

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Bakken Oil Express, LLC
16-Inch Crude Oil Pipeline/Dunn & Stark Counties
Siting Application**

Case No. PU-13-825

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

February 26, 2014

Preliminary Statement

On December 30, 2013, the Commission adopted Findings of Fact, Conclusions of Law and Order ("Order"), issuing Certificate of Corridor Compatibility No. 150 and Route Permit No. 161 to Bakken Oil Express, LLC (BOE), to authorize construction of a 38-mile, 16-inch diameter crude oil pipeline (Project) in Dunn and Stark Counties, North Dakota (the Application).

On January 21, 2014, BOE filed with the Commission a request to amend the Order to change the approved pipeline diameter from sixteen inches to twenty inches for the southernmost approximately four miles of the Project pipeline to facilitate an interconnect with True Oil, LLC's Belle Fourche Pipeline. In addition, BOE filed an application to waive and reduce procedures and time schedules required under NDCC chapter 49-22. BOE requests waiver for the following:

- Procedures that require separate filings of applications for a certificate of corridor compatibility and a route permit,
- Procedures that require separate notices of such applications,
- Procedures that require separate hearings on such applications,
- Procedures that require a public hearing on an application for a certificate of corridor compatibility,
- Procedures that require a public hearing on an application for a route permit.

On January 29, 2014, the Commission issued a Notice of Opportunity for Hearing (Notice) on BOE's request to amend the Order and its application for a waiver of procedures and time schedules. The Notice provided that comments and requests for a hearing must be received by February 20, 2014.

The Notice identified the following issues to be considered in BOE's application for a waiver of procedures and time schedules:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects and that adherence to applicable procedures and time schedules may be waived?

2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The Notice identified the following issues to be considered in BOE's application to amend the Order:

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed modification minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

No comments or requests for hearing were received by the Commission pursuant to the Notice.

Having allowed all interested persons an opportunity to be heard, and having reviewed and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

1. The materials filed by BOE on January 21, 2014 state that the change in the diameter of the pipeline will not alter the impacts previously addressed in Order, as it will not require a change in right of way width, construction methods, or mitigation or reclamation measures. Further, BOE states the interconnection will increase the maximum daily output of the pipeline to 250,000 barrels per day.
2. The requested amendment is compatible with the environmental preservation and the efficient use of resources, and will produce minimal adverse impacts on the environment, natural resources, and upon the welfare of the citizens of North Dakota, while ensuring continuing system reliability, integrity and ensuring that energy needs are met and fulfilled in an orderly fashion.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over BOE and over the subject matter of the Application under NDCC chapter 49-22.

2. The requested amendment to the Order will produce minimal adverse effects as defined under NDCC § 49-22-07.2.

3. It is appropriate for the Commission to waive those certain procedures and time schedules as requested in the application for waiver of procedures and time schedules and as provided under NDCC § 49-22-07.2.

From the foregoing Findings of Fact and Conclusions of Law, the Commission now issues its:

Order

The Commission orders:

1. BOE's application for a waiver of procedures and time schedules is granted.
2. BOE's request for amendment of the Order is granted, and BOE is issued First Amended Certificate of Corridor Compatibility No. 150 and First Amended Route Permit No. 161.
3. The authorizations granted by First Amended Certificate of Corridor Compatibility No. 150 and First Amended Route Permit No. 161 are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.
4. The amended corridor and amended route are subject to the conditions and limitations stated in the Findings of Fact, Conclusions of Law and Order dated December 30, 2013, and are subject to the conditions and limitations stated in this Order.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Brian P. Kalk
Chairman



Julie Fedorchak
Commissioner

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

First Amended
Certificate of Corridor Compatibility Number 150

This is to certify that the Commission has designated a transmission facility corridor for Bakken Oil Express, LLC's 38-mile, sixteen-inch and twenty-inch diameter crude oil pipeline originating at a tanker truck unloading and pumping facility near the City of Killdeer in Dunn County, North Dakota, and terminating at a rail loading and storage facility owned and operated by Bakken Oil Express, LLC, located to the southwest of the City of Dickinson in Stark County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated December 30, 2013, and the Order dated February 26, 2014, in Case No. PU-13-825 and is subject to the conditions and limitations noted in those Orders.

Bismarck, North Dakota, February 26, 2014.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

First Amended
Route Permit Number 161

This is to certify that the Commission has designated a transmission facility route for Bakken Oil Express, LLC's 38-mile, sixteen-inch and twenty-inch diameter crude oil pipeline originating at a tanker truck unloading and pumping facility near the City of Killdeer in Dunn County, North Dakota, and terminating at a rail loading and storage facility owned and operated by Bakken Oil Express, LLC, located to the southwest of the City of Dickinson in Stark County, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated December 30, 2013, and the Order dated February 26, 2014, in Case No. PU-13-825 and is subject to the conditions and limitations noted in those Orders.

Bismarck, North Dakota, February 26, 2014.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner