

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

AFFIDAVIT OF SERVICE REGULAR OR ELECTRONIC MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Cara DeSaye deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 27<sup>th</sup> day of **June, 2014**, she deposited in the United States Mail, Bismarck, North Dakota, 114 envelopes by first class mail, fully prepaid and 43 addressees electronically mailed a copy of:

**Order**

The envelopes and electronic mails respectively were addressed as follows:

See attached list.

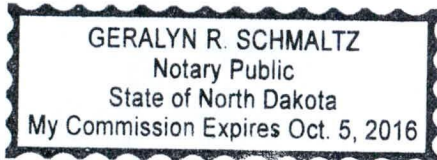
Each post office address shown is the respective addressee's last reasonably ascertainable post office address and each email address is the respective addressee's last reasonably ascertainable electronic mailing address.

  
\_\_\_\_\_

Subscribed and sworn to before me  
this 27<sup>th</sup> day of **June, 2014**.

  
\_\_\_\_\_  
Notary Public

SEAL



jklein@nd.gov  
Senator Jerry Klein

PO Box 265  
Fessenden ND 58438-0265

goehring@nd.gov  
Doug Goehring  
Agriculture Department  
State Capitol  
Bismarck ND 58505

jmittleider@nd.gov  
John Mittleider  
Department of Commerce  
600 East Blvd  
Bismarck ND 58505

ndquarter@nd.gov  
Jack Dalrymple  
Governor's Office  
State Capitol  
Bismarck ND 58505

ckulas@nd.gov  
Cheryl Kulas  
Indian Affairs Commission  
State Capitol - 1st Floor J Wing INSIDE  
Bismarck ND 58505

jpaczkowski@nd.gov  
John Paczkowski  
N D Water Commission  
900 E Boulevard  
Bismarck ND 58505

mdockter@nd.gov  
Monte Dockter  
ND Department of Transportation  
State Highway Building  
Bismarck ND 58505

tsteinwa@nd.gov  
Terry Steinwand  
ND GAME & FISH DEPT  
INSIDE MAIL

mdaley@nd.gov  
Maren Daley  
ND Job Service  
P.O. Box 5507 INSIDE MAIL  
Bismarck ND 58506-5507

mhaupt@nd.gov  
Mike Haupt  
ND Land Department

ndaero@nd.gov  
Melinda Weninger  
Aeronautics Commission  
PO Box 5020  
Bismarck ND 58502-5020

ndag@nd.gov  
Attorney General's Office

cte@nd.gov  
Dept of Career and Technical Education  
State Capitol  
Bismarck ND 58505

mpaaverud@nd.gov  
Merlan Paaverud, Jr.  
Historical Society

lakotact@polarcomm.com  
City of Lakota  
Mayor  
PO Box 505  
Lakota ND 58344

ndascd@lincolnoakes.com  
ND Assoc of Soil Conservation Dist  
3310 University Drive  
Bismarck ND 58504-7564

Larry.kotchman@ndsu.edu  
MR LARRY KOTCHMAN  
ND FOREST SERVICE  
MOLBERG CENTER 307 1ST STREET EAST  
BOTTINEAU ND 58318

emurphy@nd.gov  
MR ED MURPHY  
ND GEOLOGICAL SURVEY

labor@nd.gov  
Tony Weiler  
ND Labor Dept  
600 E Blvd Ave  
Bismarck ND 58505

rbrabandt@nd.gov  
Roger Brabandt  
ND State House of Representatives  
1317 Third Street SW  
Minot ND 58701-5802

sclouser@nd.gov  
Scott Louser  
ND State House of Representatives  
1718 Birch Place SW  
Minot ND 58701-7097

markzimmerman@nd.gov  
Mark Zimmerman  
North Dakota Parks & Rec  
1600 E Century Ave, Ste. 3 INSIDE MAIL  
Bismarck ND 58503-0649

koversen@nd.gov  
Kylie Oversen  
Representative  
PO Box 14382  
Grand Forks ND 58208-4382

ckreun@nd.gov  
Curtiss Kreun  
Representative  
3111 Longbow Court  
Grand Forks ND 58203-2193

mjstrinden@nd.gov  
Marie Strinden  
Representative  
315 Kittson Avenue  
Grand Forks ND 58201-4765

kkrebsbach@nd.gov  
Karen K. Krebsbach  
Senate  
PO Box 1767  
Minot ND 58702-1767

macschneider@nd.gov  
Mac Schneider  
Senator  
1806 University Avenue  
Grand Forks ND 58203-3342

ctriplett@nd.gov  
Connie Triplett  
Senator  
PO Box 5178  
Grand Forks ND 58206-5178

dglatt@nd.gov  
Dave Glatt  
State Health Department  
1

rfrantsvog@nd.gov  
Robert Frantsvog  
State Representative  
14 Ruyak Point  
Minot ND 58703-1232

doconnell@nd.gov  
David O'Connell  
ND State Senate  
2624 County Road 30  
Lansford ND 58750-9737

raburckhard@nd.gov  
Randall Burckhard  
North Dakota State Senate  
1837 15th Street SW  
Minot ND 58701-6158

cmock@nd.gov  
Corey Mock  
Representative  
PO Box 12542  
Grand Forks ND 58208-2542

ldelmore@nd.gov  
Lois Delmore  
Representative  
714 South 22nd Street  
Grand Forks ND 58201-4138

eglassheim@nd.gov  
Elliot Glassheim  
Representative  
619 North Third Street  
Grand Forks ND 58203-3203

tomcampbell@nd.gov  
Tom Campbell  
Senator  
15135 County Road 11  
Grafton ND 58237-8802

llaffen@nd.gov  
Lonnie J Laffen  
Senator  
3549 15th Avenue South  
Grand Forks ND 58201-3706

tsando@nd.gov  
Todd Sando  
State Engineer  
ND Water Commission

mklein@nd.gov  
Matthew M. Klein  
State Representative  
1815 Seventh Street NW  
Minot ND 58703-1314

djohnson@nd.gov  
Dennis Johnson  
State Representative  
7871 45th Street NE  
Devils Lake ND 58301

drust@nd.gov  
David S. Rust  
State Representative  
PO Box 1198  
Tioga ND 58852-1198

jandrist@nd.gov  
John Andrist  
State Senator  
PO Box E  
Crosby ND 58730-0660

bskarphol@nd.gov  
Bob Skarphol  
State Representative  
PO Box 725  
Tioga ND 58852-0725

slyson@nd.gov  
Stanley Lyson  
State Senator  
1608 Fourth Avenue West  
Williston ND 58801-4127

City of Deering  
208 Elmer Ave  
Deering ND 58731

City Mayor  
City of New Town  
New Town ND 58763

City of Trenton  
PO Box 292  
Trenton ND 58853

City of Grand Forks  
County Seat  
151 S 4th St  
Grand Forks ND 58201

City of Anamoose  
Mayor  
Anamoose ND 58710

City of Balfour  
Mayor  
Balfour ND 58712

City of Bantry  
Mayor  
Bantry ND 58713

City of Bergen  
Mayor  
Bergen ND 58717

City of Berwick  
Mayor  
Berwick ND 58788

City of Brouck  
Mayor  
Brouck ND 58321

Representative Robin Weisz  
2639 1st St SE  
Hurdsville ND 58451-9009

City Mayor  
City of Tioga  
12 NE First  
Tioga ND 58852

City of Towner  
County Seat  
PO Box 603  
Cando ND 58324

County Auditor  
Grand Forks County  
PO Box 5939  
Grand Forks ND 58206-5939

City of Aneta  
Mayor  
207 Main Ave  
Aneta ND 58212

City of Balta  
Mayor  
Balta ND 58313

City of Barton  
Mayor  
Barton ND 58315

City of Berthold  
Mayor  
223 Main St N  
Berthold ND 58718

City of Bisbee  
Mayor  
Bisbee ND 58317

City of Burlington  
Mayor  
PO Box 159  
Burlington ND 58722

City of Cando  
Mayor

Cando ND 58324

City of Churchs Ferry  
Mayor  
PO Box 107  
Churchs Ferry ND 58325

City of Deering  
Mayor

Deering ND 58731

City of Devils Lake  
Mayor  
423 6th St. PO Box 1048  
Devils Lake ND 58301

City Of Douglas  
Mayor  
PO Box 41  
Douglas ND 58735

City of Edmore  
Mayor

Edmore ND 58330

City of Emerado  
Mayor  
PO Box 130  
Emerado ND 58228

City of Gilby  
Mayor

Gilby ND 58235

City of Granville  
Mayor  
PO Box 39  
Granville ND 58741-0039

City of Hanks  
Mayor

Hanks ND 58856

City of Carpio  
Mayor

Carpio ND 58725

City of Crary  
Mayor

Crary ND 58327

City of Des Lacs  
Mayor  
PO Box 30  
Des Lacs ND 58733

City of Donnybrook  
Mayor

Donnybrook ND 58734

City of Drake  
Mayor

Drake ND 58736

City of Egeland  
Mayor

Egeland ND 58331

City of Epping  
Mayor  
PO Box 44  
Epping ND 58843-0066

City of Grand Forks  
Mayor  
PO Box 5200  
Grand Forks ND 58206-5200

City of Hampden  
Mayor

Hampden ND 58338

City of Hansboro  
Mayor

Hansboro ND 58339

City of Inkster  
Mayor

Inkster ND 58244

City of Kenmare  
Mayor

Kenmare ND 58746

City of Larimore  
Mayor

PO Box 766

Larimore ND 58251-0766

City of Makoti  
Mayor

Makoti ND 58756

City of Maza  
Mayor

Maza ND 58324

City of Michigan  
Mayor

PO Box 226

Michigan ND 58259

City of Niagara  
Mayor

1861 47th St. NE

Niagara ND 58266

City of Palermo  
Mayor

PO Box 65

Palermo ND 58769

City of Pekin  
Mayor

Pekin ND 58361

City of Petersburg  
Mayor

PO BOX 127

Petersburg ND 58272

City of Karlsruhe  
Mayor

Karlsruhe ND 58744

City of Kief  
Mayor

Kief ND 58747

City of Lawton  
Mayor

Lawton ND 58345

City of Manvel  
Mayor

Manvel ND 58256

City of McVille  
Mayor

McVille ND 58254

City of Minot  
Mayor

515 2nd Ave. SW

Minot ND 58701

City of Northwood  
Mayor

Northwood ND 58267

City of Parshall  
Mayor

Parshall ND 58770

City of Perth  
Mayor

Perth ND 58363

City of Plaza  
Mayor

Plaza ND 58771

City of Ray  
Mayor  
101 Main St. PO Box 67  
Ray ND 58849

City of Rock Lake  
Mayor  
Rock Lake ND 58365

City of Rugby  
Mayor  
223 South Main Ave.  
Rugby ND 58368

City of Sarles  
Mayor  
Sarles ND 58372

City of Spring Brook  
Mayor  
Spring Brook ND 58850

City of Starkweather  
Mayor  
Starkweather ND 58377

City of Thompson  
Mayor  
Thompson ND 58278

City of Upham  
Mayor  
Upham ND 58789

City of Voltaire  
Mayor  
Voltaire ND 58792

City of White Earth  
Mayor  
PO Box 37  
White Earth ND 58794

City of Reynolds  
Mayor  
Reynolds ND 58275

City of Ross  
Mayor  
PO Box 4  
Ross ND 58776

City of Ryder  
Mayor  
Ryder ND 58779

City of Sawyer  
Mayor  
Sawyer ND 58781

City of Stanley  
Mayor  
PO BOX 249  
Stanley ND 58784

City Of Surrey  
Mayor  
PO Box 429  
Surrey ND 58785

City of Towner  
Mayor  
508 1st St. NW  
Towner ND 58788

City of Velva  
Mayor  
Velva ND 58790

City of Wheelock  
Mayor  
Wheelock ND 58849

City of Wildrose  
Mayor  
Wildrose ND 58795

City of Williston  
Mayor  
PO Box 2047  
Williston ND 58802

County Auditor  
Mountrail County  
PO Box 69  
Stanley ND 58784-0069

Nelson Co. Auditor  
210 B Ave W Suite 201  
Lakota ND 58344-7410

Pierce County  
240 SE 2 St  
Rugby ND 58368

County Commission  
Ramsey County Courthouse  
524 4th Ave NE  
Devils Lake ND 58301-2490

Curt Hofstad  
State Representative  
1614 Third Street SE  
Devils Lake ND 58301

Andrew Maragos  
State Representative  
125 Sixth Avenue NE  
Minot ND 58703

Roscoe Streyle  
State Representative  
3108 15th Street SE  
Minot ND 58701

Patrick Hatlestad  
State Representative  
PO Box 1342  
Williston ND 58802-1342

Dick Anderson  
State Representative  
1187 77th Street NE  
Willow City ND 58384

City of Wolford  
Mayor  
Wolford ND 58385

County Commission  
Mountrail County  
PO Box 69  
Stanley ND 58784-0069

Nelson County Commission  
210 B Ave W  
Lakota ND 58344-7410

Ramsey County Auditor  
524 4th Ave NE Unit 6  
Devils Lake ND 58301

Bill Devlin  
Representative District 23  
PO Box 505  
Finley ND 58230-0505

Larry Bellew  
State Representative  
812 Bel Air Place  
Minot ND 58703

Dan Ruby  
State Representative  
4620 46th Avenue NW  
Minot ND 58703

Wayne Trottier  
State Representative  
115 North Lincoln Street  
Northwood ND 58267-4010

Gary Sukut  
State Representative  
1603 Fourth Avenue East  
Williston ND 58801-4324

BOB HUNSKOR  
STATE REPRESENTATIVE  
PO BOX 1  
NEWBURG ND 58762-0001

DON VIGESAA  
STATE REPRESENTATIVE DIST 23  
PO BOX 763  
COOPERSTOWN ND 58425-0763

Mark Sanford  
State Representative District 17  
675 Vineyard Drive  
Grand Forks ND 58201-2904

Dave Oehlke  
State Senator  
125 Woodlea Drive  
Devils Lake ND 58301

Oley Larsen  
State Senator  
11051 20th Avenue SE  
Minot ND 58701

Ray Holmberg  
State Senator District 17  
621 High Plains Court  
Grand Forks ND 58201-7717

Chairman  
Ward County Commission  
PO Box 5005  
Minot ND 58702-5005

County Commissioner  
Williams County Commission  
PO Box 2047  
Williston ND 58802-2047

Mark Owens  
State Representative District 17  
5865 Fountain Vista Drive  
Grand Forks ND 58201-2820

Gary Paur  
State Representative District 19  
2710 28th Street NE  
Gilby ND 58235-9706

David Hogue  
State Senator  
6811 27th Avenue NW  
Minot ND 58703

JOAN HECKAMAN  
STATE SENATOR DIST 23  
322 2ND AVE N  
NEW ROCKFORD ND 58356-1712

Devra Smestad  
Ward County Auditor  
PO Box 5005  
Minot ND 58702-5005

County Auditor  
Williams County  
PO Box 2047  
Williston ND 58802-2047

**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, NDPL 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**