



19100 Ridgewood Parkway
San Antonio, Texas 78259



June 26, 2013

Secretary to the Commission
North Dakota Public Service Commission
State Capitol Building
600 E. Boulevard Avenue, Dept. 408
Bismarck, North Dakota 58505-0480

RE: Tesoro High Plains Pipeline Company Ten Year Plan Report

Dear Secretary to the Commission,

Please let this letter serve as Tesoro High Plains Pipeline Company's Ten Year Plan Report as required by North Dakota Century Code Chapter 49-22-04 and North Dakota Administrative Code Chapter 69-06-02. Tesoro High Plains Pipeline Company owns and operates, and intends to continue its ownership of, during the ensuing ten years, a crude oil pipeline system in northern and western North Dakota. The system consists primarily of DOT transmission pipelines, but also includes DOT regulated gathering and non-regulated gathering pipelines. Details regarding these facilities are described within this ten year report. Please contact Will Simmons at (210) 626-6990 or john.w.simmons@tsocorp.com if any additional information is required.

Sincerely,

Will Simmons
Senior Regulatory Compliance Specialist

**TESORO HIGH PLAINS PIPELINE
TEN YEAR PLAN**

Section A – Existing Energy Conversion Facilities:

Tesoro currently does not have any energy conversion facilities.

Section B – Energy Conversion Facilities Under Construction:

Tesoro currently does not have any energy conversion facilities under construction.

Section C – Proposed Energy Conversion Facilities on which Construction is Intended within the Ensuing Five Years:

Tesoro currently has no energy conversion facilities on which construction is intended within the ensuing five year period.

Section D – Proposed Energy Conversion Facilities during the next Ten Year Period:

Tesoro currently has no proposed energy conversion facilities during the next ten year time period.

Section E – Existing Transmission Facilities (Electric):

Tesoro currently has no such existing electrical transmission facilities.

Section F – Existing Transmission Facilities (Pipeline):

Tesoro has existing pipeline transmission facilities as described in Exhibit A

Section G – Proposed Transmission Facilities on which Construction is Intended within the Ensuing Five Years (Electric):

Tesoro currently has no proposed electric transmission facilities on which construction is intended within the ensuing five years.

Section H – Proposed Transmission Facilities on which Construction is Intended within the Ensuing Five Years (Pipeline):

Tesoro intends to construct a new transmission pipeline facility within the ensuing five year time period. Exhibit B contains details on the proposed transmission facility (pipeline).

Section I – Proposed Transmission Facilities during the next Ten Year Time Period (Electric & Pipeline):

Tesoro currently has no proposed electric or pipeline transmission facilities during the next ten year time period, excluding the new transmission pipeline facility described in Section H/Exhibit B.

Section J – Regional Coordination:

Tesoro currently has three transmission pipeline facility projects planned that will require coordination into existing utility systems. In all 3 projects, coordination with electric utility cooperatives to provide additional power through new transformers will be established.

Section K – Environmental Information:

Tesoro currently has one facility project planned that could possibly necessitate an environmental assessment should it move forward. An upgrade to a pipeline reversal project could possibly take place in 2014 and may require line replacement for certain segments of that pipeline.

Section L – Projected Demand for Service

Tesoro currently has three transmission pipeline facility projects planned during the next five year time period. The first project is an expansion of a 2012 project. The 2012 project, that took place at Johnson's Corner involved (2) third-party crude oil gathering systems that tied into Tesoro's existing transmission facility at Johnson's corner. The primary intent of this project was to increase southbound volume of crude oil to Tesoro's Mandan Refinery. The purpose of the 2013 expansion project is so that extra volume received by the 3rd party gatherers at Johnson's corner can be transported in greater volumes in a northbound direction to 3rd party shippers including a crude-by-rail facility near Epping. To facilitate this, the installation of larger pumps and a new transformer at Johnson's Corner, and the construction of (2) 120,000 barrel storage tanks at the Keene pump station will be required to fully utilize the benefit of the pipeline reversal. The project, as currently designed, will still allow for the continued southbound transportation (bi-directionality) of crude oil from Ramberg to the Mandan refinery as Tesoro should require.

The second project is a 2-phase project. Phase 1 is a 2013 pipeline reversal project which will reverse the traditional southbound directional flow of the segment of main line transmission pipeline between Lignite Station and Tioga Station. Additionally, as part of Phase 1 of this project, a 7 mile pipeline extension (construction) to connect our Lignite station to a 3rd party crude-by-rail loading facility near Columbus, ND, will be undertaken. Although the construction of the line is being performed by a third party contractor, the line will ultimately be owned and operated by Tesoro High Plains Pipeline at the completion of the construction. Upon completion of Phase 1 of this project, Phase 2 of this project will commence later in 2013 and will involve the installation of new station pumps, transformers, and station piping to ultimately increase the throughput of crude oil to 80,000 BPD.

The third project involves upgrading a pipeline reversal from Tesoro's Alexander Station to a 3rd party shipper across the Montana state line. As part of the line reversal project upgrade, the replacement of

certain segments of the pipeline could be required, as will the installation of larger pumps at the Sydney station. No final determination of commitment of resources has been made regarding this project.

These projects are all a direct result of the large increase in production of light, sweet crude oil being produced in Dunn and McKenzie Counties and the need by both producers and shippers to facilitate the movement of crude oil to various markets throughout the United States. Beyond these 3 projects being outlined above, the likelihood of additional projects is very great should crude oil production continue to increase in the future.

EXHIBIT A

1. FACILITY DESCRIPTION – DOT TRANSMISSION PIPELINES:

Tesoro's transmission pipeline system consists of a DOT-jurisdictional pipeline that runs from the Canadian Border in the north to the Mandan refinery towards the southeast. Additionally, there are also DOT jurisdictional pipelines that originate as far west as Richey, Montana and tie into the main north-south system at various points and stations. Various sections of the system are currently set up to operate bi-directionally and projects scheduled for 2013 and 2014 will expand the bi-directionality of the system and/or increase throughput of the reversals.

2. TYPE & CAPACITY:

- a. Product Type: Crude oil
- b. Length of system: Approximately 512 miles
- c. Pipe Size: Diameters vary between 4, 6, 8, 10, 12, and 16 inches
- d. Minimum cover: Approximately 30"
- e. Maximum Operating Pressure (MOP):

Pipeline Segment	Pipeline MOP (psi)	Distance (miles)	Pipeline Diameter (in.)
Border to Black Slough	1440	12	8
Black Slough to Tioga	1390	43	6
Tioga to Ramberg	1440	8	8
Ramberg to Dunn	740	66.3	12
Dunn Center to Dodge	492	19.8	16
Dodge to Mandan	492	68.5	16
Richey to Putnam	800	29.5	6
Fairview to Putnam	800	11.8	6
Putnam to Sidney	800	20.6	8
Sidney to Cartwright	800	16.0	4/6
Cartwright to Alexander	800	15.0	6
Alexander to Keene	1440	39.6	6
Sidney to Poker Jim	720	17.8	8
Poker Jim to Treetop	689	52.3	8
Treetop to Dunn Center	440	47.9	10
Little Knife to Dunn Cent	440	28.23	8
Four Eyes to Treetop	475	4.5	6
Belle Fourch to Treetop	440	5.0	6

- f. Maximum flow rate: In calendar year 2012, approximately 24,382,541 barrels of crude oil was transported through the Tesoro High Plains pipeline system.
- g. Pump station specifications: Maximum Operating Pumping Discharge (MODP) Pressure & Settings:

LOCATION	DISCHARGE PUMP MODP	HIGH PRESSURE SHUTDOWN	PUMP RELIEF VALVE SETTING
Black slough	1125	1000	1050
Tioga – Unit #1(6 inch liner)	780	800	850
Tioga – Unit#2 (5.5 in liner)	930	800	850
Ramberg – Unit#1 (6 in liner)	780	690	740
Ramberg–Unit#2 (5.5 in liner)	930	690	740
Yttredahl	1125	700	740
Charlson	1125	700	740
Keene	930	550	600
Alexander	930	910	930
Putnam Units #1 and #2	595	500	510
Sidney Units #1 and #2	820	690	700
Poker Jim Unit #1 PD Pump	665	665	700
Blue Butte	1125	650	700
Dunn Center	1800	480	490
Dodge	930	480	490

3. IN-SERVICE DATES

Line Segments – Year In-Service

Border to Mandan – 1954

Border to Black Slough – 1966

Black Slough to Tioga – 1966

Tioga to Ramberg – 1991

Ramberg to Keene – 1954

Keene to Dunn – 1954

Dunn to Mandan – 1954

4. **PROJECTED RETIREMENTS:** A 12-mile section of 8-inch pipeline from the Canadian Border to Black Slough is currently idle. However, there are currently no plans to permanently remove this line section from service (i.e. DOT Pipeline Abandonment) during the ensuing ten-year period.
5. **TESORO PIPELINE SYSTEM MAP:** The system consists of DOT trunk pipelines (i.e. transmission lines), DOT gathering pipelines, and non-regulated gathering pipelines (See Figure 1).

EXHIBIT B

1. PROPOSED FACILITY LOCATION

- a. Tesoro's new transmission pipeline will be constructed between Lignite station to a 3rd party crude-by-rail facility near Columbus, North Dakota. The anticipated construction completion date for the pipeline is 2Q 2013.

2. GEOGRAPHIC SERVICE AREA

- a. The pipeline will serve to move crude oil in a westbound direction from Tesoro's main line system to the crude oil-by-rail loading facility. This facility is sited adjacent to BNSF's main line running through the northern part of the state.

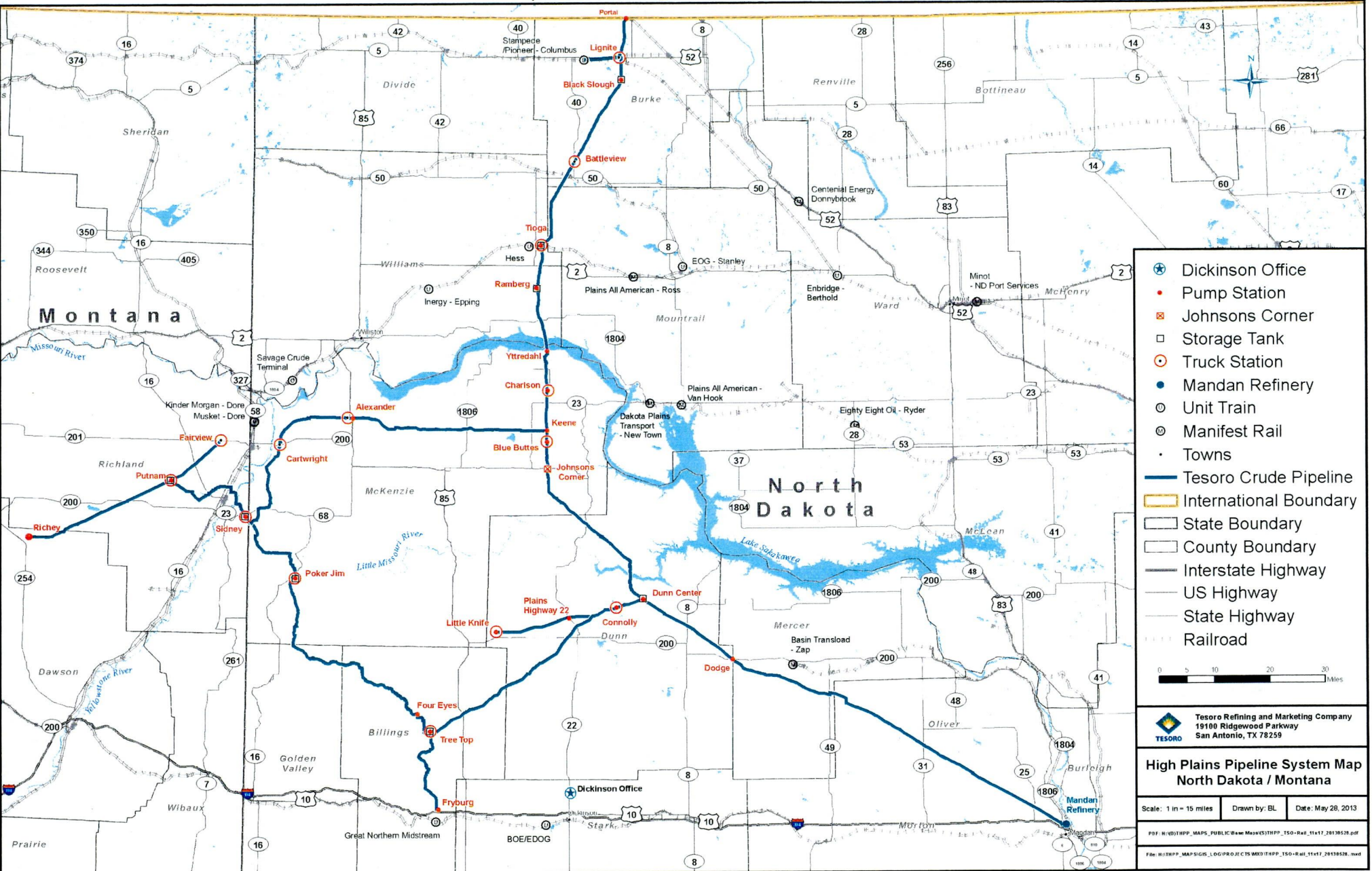
3. FACILITY DESCRIPTION

- a. Product type: Crude oil
- b. Length of facility: Approximately 7 miles
- c. Facility components to be installed:
 - i. 7 mile, 10" steel pipeline
 - ii. Centrifugal pumps at Tioga & Black Slough stations
 - iii. Various valve and miscellaneous station piping at Tioga, Black Slough and Lignite stations
 - iv. Custody transfer meter at crude-by-rail facility
- d. Pipe size: 10" diameter pipeline from Lignite to Columbus, ND
- e. Design Pressure, Temperature and Flow Rate:
 - i. Design pressure:
 - ii. Temperature: Ambient
 - iii. Flow rate: 14,000 BPD (Phase 1), 80,000 BPD (Phase 2)
- f. Number of Compressor or Pumping Stations:
No new pumping stations, two new multi-stage centrifugal pumps will be installed at Lignite and Tioga stations.

4. PROPOSED TIMETABLE

- a. Phase 1 pipeline reversal and 10" pipeline construction was initiated in April, 2013.
- b. Phase 2 pump, electrical and piping upgrades will take place 3Q, 2013

FIGURE 1



- Dickinson Office
- Pump Station
- Johnsons Corner
- Storage Tank
- Truck Station
- Mandan Refinery
- Unit Train
- Manifest Rail
- Towns
- Tesoro Crude Pipeline
- International Boundary
- State Boundary
- County Boundary
- Interstate Highway
- US Highway
- State Highway
- Railroad

0 5 10 20 30 Miles

Tesoro Refining and Marketing Company
 19100 Ridgewood Parkway
 San Antonio, TX 78259

High Plains Pipeline System Map
 North Dakota / Montana

Scale: 1 in = 15 miles Drawn by: BL Date: May 28, 2013

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