Fredrikson & BYRON, P.A.

September 4, 2014

VIA HAND DELIVERY

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

RE: Hiland Crude, LLC —
Case Number PU-13-136

Dear Mr. Nitchscke:

North Dakota Public Service Commission ("Commission") staff has requested Hiland Crude, LLC supplement a late-filed exhibit in support of its siting application in the above-referenced matter. To that end, please find enclosed, the following documents as supplements to Late-Filed Exhibit 6:

1. Large format version of map enclosed with Late-Filed Exhibit 6; and

2. Letter from Kathleen Spilman at Keitu Engineering regarding potential impact radius, as a supplement to late-filed Exhibit 6.

An original, ten copies, and an electronic version of the letter from Kathleen Spilman are enclosed herewith. Because Hiland has already filed the above-referenced map, only the large format version is enclosed herewith. If you have any questions, please advise.

Sincerely,

LAWRENCE BENDER

cc: Wade Mann (*via e-mail*)
Brian Schmidt (*via e-mail*)
Jim Suttle (*via e-mail*)
Kathye Spilman (*via e-mail*)

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KEITU
ENGINEERS & CONSULTANTS, INC.

September 4, 2014

Jim Suttle
Hiland Crude, LLC
302 North Independence St; Suite 100
Enid OK 73701

Hearing Late Exhibit – Blast Radius Calculations Applicability to Crude Oil
PSC Case 13-136 Crude Oil Pipeline McKenzie, Williams and Mountrail Counties

Per your request, Keitu Engineers & Consultants, Inc. (Keitu) has accessed the risk associated with the Market Center Pipeline project per the US Department of Transportation (USDOT) rules under the Potential Impact Radius (PIC) i.e. "blast radius" regulations.

Blast and explosion threats are associated with vapors and gas. Under USDOT regulations define Potential Impact Radius in §192.903: *Potential impact radius (PIR) means the radius of a circle within which the potential failure of a pipeline could have significant impact on people or property.* The method specified for its determination is based on the American Society of Mechanical Engineers/American National Standards Institute (ASME/ANSI) method B31.8S-2001. While as stated the method can be used for other materials besides natural gas, it clearly states the method applies to gases; not to liquids such as crude oil.

The Part 192 rule applies to pipeline transportation of gases. No equivalent concept exists in USDOT regulation Part 195 which applies to hazardous material or carbon dioxide liquids.

A "blast radius" is frequently cited as a potential impact zone when siting natural gas plants. It is important to note that ASME/ANSI B31.8S-2001 is not intended for that purpose either as it is a piping code. Typically the greatest danger posed by such facilities are the storage containers of liquefied petroleum gases such as propane or butane or mixtures of both (i.e. Y-grade LPG). Other methods exist for those estimations.

Finally, one should not apply outcomes of crude-by-rail (CBR) transportation events to crude oil shipment by pipeline. The incident last December in Casselton, ND involving the derailment crude oil cargo tankers is not applicable pipeline operation. The cargo tankers were breeched by physical damage resulting from the initial derailment or heat-induced tears from flame impingement from the subsequent fire. The fire increased the crude oil liquid temperature to the point when the heat-weakened vessel walls tore open.

A crude pipeline will not derail, flame impingement cannot occur to buried pipe, nor will the pipeline overpressure due to fire.

As always, Keitu appreciates the opportunity to work with you on this project.

Kathleen M. Spilman, P.E.
Managing Director

cc: Lawrence Bender / Fredrikson & Byron, P.A
Jillian Rupnow / Fredrikson & Byron, P.A.

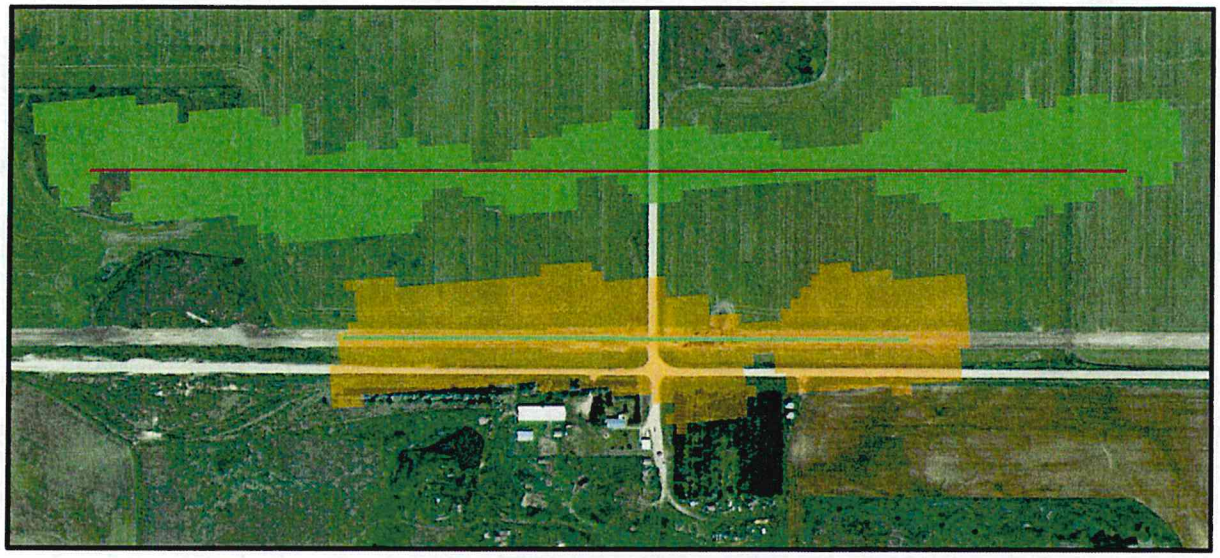

Figure 1 - Vance Residence Overland Spread Plumes

CONCLUSION:

The modeling performed by Integrity Solutions on the existing pipeline location and the proposed relocation 500' to the north are both represented in Figure 1. In each scenario, the overland spill plumes do not intersect the Vance Residence.

*The reader is encouraged to contact Integrity Solutions, ltd. if more details on the modeling process are desired.