

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**North Dakota Pipeline Company LLC
24-Inch Crude Oil Pipeline - Sandpiper Project
Siting Application**

Case No. PU-13-848

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

June 25, 2014

Appearances

Commissioners Brian P. Kalk, Randy Christmann, and Julie Fedorchak.

Brian Bjella, Attorney at Law, Crowley Fleck PLLP, 100 West Broadway, Suite 250, Bismarck, North Dakota 58501, on behalf of North Dakota Pipeline Company LLC.

Brian Schmidt, Special Assistant Attorney General, Legal Counsel for Public Service Commission, 122 East Broadway Avenue, Bismarck, North Dakota 58502, on behalf of the Public Service Commission.

Julie Prescott, Public Utility Analyst, Public Service Commission, State Capitol, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Patrick J. Ward, Administrative Law Judge, PO Box 1065, Bismarck, North Dakota 58502.

Preliminary Statement

On October 30, 2013, Enbridge Pipelines (North Dakota) LLC (Enbridge) filed with the Public Service Commission (Commission) applications (Applications) for a certificate of corridor compatibility and a route permit to authorize construction of a crude oil pipeline and associated facilities (Project) from the Beaver Lodge Station near Tioga, North Dakota, to the North Dakota/Minnesota border south of Grand Forks, North Dakota located in Williams, Mountrail, Ward, McHenry, Pierce, Towner, Ramsey, Nelson, and Grand Forks Counties, North Dakota.

Enbridge included with its Applications a request for the Commission to waive and reduce certain procedures and time schedules required under North Dakota Century Code Chapter 49-22, which requires separate filings and applications for a certificate of corridor compatibility and a route permit, separate notices of such applications, separate hearings on such applications, certain time schedules, and a public hearing in each of the affected counties unless the Commission holds one or

more consolidated hearings.

On December 30, 2013, the Commission deemed Enbridge's Applications complete and issued a Notice of Filings and Notice of Hearings scheduling the following hearings:

February 19, 2014, at 8:30 a.m. CST at Baker Courtroom, University of North Dakota School of Law, 215 Centennial Drive, Grand Forks, North Dakota 58202.

February 20, 2014, at 8:30 a.m. CST at the Robert Fawcett Auditorium, Lake Region State College, 1801 College Drive North, Devils Lake, North Dakota 58301.

February 27, 2014, at 8:30 a.m. CST at the Minot City Council Chambers, 515 Second Avenue Southwest, Minot, North Dakota 58702.

The Notice identified the following issues to be considered with respect to the request 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 with respect to the applications for a certificate of corridor compatibility and route permit:

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 facility locations 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?

On February 6, 2014, Enbridge filed with the Commission corporate documentation evidencing that Enbridge changed its name to North Dakota Pipeline Company LLC (NDPL), including a Certificate of Good Standing for NDPL issued by the

North Dakota Secretary of State on February 5, 2014.

On February 7, 2014, NDPL filed with the Commission its Supplemental Filing to its Application.

On February 11, 2014, NDPL filed with the Commission an executed Certification Relating to Order Provisions-Transmission Facility Siting, dated February 10, 2014, attached to which was the Tree and Shrub Mitigation Specifications.

All public hearings were held as scheduled.

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

Findings of Fact

1. Under North Dakota Century Code Section 49-22-07, a utility may not begin construction of a transmission facility in the state without first having obtained a certificate of corridor compatibility and route permit. The facility must be constructed, operated and maintained in conformity with the certificate and permit and any terms, conditions or modifications of the certificate or permit.
2. NDPL is a Delaware limited liability company, with offices located in Minot, North Dakota.
3. NDPL is authorized to do business in the State of North Dakota, as evidenced by the Certificate of Good Standing issued by the North Dakota Secretary of State dated February 5, 2014.

Size, Type and Preferred Location of Facility

4. The Project consists of approximately 616 miles of new pipeline to be located in North Dakota, Minnesota and Wisconsin. The total approximate cost of the Project is \$2.6 billion, of which \$1.3 billion is attributed to the North Dakota portion. The Project begins at NDPL's existing Beaver Lodge Station near Tioga, North Dakota, and extends easterly across North Dakota exiting the state just south of the City of Grand Forks.
5. Approximately 300 miles of the Project will be located in North Dakota. Approximately 152 miles of the 300 miles in North Dakota will parallel existing pipelines or utility corridors, with the remaining 148 miles located in greenfield areas.
6. The Project also includes construction of a new pump station in Nelson County, North Dakota, near Lakota, and upgrades to NDPL's existing Beaver Lodge, Stanley, and Berthold Pump Stations.

a. The new pump station near Lakota, North Dakota, will be located on approximately 46 acres. Facilities constructed will include mainline pumps and a pump shelter, an electrical service building and switchyard, a utility and maintenance building, a retaining pond, and other facilities.

b. At the Beaver Lodge Station, two new 150,000 barrel storage tanks will be constructed, as well as other facilities. In addition, NDPL has purchased 40 acres of land adjacent to the station, and facilities to be constructed on this additional acreage include a firewater system pump building, an electrical switchyard, an electrical substation, and other facilities.

c. At the Stanley Station, one new 80,000 barrel storage tank and one new 55,000 barrel storage tank will be constructed, along an electrical services building, a tank fire foam building, and other facilities. In addition, NDPL has purchased 21 acres of land directly east of the existing station, and facilities to be constructed on this additional acreage include a firewater protection system and a firewater pond.

d. At the Berthold Station, one new 300,000 barrel storage tank will be constructed, along with two electrical services buildings, a new maintenance building, mainline pumps, an electrical switchyard, and other facilities. All work will be performed within the existing Berthold Classic and Berthold West Station Sites.

7. The pipe will be 24-inch outside diameter, with a .375-inch wall thickness through agricultural and range land and a .438- to .500-inch wall thickness at various crossings. The pipe will be manufactured according to American Petroleum Institute specifications, pursuant to design codes established by 49 Code of Federal Regulations ("CFR") 195. The design pressure for the pipeline is 1480 psig.

8. The property rights NDPL is seeking to acquire for the proposed Project are set forth in its Right-of-Way and Easement Grant form, which was filed with the Commission as Late-Filed Exhibit No. 1.

Need for Facility

9. The purpose of the Project is to address current and future demand for pipeline export capacity from the Williston Basin as a result of the great increase in production in the Bakken and Three Forks Formations. The current pipeline export capacity for NDPL in North Dakota is 355,000 barrels per day. The Project will add an additional capacity of 250,000 barrels per day between the Beaver Lodge and Berthold Stations, 225,000 barrels per day from the Berthold Station to Clearbrook, Minnesota, and 375,000 barrels per day from Clearbrook, Minnesota, to Superior, Wisconsin.

10. According to the evidence presented by NDPL, North Dakota has rapidly become

the second largest producer of crude oil in the nation. Production in the Bakken Formation alone has grown from approximately 138,000 barrels per day in January 2008 to over 910,000 barrels per day in August 2013. Forecasts of the Bakken Formation alone indicate production will continue to rise until at least 2026, projected to peak at approximately 1.35 million barrels per day.

11. According to evidence presented by NDPL, production forecasts indicate that existing pipeline capacity will not be sufficient to accommodate production growth by 2017. In addition, the potential for similar production from the Three Forks Formation appears likely. As a result, NDPC has concluded that the Project is needed and is in the public interest, and will provide a timely addition of new pipeline capacity necessary to export Bakken and Three Forks production from the Williston Basin to refining centers in the Midwest and beyond.

Study of Preferred Location(s)

12. In its Application, NDPL defined a two-mile wide study area centered on the preferred pipeline route. Within the study area, NDPL identified an approximate 250- to 450-foot wide environmental survey corridor centered on the preferred pipeline route for the purposes of conducting cultural resource field surveys, biological and wetland/waterbody field surveys and other environmental assessments. NDPL widened its environmental survey corridor beyond 450 feet in certain locations to address known environmental and encroachment issues.

13. NDPL identified a route that utilizes existing right-of-way corridors to the extent reasonably practicable, and currently approximately half of the Project's route follows these corridors. In attempting to avoid population centers, specific water bodies, and major constructability issues, NDPL routed the pipeline around the City of Minot, as well as the City of Devils Lake, and the surrounding area, which necessitated the majority of the greenfield route.

14. NDPL considered potential alternatives to the proposed Project, including: transporting crude oil by truck; transporting crude oil via other potential pipeline projects; and transporting crude oil by rail. NDPL concluded that none of the potential alternatives considered was preferable to the proposed Project. With respect to utilizing trucks, NDPL estimated that a fleet of 4,354 trucks per day would be required to transport the volumes projected to be carried in the Project, which would not be feasible, economical, or the safest alternative. With respect to other pipelines, NDPL was unable to confirm whether any of the other potential pipeline projects will be constructed. Regardless of the construction of other potential pipeline projects, NDPL indicated that the Project would still be needed to meet the current and future demands of North Dakota producers and shippers. With respect to rail, the rise in demand for rail service has resulted in insufficient tank car capacity to transport the same barrels of crude per day as would be transported in the Project. According to U.S. Department of Transportation's safety and accident statistics, pipelines result in fewer spillage

incidents and personal injuries than road and rail.

15. NDPL conducted a Class I Literature search on the two-mile wide study area, and a Class II/III Cultural Resource Inventory of the environmental survey corridor. Also, NDPL analyzed environmental data on soils, land use, wetlands, waterbody crossings, and protected plant and animal species.

16. NDPL has consulted with governmental agencies and entities, including the North Dakota State Historic Preservation Office ("SHPO"), North Dakota Parks and Recreation Department ("NDPRD"), North Dakota Game and Fish Department ("NDGFD"), North Dakota Department of Health ("NDDoH"), the United States Fish and Wildlife Service ("USFWS"), the United States Army Corps of Engineers ("USACE"), and the United States Air Force Base in Minot, North Dakota ("USAF"). Input provided includes the following:

a. NDPL has been in close communication with the SHPO during its review of the 2013 field survey report and NDPL's recommendations for additional field testing at select sites.

b. In a letter dated April 10, 2013, the NDPRD provided location information of sensitive species of concern and recommended implementing measures to protect critical habitats. NDPL will restore a prairie location identified by NDPRD with a native prairie seed mix as recommended by the NDPRD.

c. The NDDoH indicated in a February 3, 2014, comment letter that environmental impacts from the Project will be minor and can be controlled by proper construction methods.

d. During Project planning meetings, the USFWS encouraged NDPL to avoid or bore beneath wetland features subject to USFWS wetland easements. NDPL has agreed to avoid wetland features subject to USFWS wetland easements

e. In a letter dated May 1, 2013, the NDGFD recommended steps to protect wetlands that cannot be avoided, no alterations to existing drainage patterns, and no above ground appurtenances within wetland areas. In addition, the NDGFD recommended that the White Earth River, Des Lacs River, Deep Creek, Cut Bank Creek, and Mauvais Coulee be crossed by directional boring. If directional boring is not possible, the NDGFD requested that construction not occur within the waterways between April 15 and June 1. NDPL will follow the NDGFD's recommendations. NDPL also consulted with the NDGFD regarding known bald and golden eagle nests in the two-mile wide study area.

f. The USACE has stated in Project planning meetings that it intends to use its Nationwide Permit Number 12 as its permitting mechanism for the project.

g. In communications with NDPL, the USAF stated that the Project will cross its underground cable system, but the crossings meet the USAF's specifications.

17. The Commission has established criteria pursuant to North Dakota Century Code Section 49-22-05.1 to guide the Commission in the corridor and route suitability evaluation and designation process. The criteria, as set forth in North Dakota Administrative Code Section 69-06-08-02, are classified as Exclusion Areas, Avoidance Areas, Selection Criteria, and Policy Criteria.

18. A transmission facility route must not be sited within an Exclusion Area. No Exclusion Areas are crossed by the Project.

19. A transmission facility route must not be sited within an Avoidance Area, unless the applicant shows that under the circumstances there is no reasonable alternative. In determining whether an Avoidance Area shall be designated for a facility, the Commission may consider, among other things, the proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes. NDPL identified two municipal water supplies within the environmental survey corridor, one located near the City of Deering, and the second located south of the City of Grand Forks. NDPL adjusted the route to avoid the City of Deering wellhead protection area. The wellhead protection area near the City of Grand Forks is crossed twice by the proposed pipeline route. NDPL has engaged in multiple discussions with the City of Grand Forks, and the city representatives have not expressed any opposition to the Project route. Alternatives to avoid the wellhead protection area south of the City of Grand Forks were considered; however, the alternatives would impact more agricultural land (including land designated as prime farmland) and water bodies, cross more roadways, and require more construction within greenfield areas. Thus, no reasonable alternative was identified.

20. NDPL identified one waterfowl protection area in Pierce County within the environmental survey corridor. However, the route will not cross and construction activities will not encroach into the waterfowl production area.

21. NDPL identified 118 cultural resource sites within the environmental survey corridor. Two sites were recommended to be eligible for inclusion on the National Register of Historic Places ("NF-HP"), and NDPL will avoid these sites. Thirty-five sites have not been evaluated, and NDPL will conduct additional surveys of any sites that cannot be avoided. NDPL has completed survey work for the majority of the route, and has submitted its findings to the SHPO for review. NDPL will complete the remaining field surveys in the spring/summer of 2014 and will submit the results to the SHPO.

22. NDPL has identified 38 rural residences or businesses located within 500 feet of the proposed Project route. All of the owners of these facilities have granted waivers to allow construction within 500 feet. With respect to the businesses, NDPL demonstrated at the hearings that there is no reasonable alternative to these locations, as other

alternatives have equal or greater human, environmental and/or land use impacts. The businesses are primarily located in the vicinity of Stanley, North Dakota, and NDPL's existing Stanley Station. Due to the growth of the City of Stanley, businesses have encroached upon NDPL's Stanley Station and its existing pipelines, and three of the four businesses are already located within 500 feet of existing pipelines.

23. NDPL conducted wetland delineations within the environmental survey corridor identified for the majority of the route, and will complete any remaining field surveys in the spring/summer of 2014. NDPL has submitted a request for a jurisdictional determination to the USACE to determine which of the delineated wetlands and water bodies fall within the USACE's regulatory jurisdiction. NDPL anticipates that the USACE will authorize the Project under a Nationwide Permit 12.

24. NDPL completed field surveys for habitat for piping plover, Dakota skipper, Sprague's pipit, and nest locations for bald and golden eagles. The Project may result in short-term wildlife habitat removal, due to clearing as part of construction. Following construction, NDPL will restore the right-of-way as near to pre-construction condition as is practicable to mitigate any long-term impacts. The Project is not anticipated to have significant impacts on fish and wildlife resources, nor are significant impacts anticipated to endangered, threatened, or sensitive plant or animal species.

25. In accordance with the Commission's Selection Criteria, a transmission facility shall be approved only if it is determined that any significant adverse effects that will result from the location, construction and operation of the facility as they relate to the Selection Criteria will be at an acceptable minimum, or will be managed and maintained at an acceptable minimum. NDPL has analyzed the impacts of the Project in relation to all of the relevant Selection Criteria. No significant adverse impact will result from the location, construction and operation of the Project.

26. In accordance with the Commission's Policy Criteria, preference may be given to an applicant demonstrating certain benefits of the transmission facility. NDPL has analyzed the relevant Policy Criteria and has expressly committed to conducting its business in compliance with all applicable environmental laws and regulations; energy conservation through the facility's location, process and design; training and utilizing available labor in the state; constructing the Project to take advantage of economies of scale; achieving transmission capacity in the most minimally intrusive and most efficient way possible; and coordinating with state and local officials. NDPL submitted evidence to demonstrate its commitment to maximizing the benefits of the proposed transmission facilities so as to meet the Policy criteria.

27. It is appropriate to authorize a corridor shown as the "Environmental Survey Area" and facilities in Exhibit D of the Application as amended (Hearing Exhibit 1A and 1B).

Measures to Minimize Impact

28. NDPL has agreed to a number of steps to mitigate the impact of the Project as indicated by the Certification Relating to Order Provisions-Transmission Facility Siting dated February 10, 2014, with accompanying Tree and Shrub Mitigation Specifications, which is attached to this Order.

29. The right-of-way will consist of a new 50-foot wide permanent easement in areas where the Project is parallel to third-party pipelines and utility corridors and in greenfield areas. Typically, an additional 70-foot wide temporary easement in uplands and a 45-foot wide temporary easement in wetlands, as well as material staging areas and temporary access roads, will also be utilized only during construction.

30. NDPL has identified 17 approximate valve site locations for the segment of the Project that will be located within the State of North Dakota, but the exact number and location of valve sites has not yet been finalized. NDPL utilized a computerized model to determine the approximate location of the valves, which accounts for high consequence areas on or near the center of the pipeline. Such high consequence areas are defined as high population areas, wellhead and drinking water areas, commercially navigable waterways, as well as ecologically sensitive areas. Valve locations were selected based on criteria which will minimize impact to these high consequence areas in the event of release. In addition, NDPL shall comply with the valve location requirements specified by the Department of Transportation Office of Pipeline Safety pursuant to 49 Code of Federal Regulations, Part 195.

31. NDPL has developed an Environmental Protection Plan which outlines construction-related environmental policies, procedures and general mitigation measures for construction of the Project. The Environmental Protection Plan was developed based on NDPL's experience implementing best management practices during construction, as well as the Federal Energy Regulatory Commission's Upland Erosion Control, Revegetation and Maintenance Plan and Wetland and Waterbody Construction and Mitigation Procedures. The Environmental Protection Plan also includes spill prevention, containment and control measures to minimize the likelihood of a construction-related spill, and to ensure immediate cleanup in the event of such an occurrence. NDPL's Environmental Protection Plan and its Storm Water Pollution Prevention Plan are comprehensive, controlling documents that will be included in contract specifications.

32. The design, construction and operation of the transmission facility will be in accordance with the United States Department of Transportation regulations governing the transportation of crude oil, as prescribed under Parts 194 and 195 of Title 49 of the Code of Federal Regulations. In the area north of Devils Lake as explained in the Application, testimony, and exhibits, and in order to account for the potential rise of Devils Lake, NDPL will install buoyancy control measures along the portion of the route below elevation 1462 feet (NAVD29), and will install valves at an elevation of at least

1462 feet (NAVD29). Enbridge states that locations of the cathodic protection system have been specifically selected to account for the potential rise in the elevation of Devils Lake.

33. NDPL has designated Environmental Inspectors for the Project. The Environmental Inspectors will be responsible for assisting with preconstruction field tasks such as marking wetland and water body boundaries, implementing environmental requirements, conducting environmental training of construction staff, and offering advice and consultation to NDPL's contractors. The Environmental Inspectors will document environmental compliance throughout the duration of the Project and will also be responsible for monitoring construction activities to ensure compliance with all applicable environmental laws, regulations, permits and NDPL's Project specific plans.

34. NDPL hired an Emergency Response Coordinator for NDPL's North Dakota region. The Emergency Response Coordinator is responsible for providing advice and support to regional personnel in implementation of NDPL's Liquids Pipelines Emergency Preparedness and Response Plan. In addition, the Emergency Response Coordinator assists and supports the development and maintenance of emergency response programs and provides training to and is a liaison with local emergency response agencies and personnel. NDPL has established a comprehensive training program for its employees focusing on safety. In addition, NDPL conducts a comprehensive public education program to ensure that the public and emergency responders are aware of pipeline safety and emergency response protocols.

35. NDPL has developed an Emergency Response Plan in consultation with the federal Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). NDPL testified that its plan was the first and only industry plan to undergo an extensive review process which included the United States Environmental Protection Agency, the United States Coast Guard and Canada's National Energy Board. NDPL received a five-year approval of the plan from PHMSA on July 11, 2013. NDPL testified that its Emergency Response Plan meets or exceeds all federal, state and local requirements under pipeline safety regulations specified in 49 CFR Parts 194 and 195, and any applicable national technical standards. NDPL has also initiated the Emergency Responder Education Program to educate local first responders along its rights-of-way on products transmitted and risks associated with pipelines.

36. The Project will be constructed incorporating a Supervisory Control and Data Acquisition System (SCADA), which is designed to identify and raise an alarm in response to any unexpected operational changes, such as pressure drops. To assist in the safe operation of the Project, NDPL will regularly conduct visual surveillance, line balance calculations, and computational pipeline monitoring, which analyzes measurements in pipeline data to detect anomalies. In addition, the pipeline will be coated with an anti-corrosion coating and a cathodic protection system will be installed

which will subject the pipe to a low frequency electrical current that protects the steel against corrosion. NDPL has developed Tactical Response Plans that provide for response tactics and pre-stationing of emergency response equipment in critical areas.

37. North Dakota Century Code Chapter 49-23 established the One-Call Evacuation Notice System and sets forth requirements for excavators as well as operators of underground facilities for the avoidance of damage to underground facilities. NDPL is a member of and will participate in the North Dakota One-Call System.

Other Issues

38. During the public hearing held in Grand Forks, North Dakota, Mr. Scott Salmonson, a landowner in Grand Forks County, North Dakota, proposed a reroute of a segment of the Project. After the hearing, NDPL analyzed the proposed reroute, determined the request would have similar impacts, and agreed to implement the requested change (see NDPL's Late-Filed Exhibit No. 4 and Supplement to Late-Filed Exhibit No. 4). The Commission finds the route and corridor modification to be reasonable and in accordance with the siting criteria discussed herein. The reroute is not expected to impact any exclusion or avoidance areas, and construction will not occur on the re-route until the SHPO concurs no historic properties or significant sites will be affected.

39. During the public hearing held in Grand Forks, North Dakota, Dr. Robert W. Seabloom and Dr. Phyllis Johnson testified on behalf of the University of North Dakota ("UND") regarding concerns about the Project's potential impacts on the Oakville Prairie Field Station. NDPL testified at the hearing that it would consult with UND regarding the concerns raised. As set forth in a joint letter submitted by NDPL and UND, coordination is on-going and the parties have agreed that the Commission's permitting process should proceed acknowledging this continued coordination (see NDPL's Late-Filed Exhibit No. 2 and Supplement to Late-Filed Exhibit No. 2). The Commission finds the route and corridor modification to be reasonable and in accordance with the siting criteria. The reroute is not expected to impact any exclusion or avoidance areas, and construction will not occur on the reroute until the SHPO concurs no historic properties or significant sites will be affected.

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

Conclusions of Law

1. The Commission has jurisdiction over NDPL and the subject matter of this application under North Dakota Century Code Chapter 49-22.
2. The Project proposed by NDPL is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).

3. The location, construction, and operation of the proposed Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
4. The Application submitted by NDPL meets the Corridor and Route evaluation criteria required by North Dakota Century Code Chapter 49-22.
5. The proposed transmission facility Corridor and Route will 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.
6. The location, construction, and operation of the proposed Project are compatible with environmental preservation and the efficient use of resources.
7. The Project is of such design and location that it will produce minimal adverse effects, pursuant to North Dakota Century Code Section 49-22-07.2.
8. It is appropriate for the Commission to waive those certain procedures and time schedules as requested in the Application pursuant to North Dakota Century Code Section 49-22-07.2.

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

Order

The Commission orders:

1. NDPL's application for a waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. 153 is issued to NDPL designating a corridor for the construction, operation and maintenance of the proposed approximately 300-mile, 24-inch crude oil pipeline and associated facilities, which includes the construction of facilities at the Beaver Lodge, Stanley, Berthold and Lakota Stations, located in Williams, Mountrail, Ward, McHenry, Pierce, Towner, Ramsey, Nelson, and Grand Forks Counties, North Dakota. For purposes of the Certificate, the corridor will be as shown as the "Environmental Survey Area" on Exhibit D of the Application as amended (Hearing Exhibit 1A and 1B), with the exception that the corridor will be 1,000 feet centered on the pipeline route for the area of the re-routes depicted in NDPL's Supplement to Late-Filed Exhibits No. 2 and 4.
3. Route Permit No. 165 is issued to NDPL granting authority to construct and operate an approximately 300-mile, 24-inch crude oil pipeline and associated facilities on the selected route which includes the construction of facilities at the Beaver Lodge,


Stanley, Berthold and Lakota Stations, located in Williams, Mountrail, Ward, McHenry, Pierce, Towner, Ramsey, Nelson, and Grand Forks Counties, North Dakota. The designated route is shown on the set of maps provided in NDPL's Hearing Exhibit No. 1, with the exception that the approved reroutes are depicted in NDPL's Supplement to Late-Filed Exhibits No. 2 and 4.

4. NDPL shall complete Class III cultural resource surveys (at least 250 feet wide centered on the route) on all remaining unsurveyed portions of the route and any re-routes, and shall file with the Commission documentation showing SHPO concurrence that no historic properties or sites will be affected prior to beginning construction in areas associated with each report. NDPL will conduct all surveys and obtain all necessary permits or approvals prior to performing any work on any re-routes.

5. The February 10, 2014, Certification Relating to Order Provisions-Transmission Facility Siting (Certification) with accompanying Tree and Shrub Mitigation Specifications as executed by NDPL is incorporated by reference and attached to this Order.

6. To the extent there are any conflicts or inconsistencies between NDPL's Applications and the February 10, 2014, Certification, the Certification provisions control.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Brian P. Kalk
Chairman



Julie Fedorchak
Commissioner

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

Route Permit Number 165

This is to certify that the Commission has designated a transmission facility route for North Dakota Pipeline Company LLC, which is described as:


Approximately 300 miles of 24-inch diameter pipeline in Williams, Mountrail, Ward, McHenry, Pierce, Towner, Ramsey, Nelson, and Grand Forks Counties, North Dakota, to transport crude oil from Beaver Lodge Station near Tioga, North Dakota, to the North Dakota/Minnesota border south of Grand Forks, North Dakota.

This permit is issued in accordance with the Order of this Commission dated June 25, 2014, in Case No. PU-13-848 and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, June 25, 2014.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary
(Acting)


Commissioner

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

Certificate of Corridor Compatibility Number 153

This is to certify that the Commission has designated a transmission facility corridor for North Dakota Pipeline Company LLC, which is described as follows:


Approximately 300 miles of 24-inch diameter pipeline in Williams, Mountrail, Ward, McHenry, Pierce, Towner, Ramsey, Nelson, and Grand Forks Counties, North Dakota, to transport crude oil from Beaver Lodge Station near Tioga, North Dakota, to the North Dakota/Minnesota border south of Grand Forks, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated June 25, 2014, in Case No. PU-13-848 and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, June 25, 2014.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary
(Acting)


Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**North Dakota Pipeline Company LLC
24-Inch Crude Oil Pipeline – Sandpiper Project
Siting Application**

Case No. PU-13-848

**CERTIFICATION RELATING TO ORDER PROVISIONS - TRANSMISSION FACILITY
SITING**

I am BRADLEY F. SITAMLA, a representative of North Dakota Pipeline Company LLC (“Company”) (formerly known as Enbridge Pipelines (North Dakota) LLC) with authority to bind Company to requirements to be set forth by the Commission in its Order and I certify the following:

1. Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission will be subject to the conditions and criteria set forth in Chapter 49-22 of the North Dakota Century Code and Chapter 69-06-08 of the North Dakota Administrative Code, and that Company shall be responsible for compliance with this order and conditions and criteria set forth in the applicable laws and rules.
2. Company agrees to hold a preconstruction conference prior to commencement of any construction, which must include a Company representative, its construction supervisor, and a representative of Commission Staff, to ensure that Company fully understands the conditions set forth in the Commission’s order.
3. Company agrees to comply with the rules and regulations of all other agencies having jurisdiction over any phase of the transmission facility including all city, township, and county zoning regulations.
4. Company understands and agrees that it shall obtain all other necessary licenses and permits, and shall provide copies of all licenses and permits to the Commission prior to construction activity associated with the transmission facility that requires said license or permit.
5. Company agrees to inform the Commission and the Commission’s third-party construction inspector of its intent to start construction on the transmission facility prior to the commencement of construction. Once construction has started, Company shall keep the Commission and the Commission’s third-party construction inspector updated on construction activities on a weekly basis.
6. Company understands and agrees that the pipeline will be buried to a minimum depth from the ground surface to the top of the pipe of 48 inches in range land, 48

inches for cultivated land, 48 inches at the bottom of the ditch for road crossings, and 72 inches across undeveloped section lines.

7. Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission is subject to suspension or revocation and may, in an appropriate and proper case, be suspended or revoked for failure to comply with the Commission's order, the conditions and criteria of the certificate or subsequent modification, or failure to comply with the applicable statutes, rules, regulations, standards, and permits of other state or federal agencies.
8. Company agrees to maintain records that will demonstrate that it has complied with the requirements of the Commission's order issuing a Certificate of Corridor Compatibility or Route Permit, and that it will preserve these records for Commission inspection at any reasonable time upon reasonable notice.
9. Company agrees to construct and operate the transmission facility in the manner described in Company's application, in any late filed exhibits, and supplemental materials (Application). To the extent there are any conflicts or inconsistencies between Company's Application and the provisions in this Certification Relating to Order Provisions, the Certification provisions control.
10. Company agrees to report promptly to the Commission the presence in the permit area of any critical habitat or threatened species, endangered species, bald eagles, or golden eagles of which Company becomes aware and which were not previously reported to the Commission.
11. Company understands and agrees that all cultural resource mitigation plans must be submitted to the North Dakota State Historic Preservation Office and approved prior to the start of any fieldwork and construction activity in the affected area.
12. Company understands and agrees that if any cultural resource, paleontological site, archeological site, historical site, or grave site is discovered during construction, it must be marked, preserved and protected from further disturbances until a professional examination can be made and a report of such examination is filed with the Commission and the State Historical Society and clearance to proceed is given by the Commission.
13. Company understands and agrees that all buried facility crossings of graded roads must be bored unless the responsible governing agency specifically permits Company to open cut the road.
14. Company understands and agrees that all pre-existing township and county roads and lanes used during construction must be repaired or restored to a condition that is equal to or better than the condition prior to the construction of the transmission facility and that will accommodate their previous use, and that areas used as

temporary roads or working areas during construction must be restored to their original condition.

15. Company understands and agrees that construction must be suspended when weather conditions are such that construction activities will cause irreparable damage to roads or land, unless adequate protection measures approved by the Commission are taken.
16. Company understands and agrees that all topsoil, up to 12 inches, or topsoil to the depth of cultivation, whichever is greater, over and along trench areas where cuts will be made, must be stripped and segregated from the subsoil. Except along segments of the line using the double ditching method, any area on which excavated subsoil will be placed must also be stripped of topsoil. After backfilling is completed, any excess subsoil must be placed over the excavation area, blending the grade into existing topography. Topsoil must be replaced over areas from which it was stripped only after the subsoil is replaced.
17. Company understands and agrees that reclamation, fertilization, and reseeding is to be done according to the Natural Resources Conservation Service recommendations, unless otherwise specified by the landowner and approved by the Commission.
18. Company understands and agrees that its obligation for reclamation and maintenance of the right-of-way will continue throughout the life of the transmission facility.
19. Company understands and agrees that its obligation for reclamation and maintenance of the transmission facility, associated facilities, and roadways will continue throughout the life of the transmission facility.
20. Company agrees to comply with the Tree and Shrub Mitigation Specifications, attached.
21. Company understands and agrees that it shall repair or replace all fences and gates removed or damaged during all phases of construction and operation of the transmission facility.
22. Company understands and agrees that it shall repair or replace all drainage tile broken or damaged as a result of construction and operation of the transmission facility.
23. Company understands and agrees that staging areas or equipment shall not be located on land owned by a person other than Company unless otherwise negotiated with landowners.

24. Company understands and agrees that it shall remove all waste that is a product of construction and operation, restoration, and maintenance of the site, and properly dispose of it on a regular basis.
25. Company understands and agrees that it shall, as soon as practicable upon the completion of the construction of the transmission facility, restore the area affected by the activities to as near as is practicable to the condition as it existed prior to the beginning of construction.
26. Company understands and agrees that it shall provide any necessary safety measures for traffic control or to restrict public access to the transmission facility.
27. Company understands and agrees that it shall advise the Commission of any extraordinary events which take place at the site of the transmission facility, including injuries to any person, or the death of any threatened or endangered species on the site within five business days of such event.
28. Company understands and agrees that it shall implement a procedure for how complaints concerning the transmission facility will be handled by Company
29. Upon request, Company agrees to provide the Commission with engineering design drawings of the transmission facility prior to construction.
30. Company understands and agrees that it shall inform the Commission in writing of any plans to modify the transmission facility or of any plans to modify the site plan for the transmission facility. Company understands and agrees to obtain written approval from the Commission prior to any modifications to the site plan or the transmission facility. Approval may be granted after notice and opportunity for hearing.
31. Company agrees to provide the Commission with both an electronic and a paper copy of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built, and will provide this information within 3 months of the completion of the construction. Company also agrees to provide an electronic version of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built that can be imported into ESRI GIS mapping software within 3 months of the completion of the construction. This electronic map data must be referenced to the North Dakota coordinate system of 1983, North and/or South zones US Survey feet (NAD 83) UTM Zone 13N or 14N feet (NAD 83), or geographic coordinate system (WGS 84) feet. The vertical data must be in the appropriate vertical datum for the coordinate system used. All submissions must specify the datum in which the data was developed.

32. Company understands and agrees that the authorizations granted by any Certificate of Corridor Compatibility or Route Permit issued by the Commission for the transmission facility are subject to modification by order of the Commission if deemed necessary to protect further the public or the environment.
33. Company understands and agrees that in the event Company desires to construct, within any corridor granted by a Certificate of Corridor Compatibility in this proceeding, a transmission facility or energy conversion facility that was not included in Company's application in this proceeding, Company shall apply to the Commission for a Route Permit or Site Certificate for the facility.
34. Company shall notify the Commission, as soon as reasonably possible, if any damage, as defined by North Dakota Century Code Chapter 49-23, occurs to underground facilities during construction conducted under the certificate or permit issued in this proceeding. In the event of any damage to underground facilities, Company shall suspend construction in the vicinity of the damage until compliance with One-Call Excavation Notice System requirements under North Dakota Century Code Chapter 49-23 has been determined and clearance to proceed has been given by the Commission.
35. Company understands and agrees that the corridor certificate and route permit are subject to suspension or revocation and may, after hearing, be suspended or revoked for failure to comply with the Commission's order, requirements of the One-Call Excavation Notice System under North Dakota Century Code Chapter 49-23, the conditions and criteria of the certificate or permit or subsequent modification, or failure to comply with applicable statutes, or rules, regulations, standards, and permits of other state or federal agencies.
36. Company agrees to utilize the following procedures if Company seeks a route adjustment before or during construction of the pipeline, pursuant under N.D.C.C. §49-22-16.3:
37. Company will specifically identify which subsection of NDCC 49-22-16.3 it is requesting the adjustment under. Company will file the name and contact information for a key contact person for the purposes of notice and communication during the adjustment application.
38. **ROUTE ADJUSTMENT WITHIN DESIGNATED CORRIDOR, NO AVOIDANCE AREA AFFECTED:** Before conducting any construction activities for any adjustment to the designated route within the designated corridor under NDCC 49-22-16.3(1), the Company will file:
 - a. Certification and supporting documentation affirming that construction activities will be within the designated corridor, will not affect any known exclusion or avoidance areas within the designated corridor;

- b. Certification and supporting documentation, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying the designated corridor, route and the route adjustment;
- c. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.

39. **ROUTE ADJUSTMENT WITHIN DESIGNATED CORRIDOR, AVOIDANCE AREA**

AFFECTED: Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(2), within the designated corridor that may affect an avoidance area, and before conducting any construction activities for any adjustment to the designated route within the designated corridor, the Company will file:

- a. A specific description of the avoidance area expected to be impacted, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying:
 - i. the designated corridor, route and the route adjustment;
 - ii. all exclusion and avoidance areas within the portion of the designated corridor containing the route adjustment
- b. Certification and supporting documentation affirming:
 - i. That construction activities will be within the designated corridor
 - ii. That construction activities will not affect any known exclusion area
- c. All field studies performed on the portion of the designated corridor containing the route adjustment;
- d. Specific information about any mitigation measures Company will take within the adjustment area;
- e. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment;
- f. Certification that unless the Commission previously authorized the impact to the same avoidance area, that the utility has good cause and a specific reason to impact the avoidance area and a reasonable alternative does not exist;
- g. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.

Company acknowledges and agrees that:

- 1. Written authorization from the Commission for impacting the avoidance area is necessary prior to commencement of construction activity unless the Commission fails to act within ten working days of receipt of filing a complete adjustment application, in which case the adjustment is deemed approved.
- 2. The initiation of the ten working days begins upon receipt of a complete filing, to include Company's certifications, supporting documentation and maps. However, Commission may extend the ten working day provision if Company, in the person of the key contact referenced above, is informed of

the reason additional time is necessary for extension and has no objection to an extension.

40. **ROUTE ADJUSTMENT OUTSIDE DESIGNATED CORRIDOR, NO AVOIDANCE AREA AFFECTED:** Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(3), outside the designated corridor and not affecting any exclusion and avoidance area, before conducting any construction activities for any adjustment to the designated route outside the designated corridor, the Company will file:
- a. Certification and supporting documentation affirming that construction activities will not affect any known exclusion or avoidance areas,
 - b. Certification and supporting documents stating the length of the proposed route outside of the corridor and a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying the designated corridor, corridor adjustment, designated route and the route adjustment;
 - c. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment; and
 - d. Detailed field studies indicating exclusion and avoidance areas for the proposed adjustment area; and
 - e. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route
41. **ROUTE ADJUSTMENT OUTSIDE DESIGNATED CORRIDOR, AVOIDANCE AREA AFFECTED:** Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(4), outside the designated corridor that may affect an avoidance area, and before conducting any construction activities for any adjustment to the designated route outside the designated corridor, the Company will file:
- a. A specific description of the avoidance area expected to be impacted, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying:
 - i. the designated corridor, corridor adjustment, route and the route adjustment;
 - ii. all exclusion and avoidance areas within the adjustment area
 - b. Certification that construction activities will not affect any known exclusion area;
 - c. Certification that the utility has good cause and a specific reason to impact the avoidance area and a reasonable alternative does not exist within the designated corridor and route;
 - d. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment;

- e. Provide specific information about any mitigation measures Company will take within the adjustment area;
- f. Detailed field studies indicating exclusion and avoidance areas for the proposed adjustment area; and
- g. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.


Company acknowledges and agrees that:

- 1. Written authorization from the Commission for impacting the avoidance area is necessary prior to commencement of construction activity unless the Commission fails to act within ten working days of receipt of filing a complete adjustment application, in which case the adjustment is deemed approved.
 - 2. The initiation of the ten working days begins upon receipt of a complete filing, to include Company's certifications, supporting documentation and maps. However, Commission may extend the ten working day provision if Company, in the person of the key contact referenced above, is informed of the reason additional time is necessary for extension and has no objection to an extension.
42. When applicable, Company may submit the field studies from the original application for the corridor and route provided they cover the adjustment area.

Dated this 10th day of FEBRUARY, 2014

NORTH DAKOTA PIPELINE COMPANY LLC

By



BRADLEY F. SHAMLA

Its

VICE PRESIDENT, US OPERATIONS

LIQUIDS PIPELINES

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Enbridge Pipelines (North Dakota) LLC
24-Inch Crude Oil Pipeline – Sandpiper Project
Siting Application**

Case No. PU-13-848

Tree and Shrub Mitigation Specifications

Inventory

1. Trees and shrubs anticipated to be cleared, including those that are considered invasive species or noxious weeds (*e.g.*, *Caragana arborescens*, *Elaeagnus angustifolia*, *Rhamnus cathartica*, *Tamarix chinensis*, *T. parviflora*, *T. ramosissima*, *Ulmus pumila*), must be inventoried before cutting. The inventory must record the location, number, and species of trees and shrubs.
2. In windbreaks, shelterbelts and other planted areas, trees or shrubs anticipated to be cleared, regardless of size, must be inventoried for replacement.
3. In native growth areas, trees anticipated to be cleared that are 1 inch diameter at breast height (dbh) or greater must be inventoried for replacement.
4. In native growth areas, shrubs anticipated to be cleared in the permanent right-of-way must be inventoried for replacement.
5. In native growth areas outside the permanent right-of-way, shrubs must be cut flush with the surface of the ground, taking care to leave the naturally occurring seed bank and root stock intact. If soil disturbance is necessary, the native topsoil must be preserved and replaced after construction. Shrubs must be allowed to regenerate naturally where native topsoil is preserved and replaced. Where native topsoil is not preserved and replaced, shrubs anticipated to be cleared must be inventoried for replacement.
6. In native growth areas, trees and shrubs may be inventoried by actual count or by a sampling method that will properly represent the woody vegetation

population. A sampling plan developed by the company, filed with the North Dakota Public Service Commission (Commission) and approved prior to the start of construction must define the sampling method to be used for trees, for tall shrubs and for low shrubs. The data from the sample plots must be extrapolated to the total acreage of the wooded area to be cleared to determine the species and quantity of trees and shrubs to be replaced.

Clearing for Construction

7. Trees and shrubs must be selectively cleared, leaving mature trees and shrubs intact where practical.
8. The maximum width of clear cuts through windbreaks, shelterbelts and all other wooded areas is 50 feet, unless otherwise approved by the Commission.
9. If the area of trees or shrubs actually cleared differs from the area inventoried, the difference in number of trees and shrubs to be replaced must be noted on the inventory.

Replacement

10. Prior to tree and shrub replacement, documentation identifying the number and variety of trees and shrubs removed, as well as the mitigation plan for the proposed number, variety, type, location and date of replacement plantings, must be filed with the Commission for approval.
11. Two 2-year-old saplings must be planted for every one tree removed. Two shrubs (stem cuttings) must be planted for every one shrub removed.
12. Except in the case of invasive or noxious species, trees and shrubs must be replaced by the same species or similar species, suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service. Invasive or noxious species must be replaced by similar non-invasive or non-

noxious species suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service.

13. Tree and shrub replacement must not be conducted within a 20 to 30 foot wide path over the pipeline to facilitate visual inspections of the right-of-way in accordance with U.S. Department of Transportation safety regulations.
14. Landowners must be given the option of having replacement trees and shrubs planted on the landowner's property, either on or off the right-of-way. The landowner must also be given the opportunity to waive those options in writing in order to have replacement trees and shrubs planted off the landowner's property.
15. At the conclusion of the project, documentation identifying the actual number, variety, type, location and date of the replacement plantings must be filed with the Commission.
16. Tree and shrub replacements must be inspected annually, in September, for three years. The first annual inspection must be at least one year from the anniversary date of the original plantings. A report of each annual inspection must be submitted to the Commission by October 1 of each year, documenting the condition of plantings and any woodlands work completed as of September of each year. If after the third annual report the survival rate is less than 75%, the Commission may order additional planting(s).