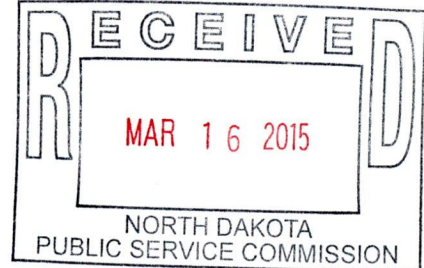


March 16, 2015

VIA HAND DELIVERY

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



**RE: Caliber Midstream Partners, L.P. —
Case Number PU-14-689**

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 large, stylized handwritten signature in blue ink, appearing to read "LAWRENCE BENDER".

LAWRENCE BENDER

LB/dmk

cc: Zack Pelham (via e-mail)
Julie Prescott (via e-mail)

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Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
www.fredlaw.com

Fredrikson & Byron, P.A.
1133 College
Bismarck, No
58501-1215

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

**Caliber Midstream Partners, L.P.
6" NGL Pipeline Project - McKenzie County
Siting Application**

Case No. PU-14-689

[PROPOSED] FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

March _____, 2015

Appearances

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

Lawrence Bender and Danielle M. Krause, Attorneys at Law, Fredrikson & Byron, P.A., 1133 College Drive, Suite 1000, Bismarck, North Dakota 58501, on behalf of Caliber Midstream Partners, L.P.

Zachary E. Pelham, Special Assistant Attorney General, Legal Counsel for Public Service Commission, 314 East Thayer Avenue, Bismarck, North Dakota 58502.

Wade Mann, Administrative Law Judge, Office of Administrative Hearings, 2911 North 14th Street, Suite 303, Bismarck, North Dakota 58503.

Preliminary Statement

On August 15, 2014, Caliber Midstream Partners, L.P. ("Caliber"), filed with the North Dakota Public Service Commission ("Commission") a consolidated application for a Certificate of Corridor Compatibility and Route Permit ("Application") for an approximately 4.4 mile, 6-inch diameter natural gas liquids ("NGL") pipeline (the "Project"). The Project is located in McKenzie County, North Dakota, approximately 7 miles southeast of Alexander, North Dakota. The Project will transport NGL from the Hay Butte Gas Plant, owned by Caliber, to the ONEOK Partners' Bakken NGL Pipeline.

Caliber also filed with its Application a request for the Commission to waive certain procedures and time schedules required under North Dakota Century Code Chapter 49-22, which requires separate filings and applications for a certificate of corridor compatibility and a route permit, separate notice of such applications, separate hearings on such applications, and certain time schedules.

Following submission of the original Application, Caliber provided supplemental information as requested by the Commission. State and federal agency correspondence was submitted, along with various other points of clarification.

On November 6, 2014, the Commission deemed Caliber's Application complete and issued a Notice of Filings and Notice of Hearing scheduling a hearing for January 13, 2015, at

9:00 a.m. Central Time, at Teddy's Residential Suites, 113 9th Avenue SE, Watford City, North Dakota 58854.

The Notice of Filings and Notice of Hearing identified the following issues to be considered with respect to the application for waiver of procedures and time schedules:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects and that adherence to applicable procedures and time schedules may be waived?
2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The Notice of Filings and Notice of Hearing identified the following issues to be considered with respect to the Application:

1. Will the location and operation of the proposed facilities produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed facility locations minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

On January 13, 2015, the hearing was held as scheduled.

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. Under North Dakota Century Code Section 49-22-07, a utility may not begin construction of a transmission facility in the state without first having obtained a route permit. The facility must be constructed, operated, and maintained in conformity with the permit and any conditions, or modifications of the permit.
2. Caliber is a Delaware limited partnership authorized to transact business in the State of North Dakota, as evidenced by the corporate papers filed with the Commission on October 20 and October 24, 2014, in Case No. PU-14-756.
3. The pipeline to be utilized for the Project has already been constructed. At the time of installation, the pipeline was originally intended to be utilized for gas gathering from well pads located along the route, and was installed without a firm transportation deal in place due to landowner constraints. When the gas transportation deal failed to materialize from the anticipated well pads, Caliber decided to utilize the installed pipeline to transport NGLs from the Hay Butte

Gas Plant. This approach was chosen because of the potential to interconnect with the adjacent ONEOK NGL transmission pipeline.

4. Construction of the Project began in November 2013 and was completed in April 2014 when it became apparent that the anticipated contracts to transport natural gas would not occur. The pipeline, now requested to be used as an NGL pipeline for the Project, is not currently operational.

Size, Type, and Preferred Location of Facility

5. The Project consists of approximately 4.4 miles of pipeline located in McKenzie County, North Dakota, originating at the Hay Butte Gas Plant and transporting NGLs to the ONEOK Partners' Bakken NGL Pipeline.

6. The Project utilizes 6-inch diameter steel pipeline. The pipeline has a maximum operating pressure of 1,750 pounds per square inch gauge, with a maximum design flow rate of a nominal 2,100 barrels per day.

7. The Project was constructed simultaneously with four additional pipelines. All five pipelines were constructed within one ROW because Caliber has agreements with landowners affected by the Project that require Caliber to install pipelines simultaneously within one ROW.

8. When it was realized the preferred use for the pipeline as a gas gathering line would not occur and transportation of NGLs would be the best alternative, the tie-in point with the ONEOK pipeline was chosen because there are existing valves and meters at the location. An alternative tie-in point would require construction of new above-ground structures that would result in additional impacts.

Need for the Facility

9. As a by-product of processing at the Hay Butte Gas Plant, NGL will be available at the tailgate of the Plant.

10. The Project will enable the transportation of NGL produced in northwestern North Dakota to markets via the ONEOK NGL transmission pipeline. The Project will provide needed capacity to transport increased production of NGL from the Bakken and Three Forks formations.

11. Caliber concluded there is a need for the Project because the recent and significant increase in natural gas production in North Dakota has grown at a rate that has outpaced the state's available pipeline and processing infrastructure. In conjunction with the increased natural gas production in North Dakota, the large volumes of NGL require increased NGL transportation and processing infrastructure. The Project will enable NGL produced in the vicinity to be transported to the ONEOK NGL transmission pipeline, part of one of the largest NGL gathering systems in America. Once the NGL is transported by the Project to the ONEOK system, it can be fractionated, treated, or stored for use by petrochemical facilities or other end users.

Study of Preferred Location(s)

12. Prior to construction, Caliber contracted to have an initial wetland survey conducted of the pipeline route. As a result of preliminary findings, wetland impacts were avoided during construction of the pipeline by boring beneath Antelope Creek as a potential jurisdictional wetland.

13. Post-construction field surveys were conducted to inventory any potential resource issues such as wetlands, water bodies, protected species, critical habitats, and/or cultural resources. Additionally, environmental data collected included information on soils, land use, wetlands and waterbody crossings, noxious weeds, trees, saplings, and shrubs, and protected species and habitats.

14. The following agencies were contacted by Caliber regarding the Project and provided comments: North Dakota State Historical Preservation Office (“SHPO”) and North Dakota State Water Commission. No agencies expressed concern with the Project.

15. Caliber contracted to conduct a Class I Literature Review, as well as a Class III intensive pedestrian survey along the proposed route and corridor. The survey area consisted of a 100-foot-wide corridor centered on approximately 4.45 miles of the proposed pipeline centerline covering a total of 54 acres. The entire project was on private land and primarily traversed cultivated farm land.

16. The SHPO has concurred with the determination that no significant sites will be affected by the Project so long as the Project remains of the nature and in the location described in the Class III Cultural Resource Inventory Report.

Siting Criteria

17. The Commission has established criteria pursuant to North Dakota Century Code Section 49-22-05.1 to guide the Commission in evaluating the suitability of granting a Certificate of Corridor Compatibility and Route Permit. The criteria, as set forth in North Dakota Administrative Code Section 69-06-08-02 are classified as Exclusion Areas, Avoidance Areas, Selection Criteria, and Policy Criteria.

18. A transmission facility route must not be sited within an exclusion area. No exclusion areas will be impacted by the Project.

19. An avoidance area is a geographic area that may not be considered in the routing of a transmission facility unless the application shows that, under the circumstances, there is no reasonable alternative. In determining whether an avoidance area should be designated for a transmission facility, the Commission may consider, among other things, the proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes. No avoidance areas will be impacted by the Project.

20. One prehistoric isolated find was identified during the Class III inventory. However, the isolated find was recommended as not eligible for inclusion in the National Register of Historic Places, and Alpine Archaeological Consultants, Inc. recommended that the Project be granted a determination of No Historic Properties Affected and No Significant Sites Adversely Affected. The SHPO has concurred with the determination that no significant sites will be affected by the Project.

21. A wetlands and waterbodies inventory was completed along the route. Two wetlands/waterbodies are present along the route, but any indirect impacts from pipeline placement were temporary or avoided. Impacts were avoided by boring beneath Antelope Creek and impacts to the other waterbody are consistent with impacts authorized under the Nationwide Permit Program of the Clean Water Act. The Project will have no significant impact on wetlands or waterbodies.

22. The majority of the lands crossed by the Project are agricultural. Any impacts will be temporary in nature and all impacted land will be restored to pre-construction conditions.

23. The Project may have resulted in temporary modification of habitat and temporary displacement of wildlife, due to clearing and construction. The Project will have no significant impact on fish and wildlife resources and no impacts are anticipated to endangered, threatened, or sensitive plant or animal species.

24. In accordance with the Commission's selection criteria, a transmission facility route shall be approved if it is demonstrated that any significant adverse effects that will result from the location, construction, and maintenance of the transmission facility will be at an acceptable minimum or managed and maintained at an acceptable minimum. Caliber has analyzed the impacts of the Project in relation to all of the relevant selection criteria. The Project will have no significant adverse effects on the Commission's selection criteria.

25. In accordance with the Commission's policy criteria, preference may be given to an application demonstrating certain benefits of the transmission facility. Caliber has analyzed the relevant policy criteria and has committed to: designing, constructing, and operating the pipeline in accordance with all applicable federal, state, and local laws and regulations; energy conservation through the facility's location, process, and design; training and utilizing available labor in the state; constructing the Project to take advantage of economies of scale; achieving capacity in the most minimally intrusive and most efficient way possible; and coordinating with state and local officials. Caliber submitted evidence to demonstrate its commitment to maximize the benefits of the proposed transmission facility to the extent possible so as to meet the policy criteria.

Measures to Minimize Impact

26. Caliber has agreed to a number of steps to mitigate the impact of the Project, as indicated by the executed Certification Relating to Order Provisions – Transmission Facility Siting, with accompanying Tree and Shrub Mitigation Specifications, which is incorporated by reference and attached to this Order.

27. The Project's permanent right-of-way ("ROW") is 60 feet wide, while its temporary construction ROW was 40 feet wide. Caliber used existing public roads to access the construction ROW. Temporary access roads were used to transport vehicles and equipment from the county roads to the ROW, but these roads were temporary in nature.

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

Conclusions of Law

1. The Commission has jurisdiction over Caliber and the subject matter of the Application under Chapter 49-22 of the North Dakota Century Code.
2. Caliber is a utility as defined in Section 49-22-03(13) of the North Dakota Century Code.
3. The proposed pipeline is a transmission facility as defined in Section 49-22-03(12) of the North Dakota Century Code.
4. The location, construction, and operation of the Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
5. The location, construction, and operation of the Project are compatible with environmental preservation and the efficient use of resources.
6. The Project will minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.
7. The Project is of such design and location that it will produce minimal adverse effects, in accordance with Section 49-22-07.2 of the North Dakota Century Code.
8. It is appropriate for the Commission to waive the certain procedures and time schedules as requested in the Application and provided under Section 49-22-07.2 of the North Dakota Century Code.

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

Order

1. That Caliber's application for a waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. ___ is issued to Caliber Midstream Partners, L.P. designating a corridor for the construction, operation, and maintenance of an approximately 4.4-mile, 6-inch NGL pipeline in McKenzie County, North Dakota. For purposes of the Certificate, the Corridor will consist of a 100-foot-wide corridor centered on the pipeline route as

surveyed. The Certificate of Corridor Compatibility shall be subject to the special condition described below.

3. Route Permit No. ____ is issued to Caliber Midstream Partners, L.P. granting authority to construct and operate an approximately 4.4-mile, 6-inch NGL pipeline in McKenzie County, North Dakota. The designated route is shown on the map included as Figure 1 in the Route Permit Application portion of the Consolidated Application for a Certificate of Corridor Compatibility and Route Permit. The Route Permit shall be subject to the special condition described below.

4. The Certificate of Corridor Compatibility and the Route Permit shall be subject to and include the special condition that Caliber must obtain and file with the Commission the Conditional Use Permit obtained from the McKenzie County Planning and Zoning Commission.

5. That the Certification Relating to Order Provisions – Transmission Facility Siting be incorporated by reference and attached to this Order.

6. To the extent there are any conflicts or inconsistencies between Caliber's Applications and the Certification, the Certification provisions control.

**State of North Dakota
Public Service Commission**

**Randy Christmann
Commissioner**

**Julie Fedorchak
Chairman**

**Brian Kalk
Commissioner**