

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-13-848

**Application of North Dakota Pipeline Company LLC
for Waiver of Procedures and Time Schedules**

On October 30, 2013, North Dakota Pipeline Company LLC (“NDPL”) submitted to the North Dakota Public Service Commission (“Commission”) Applications for a Certificate of Corridor Compatibility (“Corridor Application”) and a Route Permit (“Route Application”) (collectively, the “Applications”) for the Sandpiper Pipeline Project (“Project”). The Project consists of approximately 616 miles of new pipeline to be located in North Dakota, Minnesota, and Wisconsin. Approximately 300 miles of the Project will be located in North Dakota, beginning at NDPL’s existing Beaver Lodge Station near Tioga, North Dakota, and extending easterly across North Dakota exiting the state just south of the City of Grand Forks.

On June 25, 2014, the Commission issued Findings of Fact, Conclusions of Law and Order (“Order”) granting Certificate of Corridor Compatibility No. 153 and Route Permit No. 165 to NDPL for the Project. Since issuance of the Order, NDPL has determined that two route adjustments over 1.5 miles in length outside the Designated Corridor are necessary for the Project to avoid U.S. Fish and Wildlife Service (“USFWS”) wetland easement basins and a Wetland Reserve Program easement acquired by the Natural Resource Conservation Service (“NRCS”), U.S. Department of Agriculture. One route adjustment is in Towner County, and the other is in Nelson County. NDPL is submitting herewith a Route and Corridor Adjustment Request (the “Adjustment Request”) requesting issuance of an amended Certificate of Corridor Compatibility and Route Permit authorizing construction, operation, and maintenance of the Project with the requested adjustments.

In connection with the Adjustment Request, NDPL submits to the Commission this application for a waiver of procedures and time schedules ("Waiver Request") set forth in North Dakota Century Code ("N.D.C.C.") Ch. 49-22 and North Dakota Administrative Code ("N.D.A.C.") Art. 69-06. Specifically, NDPL requests the Commission waive the following requirements:

1. The requirement to hold a separate hearing on a waiver request, a request for an amendment to a Certificate of Corridor Compatibility, and a request for an amendment to a Route Permit, as may be required by N.D.C.C. §§ 49-22-07.2, 49-22-08, 49-22-08.1, and 49-22-13 and N.D.A.C. § 69-06-01-02. NDPL requests that the Commission waive the hearing requirement in its entirety unless specifically requested within the designated time period by an interested party showing good cause. In the absence of such a request, NDPL requests that the Commission issue an Order based on the Adjustment Request, and accompanying documentation, as well as all relevant materials previously submitted in this docket. If the Commission determines a hearing is necessary, NDPL requests that the Commission hold a single consolidated hearing on this Waiver Request and the Adjustment Request. NDPL further requests that the Commission shorten the time periods specified in N.D.C.C. §§ 49-22-08(5) and 49-22-08.1(5), if applicable.
2. The requirements of N.D.C.C. §§ 49-22-08 and 49-22-08.1 insofar as these sections may require the separate filing of applications for an amendment to a Certificate of Corridor Compatibility and Route Permit, and insofar as they require separate publication of notices.

Consistent with N.D.A.C. § 69-06-06-01(2), NDPL provides the following information in support of the Waiver Request:

A. Description of Proposed Project.

1. *Type.* The Project, including the route adjustments, will require the installation of an underground steel pipeline, as well as upgrades to the existing Beaver Lodge, Stanley, and Berthold Station Pump Stations, and the construction of a new pump station near Lakota, North Dakota.

2. *Product.* The Project, including the route adjustments, will transport crude oil.

3. *Capacity and Design.* The capacity and design of the Project, including the route adjustments, are consistent with the information previously provided in the Applications. In North Dakota, the Project will require the installation of approximately 300 miles of 24-inch diameter pipeline and will have a capacity of 250,000 barrels per day (“bpd”) between the Beaver Lodge and Berthold Stations, and 225,000 bpd from the Berthold Station to the North Dakota/Minnesota border. The Project will have a maximum operating pressure of 1,480 psig. The Project, including the route adjustments, will be constructed, operated, and maintained in accordance with 49 C.F.R. Part 195.

4. *Location.* The route and corridor adjustments are located in Towner and Nelson counties. The Towner County route adjustment (Mile Post 168.7 to Mile Post 170.7) has a total length of 11,818 feet, and the length of the route adjustment outside of the Designated Corridor is 10,114 feet. The Nelson County route adjustment (Mile Post 230.4 to 235.0) has a total length of 23,446 feet, and the length of the route adjustment outside of the Designated Corridor is 18,309 feet. Maps of the proposed route and corridor adjustments are provided in Exhibits A.1 and A.2 to the Affidavit of David Hodek in the Adjustment Request.

5. *Geographical Service Area.* The Project, with the route adjustments, will serve the same geographical service area as set forth in the Applications. Specifically,

the Project will provide new pipeline export capacity necessary to move current and forecasted Bakken and Three Forks Formation production from the Beaver Lodge Station near Tioga, North Dakota, to Superior, Wisconsin. From Superior, NDPL's shippers will have access to Midwest refineries and beyond via the Enbridge Mainline System and other interconnecting third-party pipelines.

6. *Time Schedule.* NDPL proposes to proceed with the Project, including the route and corridor adjustment filing, on the following schedule:

- Fourth Quarter 2015: NDPL files with the Commission its Adjustment Request, seeking issuance of an amended Certificate of Corridor Compatibility and Route Permit authorizing construction, operation, and maintenance of the Project consistent with the requested route and corridor adjustments.
- First Quarter 2016: The Commission grants the Adjustment Request and issues an amended Certificate of Corridor Compatibility and Route Permit.
- Second Quarter 2016: NDPL begins construction of the Project, including the route adjustments.
- Fourth Quarter 2017: NDPL completes construction of the Project, including the route adjustments.

7. *Future Plans.* At this time, NDPL has no specific plans for expansion of the Project.

8. *Need for the Facility and Alternatives Considered.* The Commission has previously examined the benefits of the Project through considering NDPL's Applications. As the Commission noted in the Order, the Project's purpose is to address the 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. As described in more detail in the Applications, alternative transportation options, such as rail or truck, are limited and would result in more impacts than the Project. With respect to the route and corridor adjustments, as set forth in more detail in the Adjustment

Request, the adjustments are designed to reduce potential wetland impacts and respond to agency feedback.

9. *Ten Year Plan.* The Project, including the route adjustments, is consistent with NDPL's most recent Ten Year Plan, which was filed with the Commission on July 2, 2014 in Docket No. PU-14-526.

10. *Cost.* The total cost of constructing the Project, including the route adjustments, is estimated at \$2.6 billion, with the North Dakota portion of the Project estimated at \$1.3 billion.

B. Waiver Request.

NDPL requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Project. The Commission has previously heard testimony regarding the Project's need and purpose and, thereafter, issued the Order, which granted NDPL a Certificate of Corridor Compatibility and Route Permit for the Project. Therefore, the Commission is aware of the need for and benefits of the Project as a whole. The route and corridor adjustments are needed in order to complete construction of the Project. Without the waivers of time schedules and procedures requested, the completion of the Project will be delayed, as will the Project's ability to satisfy the current and future demand for pipeline export capacity from the Williston Basin to the Midwest and beyond.

N.D.C.C. § 49-22-07.2 provides that the Commission may waive procedures and time schedules upon a finding that "the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in NDPL's Adjustment Request and supporting documentation, granting the requested waivers is appropriate because the proposed adjustments will produce minimal adverse effects due to their length (approximately 11,818 feet and 23,446 feet, respectively), design (an underground pipeline), location (avoiding Exclusion Areas, committing to obtain the required waiver for the occupied residence within 500 feet of the Nelson County route adjustment, and

avoiding all other Avoidance Areas), and purpose (underground transportation of crude oil). Further, the route adjustments are designed to avoid a number of USFWS wetland easement basins and a Wetland Reserve Program easement parcel and, as a result, will reduce the Project's potential wetland impacts.

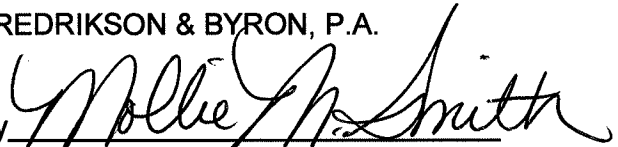
In determining whether the route and corridor adjustments would result in adverse impacts on the environment, NDPL evaluated the adjustments using the criteria set forth N.D.C.C. Ch. 49-22 and N.D.A.C. § 69-06-08-02. Based upon NDPL's evaluation, the adjustments will have minimal adverse effects.

Accordingly, NDPL respectfully requests that the Commission grant the requested waivers and issue a Notice of Filing and Notice of Opportunity for Hearing as soon as possible. NDPL further requests that the Commission determine the matter without a hearing absent receipt of a hearing request within the designated time period by an interested party showing good cause, and render an expeditious decision on the Adjustment Request.

Dated this 10th day of November, 2015.

FREDRIKSON & BYRON, P.A.

By

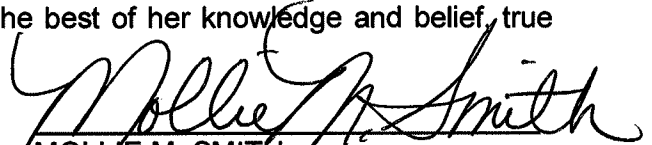


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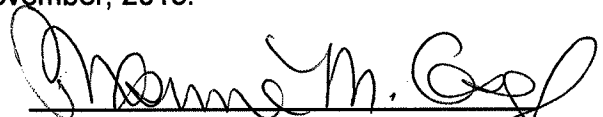
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

MOLLIE M. SMITH, of lawful age, being first duly sworn, on oath deposes and says:

That she is the duly elected and qualified attorney for Applicant in the foregoing application; that she executed the foregoing application for and on behalf of said Applicant and as its said attorney that she has read said application and knows the contents thereof, and that the statements made and contained therein are, to the best of her knowledge and belief, true and correct.


MOLLIE M. SMITH

Subscribed and sworn to before me this 10th day of November, 2015.


Notary Public

