

July 1, 2014

**VIA HAND DELIVERY**

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



**RE: BASIN TRANSLOAD LLC's  
10 YEAR PLAN FOR 2014-2024  
CASE NO. PU-14-\_\_\_\_\_**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten copies of the following:

1. Basin Transload, LLC's Ten-Year Plan: 2014-2024; and
2. Basin Transload, LLC's Notice of Filing Ten-Year Plan: 2014-2024.

A CD containing a copy of each of the above-referenced documents in PDF format is also enclosed. Should you have any questions, please do not hesitate to contact me.

Sincerely,

  
JILMAN RUPNOW

Enclosures

cc: Ray Sheldon

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58501-3879

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Case No. PU-14-\_\_\_\_\_

IN THE MATTER OF THE FILING OF A TEN  
YEAR PLAN BY BASIN TRANSLOAD, LLC

**NOTICE OF FILING TEN YEAR PLAN  
2014-2024**

**PLEASE TAKE NOTICE** that on July 1, 2014, in accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, Basin Transload, LLC filed with the North Dakota Public Service Commission its Ten Year Plan for the years 2014 through 2024, which discusses pipeline projects in Mercer and Burke Counties, North Dakota. A copy of said Ten Year Plan was filed with the Auditors for Mercer and Burke Counties, North Dakota, on July 1, 2014.

Dated this 1st day of July, 2014.

Fredrikson & Byron, P.A.

By 

LAWRENCE BENDER, ND Bar #03908  
JILLIAN RUPNOW, ND Bar #06937  
*Attorneys for Basin Transload, LLC*  
200 North 3<sup>rd</sup> Street, Suite 150  
P. O. Box 1855  
Bismarck, ND 58501-1855  
(701) 221-4020

**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that a true and correct copy of the following document:

**NOTICE OF FILING TEN-YEAR PLAN: 2014-2024**

was on the 1st day of July, 2014 served by placing the same in the United States mail, postage prepaid, properly addressed to the following:

North Dakota Aeronautics Commission  
P.O. Box 5020  
Bismarck, ND 58502-5020

North Dakota Office of Attorney General  
State Capitol  
600 E. Boulevard Ave.  
Dept. 125  
Bismarck, ND 58505

North Dakota Dept. of Agriculture  
600 E. Boulevard Ave.  
Dept. 602  
Bismarck, ND 58505-0020

North Dakota Dept. of Health  
600 E. Boulevard Ave.  
Bismarck, ND 58505-0200

Dept. of Human Services  
600 E. Boulevard Ave.  
Dept. 325  
Bismarck, ND 58505-0250

North Dakota Dept. of Labor  
600 E. Boulevard Ave.  
Dept. 406  
Bismarck, ND 58505-0340

Department of Vocational Education  
c/o Career and Technical Education  
State Capitol, 15th Floor  
600 E. Boulevard Ave., Dept. 270  
Bismarck, ND 58505-0610

North Dakota Dept. of Commerce  
PO Box 2057  
Bismarck, ND 58502-2057

Energy Development Impact Office  
North Dakota State Land Dept.  
P.O. Box 5523  
Bismarck, ND 58506-5523

North Dakota Game and Fish Department  
100 N. Bismarck Expressway  
Bismarck, ND 58501-5095

North Dakota Geological Survey  
600 E. Boulevard Avenue  
Bismarck, ND 58505-0840

Office of Governor Jack Dalrymple  
State of North Dakota  
600 E. Boulevard Ave.  
Bismarck, ND 58505-0001

North Dakota State Highway Department  
115 D Street  
Richardton, ND 58652

North Dakota Department of Transportation  
608 E. Boulevard Ave.  
Bismarck, ND 58505-0700

State Historical Society  
of North Dakota  
612 E. Boulevard Ave.  
Bismarck, ND 58505-0830

North Dakota Indian Affairs Commission  
600 E. Boulevard Ave.  
1st Floor - Judicial Wing, Rm. 117  
Bismarck, ND 58505-0300

Job Service North Dakota  
P.O. Box 5507  
Bismarck, ND 58506-5507

North Dakota State Land Dept.  
1707 North 9th Street  
P.O. Box 5523  
Bismarck, ND 58506-5523

North Dakota Parks and Recreation Dept.  
1600 E. Century Ave., Suite 3  
Bismarck, ND 58503-0649

Division of Community Services  
Dept. of Commerce  
1600 E. Century Ave., Suite 2  
PO Box 2057  
Bismarck, ND 58502-2057

North Dakota State Soil Conservation Committee  
c/o NDSU Extension Service  
2718 Gateway Ave., Suite 104  
Bismarck, ND 58503

North Dakota State Water Commission  
900 E. Boulevard Ave., Dept. 770  
Bismarck, ND 58505-0850

North Dakota Industrial Commission  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

United States Department of Defense  
1400 Defense Pentagon  
Washington, DC 20301-1400

United States Fish and Wildlife Service  
North Dakota Field Office  
3425 Miriam Avenue  
Bismarck, North Dakota 58501-7926

Federal Aviation Administration  
800 Independence Ave, SW  
Washington, DC 20591

North Dakota Transmission Authority  
State Capitol 14th Floor, 600 E. Boulevard Ave. Dept. 405  
Bismarck, ND 58505-0840

North Dakota Pipeline Authority  
State Capitol 14th Floor  
600 E. Boulevard Ave. Dept. 405  
Bismarck, ND 58505-0840

Mercer County Commission  
P.O. Box 39  
Stanton, ND 58571-0039

Burke County Commission  
PO Box 310  
Bowbells, North Dakota 58721



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JILLIAN RUPNOW

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**TEN YEAR PLAN: 2014-2024**  
**Basin Transload, LLC**

**July 2014**

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, Basin Transload, LLC (“Basin”), submits the following Ten Year Plan for years 2014 through 2024.

- (1) A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.

Basin does not plan to own or operate any facilities during the next ten years.

Basin does not own or operate any facilities that it plans to remove from service during the next ten years.

- (2) An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.

Basin is commencing construction on an approximately 4-mile-long, 10-inch-diameter crude oil pipeline near Beulah, North Dakota. The pipeline was approved by the North Dakota Public Service Commission on September 25, 2013 in Case No. PU-12-675.

- (3) A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.

In developing pipeline projects, Basin coordinates with affected landowners and adjacent pipeline operators (Enbridge, Tesoro), nearby utility companies (MDU Resources, Western Area Power Administration, and Burke Divide Electric Cooperative), railroads (Canadian Pacific, BNSF, and DMVW), and many local, state, and federal government agencies to eliminate conflicts in land use.

In particular, Basin has coordinated with Tesoro to facilitate the efficient transport of oil to in- and out-of-state markets through interconnections with Tesoro’s pipeline system. Basin’s core business is developing and operating rail shipping facilities. Basin’s key customers requested greater throughput capacity for the facilities at Stampede and Republic, North Dakota, and truck deliveries alone are insufficient to supply the capacity demanded by Basin’s customers. Basin has investigated options to increase the throughput capacity as requested by Basin’s customers and determined to construct crude oil pipelines to do so. Basin has constructed one

crude oil transmission pipelines in North Dakota, and is in the process of constructing a second, both of which are owned and operated by Tesoro.

- (4) A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.

Basin follows its environmental protection and land-use coordination policy when planning crude oil pipelines. Basin employs qualified environmental consulting firms to conduct a study of and identify avoidance and exclusion areas within the corridors and routes selected, in accordance with Chapter 49-22 of the North Dakota Century Code and Section 69-06-08-02 of the North Dakota Administrative Code. In addition, Basin consults with local, state, and federal agencies and governmental units to discuss and seek input regarding the pipeline projects, and is in the process of obtaining all necessary permits and approvals.

Additional information regarding the environmental analysis conducted as part of the corridor and route selection process for the pipeline projects Basin has constructed in North Dakota may be found in Basin's Consolidated Certificate of Corridor Compatibility and Route Permit Application for Case Nos. PU-12-775 and PU-12-675.

- (5) A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.

Crude oil production in the catchment area of the pipeline continues to rapidly increase due to high level of drilling activity, better than expected drilling results, and increasing drilling rig efficiencies, among other things. Based on current drilling activity, Basin estimates that crude oil production from the Bakken and Three Forks formations will increase significantly beyond the capacity of Basin's pipelines and other regional pipelines. For example, the most recent U.S. Geological Survey information doubled its previous estimate from 2008 of undiscovered, technically recoverable oil, stating there now may be 7.4 billion barrels of oil still undiscovered in the Bakken and Three Forks formations in North Dakota and Montana.<sup>1</sup> Information from the NDDMR indicates that oil production has increased dramatically over the

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<sup>1</sup> United States Geological Survey. Assessment of Undiscovered Oil Resources in the Bakken and Three Forks Formations, Williston BakkenLink Province, Montana, North Dakota, and South Dakota, 2013. Web access in June 2014 at: <http://pubs.usgs.gov/fs/2013/3013/>

past five years from approximately 263,000 bpd in 2010 to over 1,000,000 bpd in April 2014,<sup>2</sup> and production is expected to continue to increase dramatically.<sup>3</sup>

The major constraint in transporting oil from North Dakota to refining centers continues to be the lack of pipeline capacity. Several major projects have been planned to address the growing volumes of crude oil, but pipeline capacity is not expected to keep pace with the production, leaving incremental volumes to find alternative transportation methods, primarily rail.

With the constraints to the existing transportation infrastructure in northwestern North Dakota, Basin provides an additional safe and efficient mechanism to transfer crude oil to existing and new outlets. Without this pipeline capacity, increased movement of crude oil will occur by tanker truck over public roadways, a public safety issue that the pipelines constructed by Basin address.

The ever-increasing crude oil production in western North Dakota, as evidenced by the North Dakota Industrial Commission's latest drilling and production statistics,<sup>4</sup> indicates that the regional transportation service provided by Basin will continue to be needed during the next ten years and beyond.

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<sup>2</sup> North Dakota Department of Mineral Resources. North Dakota Monthly Oil Production Statistics. Web access in June 2014 at <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>

<sup>3</sup> North Dakota Department of Mineral Resources. Activities and Projections. Web access in June 2014 at: <https://www.dmr.nd.gov/oilgas/presentations/ActivityUpdate2014-06-11NCSLBismarck.pdf>

<sup>4</sup> North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division. "North Dakota Drilling and Production Statistics." Web access in June 2014 at: <https://www.dmr.nd.gov/oilgas/stats/statisticsvw.asp>

IN THE MATTER OF THE FILING OF A TEN  
YEAR PLAN BY BASIN TRANSLOAD, LLC

**CERTIFICATE OF SERVICE**

Jillian Rupnow, being first duly sworn, does depose and state that on July 1, 2014, the following document was served:

**Ten Year Plan: 2014-2024**

by placing a true and correct copy of said document in an envelope addressed as follows:

Shana Brost  
Mercer County Auditor  
PO Box 39  
1021 Arthur St  
Stanton ND 58571-0039

Jeanine Jensen  
Burke County Auditor  
PO Box 310  
Bowbells ND 58721-0310

and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota.

  
\_\_\_\_\_  
Jillian Rupnow