF CORRIDOR
COMPATIBILITY AND ROUTE PERMIT TO
CONSTRUCT THE AVS NATURAL GAS
PIPELINE PROJECT IN MERCER COUNTY,
NORTH DAKOTA.**

**BASIN ELECTRIC POWER COOPERATIVE'S APPLICATION
FOR WAIVER OF PROCEDURES AND TIME SCHEDULES**

In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit for a 3.5 mile long 10" diameter natural gas pipeline starting from the Antelope Valley Station ("**AVS**") to the Dakota Gasification Company's Great Plains Synfuels Plant ("**Project**"), Basin Electric Power Cooperative ("**Basin Electric**") submits to the North Dakota Public Service Commission ("**Commission**") this Application for a Waiver 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 Rule ("**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, Basin Electric requests that the Commission waive the following requirements:

1. That the Commission waive the requirements of Section 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 publications of notices and filing separate applications.

2. 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. Basin Electric also requests that the Commission hold a single consolidated hearing on this waiver request and its consolidated application. Basin Electric also requests that the Commission shorten the three-month period specified in NDCC Section 49-22-08(5) and the six-month period specified in Section 49-22-08.1(5) of the North Dakota Century Code.
3. Section 69-06-04-02 of the North Dakota Century Code provides as follows: “That the width of a corridor must be at least ten percent of its length, but not less than one mile (1.61 kilometers) or greater than six miles (9.66 kilometers) unless approved by the Commission.” Basin Electric requests that the Commission waive or modify the corridor width requirement set forth in Section 69-06-04-02(1)(b) of the North Dakota Administrative Code with respect to the proposed Project. Basin Electric requests that it be allowed to present a 100 foot wide corridor in its application for a Certificate of Corridor Compatibility for the proposed Project.

Consistent with the Commission’s Energy and Transmission Facility Guidelines, Basin Electric provides the following information in support of its waiver request:

I. Description of Proposed Project

1. **Type**: Basin Electric proposes to construct, operate, and maintain approximately 3.5 miles of 10” diameter (steel) natural gas pipeline.
2. **Product**: Natural gas will be transported through the proposed Project from the AVS to the Great Plains Synfuels Plant.
3. **Size and Design**: The proposed Project will consist of a 3.5 mile long 10” diameter (steel) natural gas pipeline.
4. **Location**: The proposed Project begins at the Great Plains Synfuels Plant and travels north 3.5 miles and terminates at the Antelope Valley Station.
5. **Geographical Service Area**: The Project is located within Mercer County, North Dakota.

6. **Time Schedule:** The Project is expected to start construction in 2013.

Permitting efforts including the corridor and route selection processes are underway. The Project requires various state and local permits prior to initiating construction. An overview of the Project schedule is as follows:

Submittal of Application for Certificate of Corridor Compatibility and Route Permit	February 2013
Certificate of Corridor Compatibility and Route Permit	August 2013
Right-of-Way acquisition complete	May 2013
Construction start	August 2013
Construction complete	October 2013
Test operations	November 2013
In-service date	April 2014

7. **Future Plans:** Basin Electric has no immediate plans for future expansion of the proposed Project.

II. **Need for Facility.**

1. **Analysis of Need:** Refer to Section 1 of the Application for a Consolidated Certificate of Corridor Compatibility and Route Permit for the AVS Natural Gas Pipeline Project.

2. **Alternative Methods:** Refer to Section 1.1.1 of the Application for Consolidated Certificate of Corridor Compatibility and Route Permit for the AVS Natural Gas Pipeline Project.

III. **Deviation from Ten-Year Plan:**

The Project is not currently included in Basin Electric's 10 year plan since the Project is a result of the new EGU-MATS Rule, recently promulgated by the U.S. Environmental Protection Agency. Basin Electric will include the Project in its next 10 year plan submission in July 2013.

IV. **Cost.**

Basin Electric estimates that it will cost \$9 million to develop the Project.

V. Waiver Request

Basin Electric requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Project. As noted above, the Project is needed to provide a natural gas to the Antelope Valley Station to comply with new air quality laws. Without the waivers of time schedules and procedures requested, completion of the Project will be delayed and the Project will not be able to satisfy the immediate need for compliance with federal environmental laws.

Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedures 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 Basin Electric's Consolidated Application, granting the waivers requested is appropriate because the proposed facility will produce minimal adverse effects due to its length (only approximately 3.5 miles), its design (an underground, small-diameter pipeline with few above-ground appurtenances), its location (near industrial facilities in rural Mercer County and avoiding Exclusion and Avoidance Areas to the extent practicable), and its purpose.

In determining whether the proposed facility will result in adverse impacts on the environment, Basin Electric evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules and the Commission's Guidelines. More specifically, Basin Electric 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 Section 5 of the Consolidated Application. Based upon Basin Electric's siting criteria evaluation, and the factors set forth in the Guidelines, the Project will have minimal adverse effects.

