

Tuesday 25 Feb 2014

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Subj: Comments, on the proposed Sandpiper Pipeline Project (SPP).

Ref (a): ND-PSC formal hearing, 08:30 Thu 27 Feb, case # **PU-13-848** :
Enbridge - ND Pipeline Company LLC - Sandpiper Project (24" crude oil pipeline).
Minot City Council Chambers; 515 Second Avenue SW; Minot, ND

Ref (b): Sandpiper Project webpage; with links to 2-page fact sheet & survey brochure:
<http://www.enbridge.com/SandpiperProject>

Ref (c): 62-page Enbridge ND-PSC app 4 Corridor Compatibility Cert.; Docket # PU-13-187:
<http://www.psc.nd.gov/database/documents/13-0848/001-070.pdf>

Ref (d): <http://www.pipelineandgasjournal.com/pipelines-prove-safer-road-or-rail?>

Ref (e): <http://www.startribune.com/business/239948631.html>

Ref (f): <http://www.foxnews.com/us/2013/10/15/oil-unwelcome-discovery-for-north-dakota-farmer/>

First note I plan to attend the ref (a) hearing in person, and if opportunity arises will give oral summary of these written comments at that time. In any case plan to submit hardcopy of these comments at said meeting; along with pre-meeting email copy to ndpsc@nd.gov.

On 30 Dec 2013 the Bismarck Tribune reported that the proposed 610-mile Sandpiper Pipeline Project is expected to cost about \$2.6 billion dollars; and that this 24-inch (in ND) pipeline will be able to move ~ 225,000 barrels of oil per day (BOPD) to MN; which should result in a substantial (and much-needed) reduction in truck and railroad tank-car traffic in ND.

SUMMARY of my position: **Respectfully request and recommend that the ND-PSC expeditiously approve the proposed Sandpiper Pipeline Project (SPP). And believe that on balance this is not a close call: Objectively considering all factors, approval of the SPP is clearly and substantially in the long-term best interest of ND; especially given the big jump in oil truck and rail car traffic expected to occur if the SPP is NOT built; and given modern / monitored oil pipelines are much safer than road or rail transport.**

Following are my additional detailed comments and further observations on the SPP:

1.. The "project fact sheet" link at bottom of the ref (b) web page provides a good 2-page summary / overview of the proposed SPP. Given the huge jump in Bakken oil production in just the last 5 years (see Table 11 on p. 37 of ref (c), that shows ND Bakken BOPD went from just 138K in Jan 2008, all the way up to 911K BOPD in Aug 2013 (~38 million gallons / day)): Within reason, **the sooner the SPP becomes operational the better**; i.e.: Delay of the currently projected 2016 in-service date would NOT be a good outcome; for multiple reasons.

2.. Again on the ref (b) fact sheet; p. 2: The 7 bullet-points listed under "Project Benefits" are good & worthwhile. But **omitted from this list are 2 more important benefits to ND**; i.e.: Avoiding the huge increase in truck & rail car traffic that would result without the SPP:

(a): In the last half-dozen years I've driven thru the Williston area multiple times; most recently end of Sept 2013. The huge amount of truck traffic in western ND is already a major issue; especially in winter (many drivers likely came up from AZ & etc.; and have no idea how to drive on icy ND winter roads). Then note that ref (d) Table 2 (petroleum incident rates, 2005 - 2009) shows that the # of incidents per billion ton-miles shipped (PBTMS) for trucks is 34 times that of on-shore hazardous liquid pipelines (OSHLPs); and for the same period ref (d) Table 3 shows that fatalities PBTMS for trucks are 73 times higher than OSHLPs (!!).

Plus this is not just a public safety issue:

The # of trucks needed to equal the carrying capacity of the SPP is astounding: Ref (c) Table 12 says that trucking 225,000 BOPD to MN would require 3377 additional oil trucks. Whatever the practical upper limit is for the # of trucks that can reasonably be on ND roads at one time, for sure don't want to push that limit; i.e.: Need to be sure we have ample trucking resources to provide for adequate and critically-needed transport of agricultural products.

(b): Now consider the # of railroad tank cars necessary to equal capacity of the SPP; and the fact that ~ 2/3 of ND's crude production is currently shipped by rail. Then think on 1 word: "Casselton". . . And reflect on what might have happened if that 30 Dec 2013 railroad tank car explosion had happened right in the middle of Casselton; instead of ~ 1 mile outside of town. Or, for that matter: In Fargo. Plus remember the oil train explosion in Lac-Megantic, Quebec in July 2013 that killed 47 people (see ref (e); and many other media reports).

Above all being said, rail transport of crude is statistically safer than via trucks on public roads. But still: Ref (d) Table 2 shows that the # of incidents PBTMS for rail is 3.6 times that of OSHLPs; Table 3 shows fatalities PBTMS for rail are 25 times higher than OSHLPs. And per ref (e) the Casselton accident spilled 400,000 gallons of crude oil from 18 punctured tank cars; resulting in temporary evacuation of 1400 people. Then consider data in ref (c) Table 13: Rail transport of 225K BOPD to MN would require 1351 more tank cars. Same concerns apply to rail as with trucks; i.e.: Do not want to end up with so many tank cars in use that rail transport of ND ag products might be restricted.

3.. Having pointed out problems with truck & rail transport of ND crude oil, it's appropriate to recognize that crude oil pipelines can also have problems: Just think "Tioga", and see ref (f): Biggest-ever U.S. crude oil spill on LAND: 20,600 barrels leaked; before being detected (by comparison, 1989 Exxon Valdez grounding in Prince William Sound spilled ~ 257,000 barrels; out of 1.26 million barrels carried). In saying same recognize ND-PSC was NOT responsible for monitoring Tioga pipeline; and is still not responsible for regulating existing oil pipelines; that is under jurisdiction of Federal Pipeline and Hazardous Materials Safety Admin (PHMSA).

In any case: Most important lesson to be learned from the Tioga spill is that all pipelines are NOT "created equal"; not even close; i.e.: It was built by BP in 1993, and did not have ANY automated monitoring systems for real-time detection - reporting - shutdown of leaks. Per ref (b) fact sheet, the SPP will use state-of-the-art construction; be checked regularly via ground, aerial, and internal "smart pig" inspections; and will be closely monitored 7 x 24 from a sophisticated control center with remote shutdown capability; i.e.: Hugely better technology.

4.. **Stepping back for a wider perspective:**

(a) On balance the SPP will be good not only for local residents (less truck and train congestion), not only for all of ND (economic benefits during both construction and operation), but also for the USA as a whole; i.e.: Per EIA data, in 2011 net petroleum imports were 45 % of domestic demand; ~ half of which came from the Middle East or other unstable countries. Other data indicates U.S. is expected to continue to import up to 7.5 million BOPD until \geq 2035. Therefore it is clearly in our long-term strategic national interest to (carefully) improve, expand, and modernize our oil production, distribution, and refining infrastructure as much as reasonably and practically possible; i.e.: We are NEVER going to be able to run the USA on wind and solar power; not even close (electric power professionals say that even best case, the highest prudent percentage of grid power that might safely be allocated to wind and solar is \leq ~ 8 %; anything more requires costly quick-response standby generator backup).

Therefore: **Building the SPP with all deliberate speed is an important and necessary component of maximizing long-term U.S. strategic energy self-sufficiency and security.**

SIDEBAR: Hopefully will not exceed fair "comment quota" for this ND-PSC meeting, but: Take opportunity to briefly mention subject in which I have long interest; that is at best only tenuously related to SPP (except best-case timeframe in this area indicates there likely will not be practical alternatives to hydrocarbon resources for base-load power for quite a few years): The technology that has real potential to (someday) provide alternative base-load power, are the new-design / modular / passively-safe Generation-III+ nuclear power reactors; along with Gen-IV fast-neutron reactors (that burn up / convert nuclear waste, to where it may only need to be separated from the environment for ~ 500 years (instead of current ~ 15,000 years)).

(b) Furthermore: There are already ~ 500,000 miles of interstate pipelines in the U.S.; that carry crude oil, other petroleum products, and natural gas. The SPP will add only a tiny fraction of 1 % to that huge existing infrastructure. Plus statistics are clear: Pipelines are on balance a much better, safer, cheaper, and more environmentally friendly way to ship crude than trains or trucks. And the larger the quantity of crude to be transported, the more pipelines have the advantage. Plus by any fair measure the SPP can be expected to be significantly safer than most of the existing 500K miles of U.S. pipelines that are already in service.

5.. Finally; **putting on my ND landowner's hat:** I still stand by my prior conclusion; i.e.: On balance, approval of the SPP is clearly & substantially in the long-term best interest of ND. BUT: In saying same, will also state that in proposing a pipeline project of this large a scope and scale, in my opinion Enbridge / North Dakota Pipeline Company LLC (NDPC-LLC) has a special obligation to make all reasonable efforts to work cooperatively and constructively with ND landowners along the proposed route. I would even go so far as to suggest that NDPC-LLC should try and go an "extra mile", to address all reasonable landowner concerns and issues that might arise; given that additional incremental cost of doing so should be relatively small (if not tiny), compared to the projected \$2.6 billion total cost of the project. . . .

Respectfully submitted,



Ken Sletten