

April 15, 2014

VIA HAND DELIVERY

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480



**RE: BakkenLink Pipeline, LLC—
Case No. PU-13-903**

Dear Mr. Nitschke:

Enclosed for filing, please find an original and ten (10) copies of the Proposed Findings of Fact, Conclusions of Law, and Order in the above-referenced matter. Also enclosed is a CD containing the above-referenced document in PDF format.

If you should have any questions, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Bender".

LAWRENCE BENDER

Enclosure

cc: Patrick Fahn (via e-mail w/ encl.)

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Proposed Findings of Fact, Conclusions of Law and Order
BakkenLink Pipeline, LLC
Lawrence Bender, Fredrikson&Byron, P.A.

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

BakkenLink Pipeline LLC
Crude Oil Pipeline – Williams to Billings County
Application for Certificate of Public Convenience and Necessity

Case No. PU-13-901

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER GRANTING
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

March __, 2014

Appearances

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

Lawrence Bender, Attorney-at-Law, Fredrikson & Byron, P.A., 200 North Third Street, Suite 150, Bismarck, North Dakota 58501, on behalf of BakkenLink Pipeline LLC.

Ryan Norrell, Legal Counsel, Public Service Commission, 600 East Boulevard, Dept. 125, Bismarck, North Dakota 58505, on behalf of the North Dakota Public Service Commission.

Patrick Fahn, Director — Compliance and Competitive Markets Division, Public Service Commission, 600 East Boulevard, Bismarck, North Dakota 58505, on behalf of the North Dakota Public Service Commission.

Preliminary Statement

On February 29, 2012, the North Dakota Public Service Commission (“Commission”) issued its Findings of Fact, Conclusions of Law, and Order, granting BakkenLink Pipeline LLC (“BakkenLink”) Certificate of Corridor Compatibility No. 128 and Route Permit No. 137 to authorize construction of a 144-mile 8-inch and 12-inch crude oil pipeline project in Billings, Dunn, McKenzie, Stark, and Williams Counties, North Dakota (“Project”).

On September 5, 2012, the Commission issued its Findings of Fact, Conclusions of Law, and Order, granting BakkenLink First Amended Certificate of Corridor Compatibility No. 128 and First Amended Route Permit No. 137.

On April 10, 2013, the Commission issued its Order, granting BakkenLink Second Amended Certificate of Corridor Compatibility No. 128 and Second Amended Route Permit No. 137.

On December 16, 2013, BakkenLink filed an application for a Certification of Public Convenience and Necessity under chapter 49-03.1 of the North Dakota Century Code.

On January 29, 2014, the Commission issued a Notice of Opportunity for Hearing. In accordance with chapter 49-03.1 of the North Dakota Century Code and Section 69-09-05-11 of

the North Dakota Administrative Code, the notice identified the following issues to be considered in this matter:

1. Whether public convenience and necessity will be served by the construction and operation of the crude oil pipeline and other facilities.
2. Whether the applicant is fit, willing, and able to provide the service.

Those interested were invited to comment on the application in writing or file a written request for a hearing. A deadline of March 2, 2014 was set for the submission of comments and requests for hearing. No comments or requests for hearing were filed.

On March 12, 2014, an informal hearing was held on the matter.

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. BakkenLink is a Delaware limited liability company that is headquartered in Houston, Texas.
2. BakkenLink has been authorized to transact business in the State of North Dakota since February 24, 2011.
3. BakkenLink is the owner and current operator of the Project. Approximately 95 miles of the Project is currently in service between receipt points in the Johnson's Corner area and the Fryburg rail terminal. The Project is transporting approximately 60,000 barrels per day (bbls/day), and has a current capacity of up to 75,000 bbls/day. The Project is accepting crude oil from multiple shippers and transporting the crude to the Fryburg rail terminal, where it is carried to various locations in the United States.
4. BakkenLink's most recent filing to the Federal Energy Regulatory Commission ("FERC") for transportation of crude oil was accepted and became effective November 4, 2013.
5. BakkenLink is in the process of obtaining final federal approval for the remaining portion of the pipeline, which will carry crude oil from Johnson's Corner to Beaver Lodge.
6. BakkenLink has expended approximately \$139 million in capital costs to date.
7. There are no other pipelines that provide the service that is provided by the Project. Further, there is currently insufficient pipeline capacity to meet the current and anticipated future transportation needs of producers in the Bakken and Three Forks development area.
8. BakkenLink has retained construction contractors with extensive experience working in North Dakota and on similar types of crude oil pipelines. The BakkenLink management team

has experience in the design, construction, and operations of pipeline systems that are very similar to this specific project.

9. Existing pipelines are at or nearing capacity. Further, there are no public utilities providing a similar service in the area served by the Project. The Project will therefore not have an effect on other public utilities providing a similar service.

10. In comparison to transporting oil by truck, the Project provides a cost-effective means of transporting crude oil from oil and gas well sites in northwest North Dakota. The Project has the potential to reduce the environmental impacts of transportation by truck by reducing the number of truck-miles by nearly 8.8 million truck-miles per year.

11. BakkenLink has an operations control center located in Billings County to continuously monitor and control the Project in real-time; operators are trained in accordance with Department of Transportation (“DOT”) regulations.

12. BakkenLink is funded by private investors and financial commitment for the funding of the Project is complete.

13. BakkenLink testified that it is requesting the Certificate of Public Convenience and Necessity to coordinate the transport of crude oil from western North Dakota to in-state and out-of-state markets, and to minimize the duplication of transport facilities.

14. The BakkenLink pipeline serves a catchment area which is comprised of the entire length of the pipeline, and all land within approximately ten miles on either side of the pipeline.

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

Conclusions of Law

1. The Commission has jurisdiction over the applicant, BakkenLink Pipeline LLC, and over the subject matter of this application under North Dakota Century Code Chapter 49-22.

2. BakkenLink is a public utility as defined in North Dakota Century Code Section 49-03.1-02(2).

3. BakkenLink is a common carrier as defined in North Dakota Century Code Section 49-19-01.

4. There is currently a need for the service provided by BakkenLink.

5. BakkenLink is fit and able to provide the service.

6. The Project will not have an effect on other public utilities providing a similar service.

7. The Project provides adequate service.

8. BakkenLink has the technical, financial, and managerial ability to provide the service.

9. It is appropriate for the Certificate of Public Convenience and Necessity to be limited to the catchment area of the BakkenLink pipeline.

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

Order

The Commission orders:

1. BakkenLink Pipeline LLC's application for a Certificate of Public Convenience and Necessity is granted.
2. The Certificate of Public Convenience and Necessity is limited to the catchment area of the BakkenLink pipeline.

PUBLIC SERVICE COMMISSION

Randy Christmann
Commissioner

Brian P. Kalk
Chairman

Julie Fedorchak
Commissioner