

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**BakkenLink Pipeline LLC  
Crude Oil Pipeline – Williams to Billings Counties  
Public Convenience and Necessity**

**Case No. PU-13-901**

**ORDER**

**September 17, 2014**

**Preliminary Statement**

On December 16, 2013, BakkenLink Pipeline LLC (BakkenLink) filed an application for a Certificate of Public Convenience and Necessity under North Dakota Century Code chapter 49-03.1 for a 132-mile bi-directional 12-inch and 8-inch crude oil pipeline and other facilities in Billings, Stark, McKenzie, and Williams Counties, North Dakota (Pipeline).

On January 29, 2014, the Commission issued a Notice of Opportunity for Hearing, which 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 service.

Those interested were invited to comment on the application in writing and file written requests for hearing by March 2, 2014. No comments or requests for hearing were filed.

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

The south 95 miles of the Pipeline (South Segment) are currently in service between and including the Dry Creek receipt point in the Johnson's Corner area of McKenzie County and an interconnection with a rail loading facility at Fryburg in Billings County. The South Segment accepts crude oil from multiple shippers at five receipt points located at Belfield, Dunn (southeast of Grassy Butte), Watford City, Three Forks (Johnson's Corner area), and Dry Creek (Johnson's Corner area). The crude oil is transported to the rail loading facility at Fryburg, North Dakota, where it is carried to various locations in the United States. The South Segment is owned and operated by BakkenLink.

The north 37 miles of the Pipeline (North Segment), located between the Dry Creek receipt point and the Beaver Lodge receipt point southwest of Tioga, have not yet been constructed, pending federal approval for the crossing of federal land at Lake

Sakakawea (federal approval). The North Segment will include receipt points at Keene and Beaver Lodge, and will allow crude oil to be delivered to Beaver Lodge.

BakkenLink is a foreign limited liability company with offices in Houston, Texas, and has been authorized to transact business in the State of North Dakota since February 24, 2011.

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

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

In issuing a certificate of public convenience and necessity, North Dakota Century Code chapter 49-03.1-05 provides that the Commission has the authority to do any of the following:

1. Issue the certificate.
2. Refuse to issue the certificate.
3. Issue the certificate for the construction or operation of only a portion of the contemplated facility, line, plant, or system.
4. Issue the certificate for the partial exercise of the right or privilege sought, conditioned upon the applicant's having secured or upon the applicant's securing the consent, franchise, permit, ordinance, or other authority of the proper municipality or other public authority, and may attach to the exercise of the rights granted by any certificate such terms and conditions as in its judgment the public convenience and necessity may require.

BakkenLink indicates that the Pipeline serves a catchment area which is all land within approximately ten miles on either side of the Pipeline.

BakkenLink indicates that there are no other pipelines that provide the service that is provided by the Pipeline, and that 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.

BakkenLink indicates that in comparison to transporting oil by truck, the Pipeline provides a cost-effective means of transporting crude oil from oil and gas well sites in northwest North Dakota, and that the Pipeline 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.

BakkenLink indicates that existing pipelines are at or nearing capacity, that there are no public utilities providing a similar service in the area served by the Pipeline, and

that the Pipeline will therefore not have an effect on other public utilities providing a similar service.

BakkenLink indicates that the capacity of the Pipeline is 75,000 barrels per day.

BakkenLink indicates it has an operations control center located in Billings County to continuously monitor and control the Pipeline in real-time, and that its operators are trained in accordance with Department of Transportation regulations.

BakkenLink indicates that the Pipeline is funded by private investors and financial commitment for the funding of the North Segment is complete.

BakkenLink indicates it has retained construction contractors with experience working in North Dakota and on similar types of crude oil pipelines, and that BakkenLink's management team has experience in the design, construction, and operations of pipeline systems that are similar to the Project.

BakkenLink recognizes that it will not be able to provide the proposed service within the North Segment without first securing federal approval. In a Certification filed July 8, 2014, BakkenLink noted it did not object to the issuance of conditional authority for the portion of the Pipeline for which BakkenLink does not yet have federal approval.

The Commission has jurisdiction over the subject matter of this application under North Dakota Century Code chapter 49-22.

The Commission finds that public convenience and necessity will be served by the construction and operation of the crude oil pipeline and other (associated) facilities because there is a need for the Pipeline, the Pipeline will not have an effect on other public utilities providing similar service, the proposed service will be adequate, and BakkenLink has the technical, financial and managerial ability to provide the proposed service.

The Commission finds that BakkenLink is fit and willing to provide the proposed service.

The Commission finds that BakkenLink is able to provide the proposed service along the South Segment.

The Commission finds that BakkenLink will not be able to provide the proposed service along the North Segment without first securing federal approval. The Commission concludes it is appropriate to condition the certificate of public convenience and necessity for the North Segment on BakkenLink obtaining federal approval.

## Order

The Commission orders:

1. The application of BakkenLink Pipeline LLC for a Certificate of Public Convenience and Necessity is GRANTED for the South Segment.
2. Certificate of Public Convenience and Necessity Number 5834 is issued to BakkenLink Pipeline LLC to construct and operate the South Segment.
3. The application of BakkenLink Pipeline LLC for a Certificate of Public Convenience and Necessity is GRANTED for the North Segment, subject to the condition precedent that BakkenLink receive federal approval.
4. BakkenLink shall notify the Commission in writing of BakkenLink's receipt of federal approval for the North Segment.
5. Upon receipt of written notification from BakkenLink that it has received federal approval, a Certificate of Public Convenience and Necessity shall be issued to BakkenLink Pipeline LLC to construct and operate the North Segment.
6. BakkenLink shall notify the Commission in writing of BakkenLink's intended North Segment construction start date.

### PUBLIC SERVICE COMMISSION

  
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**Randy Christmann**  
Commissioner

  
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**Brian P. Kalk**  
Chairman

  
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**Julie Fedorchak**  
Commissioner

**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Certificate of Public Convenience and Necessity**

**Certificate Number 5834**

*This is to certify that public convenience and necessity require, and permission is granted for, BakkenLink Pipeline LLC to construct and operate a common carrier (crude petroleum) pipeline in Billings, Stark, and McKenzie Counties, North Dakota.*

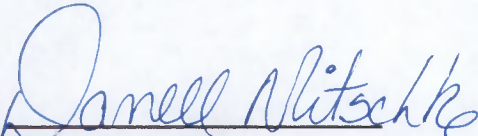
*This certificate is issued in accordance with the Order of this Commission dated September 17, 2014, in Case No. PU-13-901, and is subject to the conditions and limitations noted in the Order.*


*This certificate is conditioned upon BakkenLink Pipeline LLC securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.*

*Bismarck, North Dakota, September 17, 2014.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**