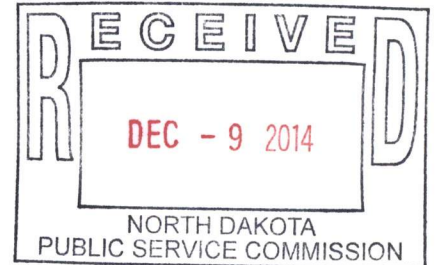


December 9, 2014

**VIA HAND DELIVERY**

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



**RE: Paradigm Midstream Services - ND, LLC  
Case No. PU-14-620**

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 "Lawrence Bender".

LAWRENCE BENDER

LB/dmk  
Enclosure

cc: Julie Prescott (*via e-mail*)  
Patrick Fahn (*via e-mail*)  
Jason Stelzer (*via e-mail*)

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Paradigm Midstream Services – ND, LLC  
Crude Oil Pipeline – McKenzie & Mountrail Counties  
Public Convenience and Necessity**

**Case No. PU-14-620**

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

**December \_\_, 2014**

**Appearances**

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

Lawrence Bender, Attorney-at-Law, Fredrikson & Byron, P.A., 1133 College Drive, Suite 1000, Bismarck, North Dakota 58501, on behalf of Paradigm Midstream Services – ND, LLC.

Julie Prescott, Program Utility Analyst, Compliance and Competitive Markets Division, 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 July 17, 2014, Paradigm Midstream Services – ND, LLC (“Paradigm”) filed an application for a Certification of Public Convenience and Necessity under chapter 49-03.1 of the North Dakota Century Code for a 70-mile crude oil pipeline and other facilities in McKenzie and Mountrail Counties, North Dakota (the “Pipeline”).

On July 30, 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 service.

Those interested were invited to comment on the application in writing and file written requests for hearing by September 12, 2014. No comments or requests for hearing were filed.

On October 22, 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. Paradigm is a Delaware limited liability company that is headquartered in Dallas, Texas, and has been authorized to transact business in the State of North Dakota since April 28, 2014.
2. Paradigm plans to construct, own, and operate the Pipeline to be located in McKenzie and Mountrail Counties. The Pipeline consists of approximately 70 miles of pipeline and other facilities to be used for the transport of crude oil from an area near Johnson's Corner in McKenzie County, North Dakota, to Dakota Plains Holdings, Inc.'s Pioneer crude oil transloading facility located in New Town, North Dakota, in Mountrail County. The Pipeline will then extend from the Pioneer facility to Enbridge's Stanley Station located in Stanley, North Dakota, in Mountrail County. There, the Pipeline will tie into Enbridge's North Dakota pipeline and Sandpiper pipeline systems which connect to Enbridge's Berthold Rail facility and additional pipeline capacity downstream of Berthold, North Dakota.
3. The Pipeline will provide intrastate pipeline capacity for delivery of crude oil to multiple refineries and markets throughout the region.
4. The Pipeline will provide for the transport of approximately 230,000 barrels of oil per day to market delivery points.
5. There are no other pipelines that provide the service that will be provided by the Pipeline. 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.
6. Existing pipelines are at or nearing capacity. The excess capacity to be serviced by the Pipeline has been available for other utilities, with no project development occurring. The Pipeline will therefore not have an effect on other public utilities providing a similar service.
7. In comparison to transporting oil by truck, the Pipeline would provide a cost-effective means of transporting crude oil from oil and gas well sites in northwest North Dakota. The Pipeline has the potential to reduce the environmental impacts of transportation by truck by reducing the number of truckloads by an estimated 1,000 truckloads of oil per day.
8. Paradigm is funded by private investors and financial commitment for the funding of the Pipeline is complete.
9. The Paradigm management team has extensive experience in the design, construction, and operations of pipeline systems.

10. Paradigm is requesting the Certificate of Public Convenience and Necessity to facilitate routing, engineering design, and environmental studies required to compile the Certificate of Corridor Compatibility and Route Permit applications for submission to the Commission.

11. The proposed Pipeline project will serve an area which is comprised of the entire length of the Pipeline, and all land within approximately ten miles on either side of the Pipeline.

12. The public convenience and necessity area for the proposed Pipeline project could potentially overlap with another utility's public convenience and necessity area. Accordingly, Paradigm has requested a portion of the Pipeline be excluded from the Certificate of Public Convenience and Necessity.

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

### **Conclusions of Law**

1. The Commission has jurisdiction over the applicant, Paradigm Midstream Services – ND, LLC, and over the subject matter of this application under North Dakota Century Code Chapter 49-22.
2. Paradigm is a public utility as defined in North Dakota Century Code Section 49-03.1-02(2).
3. Paradigm is a common carrier as defined in North Dakota Century Code Section 49-19-01.
4. There is currently a need for the service proposed by Paradigm.
5. Paradigm is fit and able to provide the service.
6. The Pipeline will not have an effect on other public utilities providing a similar service.
7. The Pipeline will provide adequate service.
8. Paradigm 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 ten mile area on each side of the proposed Pipeline, up and until the Pipeline's public convenience and necessity area meets the public convenience and necessity area of another utility.

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

**Order**

The Commission orders:

1. Paradigm Midstream Services – ND, LLC’s application for a Certificate of Public Convenience and Necessity is GRANTED.
2. The Certificate of Public Convenience and Necessity is limited to ten-miles on each side of the proposed Pipeline area, up until the Public Convenience and Necessity area meets the Public Convenience and Necessity area previously granted to another utility.
3. The Certificate of Public Convenience and Necessity will remain in effect for one year from the date of issuance, unless Paradigm files with the Commission the appropriate documents to proceed with the siting process for construction of the Pipeline. If the siting process commences within this one year period, the Certificate of Public Convenience and Necessity shall remain in force and effect.

**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**