

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Tesoro High Plains Pipeline Company LLC
Bakken Area Storage Hub - Williams Cnty
Siting Application**

Case No. PU-14-730

AFFIDAVIT OF SERVICE REGULAR OR ELECTRONIC MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Kathy Acker deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **12th day of January, 2015**, she deposited in the United States Mail, Bismarck, North Dakota, 3 envelopes by first class mail, fully prepaid and 39 addressees electronically mailed a copy of:

Findings of Fact, Conclusions of Law and Order

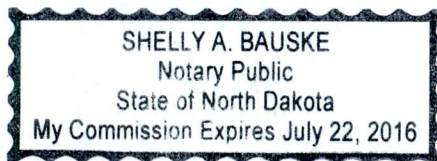
The envelopes and electronic mails respectively were addressed as follows:

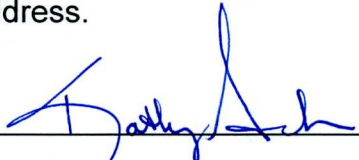
See attached list.

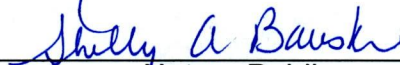
Each post office address shown is the respective addressee's last reasonably ascertainable post office address and each email address is the respective addressee's last reasonably ascertainable electronic mailing address.

Subscribed and sworn to before me
this **12th day of January, 2015**.

SEAL







Notary Public

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Tesoro High Plains Pipeline Company LLC
Bakken Area Storage Hub - Williams Cnty
Siting Application**

Case No. PU-14-730

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

January 7, 2015

Preliminary Statement

On September 25, 2014, Tesoro High Plains Pipeline Company LLC (Tesoro) filed with the Commission an application for a certificate of corridor compatibility and a route permit to construct one 130,000 barrel and two 160,000 barrel storage tanks, associated piping and pumps adjacent to an existing 12-inch crude oil pipeline in Williams County, North Dakota (Project).

Also on September 25, 2014, Tesoro filed an application for a waiver of procedures and time schedules established under North Dakota Century Code sections 49-22-07.2, 49-22-08, 49-22-08.1, 49-12-13, and North Dakota Administrative Code section 69-06-01-02, requiring separate filings, separate notices, and hearings on the corridor certificate and route permit applications.

On October 13, 2014, Tesoro filed amended an amended application for a certificate of corridor compatibility and a route permit to refine the location of the Project. Also on October 13, 2014, Tesoro filed an amended application for a waiver of procedure and time schedules for the amended application.

On November 6, 2014, the Commission deemed the applications for a certificate of corridor compatibility and a route permit complete. Also on November 6, 2014, the Commission issued a Notice of Filings and Notice of Opportunity for Hearing, which identified the following issues to be considered with respect to the application for a waiver of procedure 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 Opportunity for Hearing identified the following issues to be considered with respect to the application for a certificate of

corridor compatibility and a route permit:

1. Will the location, construction and operation of the proposed facilities produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Is the proposed facility 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?

No comments or requests for hearing were received by the deadline of December 12, 2014.

Having allowed all interested persons an opportunity to be heard, and having reviewed and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

1. Tesoro is a Delaware limited liability company. Tesoro is authorized to do business in the State of North Dakota, as evidenced by the corporate papers filed with the Commission on April 1, 2011 in Case No. PU-11-229.

Size, Type and Preferred Location of Facility

2. Tesoro requests a certificate of corridor compatibility for approximately 40 acres located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 156 North, Range 95 West, Williams County, North Dakota (Project Site).
3. The Project will serve as an expansion of Tesoro's Bakken Area Storage Hub (BASH) which is located within the Project Site. The BASH currently consists of three 120,000 storage tanks, associated piping and pumps, and was constructed adjacent to Tesoro's existing pipeline system. The BASH provides an outlet to refineries and marketing hubs for production.
4. The anticipated cost of the Project is \$31.5 million.
5. Tesoro states there is a need for the facility based on the increase of crude oil production in the Williston Basin of North Dakota.

Study of Preferred Location(s)

6. Tesoro conducted a Class I Cultural Resources Literature Search on the Project Site and a one mile buffer area surrounding the Project Site (Study Area). Five cultural resources were recorded within the Study Area.
7. Tesoro performed desktop studies on the Study Area and field studies on the Project Site for wetlands, wildlife, and vegetation.
8. Tesoro performed a Class III Cultural Resource Inventory field study on the Project Site. No cultural resources were identified within the Project Site.
9. Tesoro contacted the United States Fish and Wildlife Service (USFWS), the United States Army Corps of Engineers (USACE), the North Dakota Game and Fish Department (NDGFD), the North Dakota Parks and Recreation Department (NDPRD), the North Dakota State Historic Preservation Office (NDSHPO), and the North Dakota Department of Health (NDDOH) regarding potential impacts to environmental resources within the Study Area.
10. In a response dated April 10, 2013, the NDDOH indicated that the Project Site is not located over a named groundwater aquifer or within a wellhead protection area, and that it does not appear site operations would impact underground sources of drinking water.
11. In a response dated April 24, 2014, the NDGFD indicated that no significant adverse effects on wildlife or wildlife habitat, including species of conservation priority, are expected to occur within the Project Site.
12. In a response dated April 26, 2013, the USFWS indicated that the Project will have no significant impact on fish and wildlife resources within the Project Site.
13. In a response dated May 1, 2013, the NDPRD indicated that the Project will not affect state park lands managed by the NDPRD or Land and Water Conservation Fund recreation projects coordinated by the NDPRD. The response further indicated that no documented occurrences of plant and animal species or other significant ecological communities are known to exist within the Project Site.
14. In a response dated May 20, 2013, the SHPO concurred with Tesoro's Class III study report recommendation of "No Significant Sites" within the Project Site.
15. 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 an application for a certificate of site compatibility. The criteria, as set forth in North Dakota Administrative Code section 69-06-08-01, are classified as Exclusion Areas, Avoidance Areas, Selection Criteria, and Policy Criteria.

16. Tesoro evaluated the Study Area and the Project Site for the Exclusion, Avoidance, Selection, and Policy criteria of the Commission.

17. No Exclusion Areas or Avoidance Areas are present within either the Study Area or the Project Site.

Measures to Minimize Impact

18. As an alternative to the Project, Tesoro evaluated trucking the crude oil as the primary alternative. However, Tesoro concluded that utilizing trucks to transport additional volumes of crude oil could result in negative impacts to the environment and other engineering and economic factors.

19. Tesoro has made other representations and covenants as indicated in the Certification Relating to Order Provisions – Transmission Facility Siting as executed by Tesoro and filed with the Commission.

20. Tesoro proposes to implement environmental training and will designate an environmental representative to oversee the Project and to ensure environmental compliance throughout the course of the Project.

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

Conclusions of Law

1. The Commission has jurisdiction over Tesoro and the subject matter of this application under North Dakota Century Code chapter 49-22.
2. Tesoro is a utility as defined in North Dakota Century Code section 49-22-03(13).
3. The Project is a transmission facility as defined in North Dakota Century Code section 49-22-03(12).
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 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.
6. The Project is compatible with environmental preservation and the efficient use of resources.
7. The Project is of such design and location that it will produce minimal adverse

effects, pursuant to North Dakota Century Code section 49-22-07.2.

8. It is appropriate for the Commission to waive those certain procedures and time schedules as requested by Tesoro.

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

Order

1. Tesoro's application for a waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. 160 is issued to Tesoro, designating a corridor for the construction, operation, and maintenance of the Project.
3. Route Permit No. 172 is issued to Tesoro, granting authority to operate and maintain approximately 1,500 feet of 12-inch diameter crude oil pipeline within the Project Site.
4. The Certification Relating to Order Provisions - Energy Conversion Facility Siting executed on January 2, 2015, is incorporated by reference and attached to this Order.
5. To the extent there are any conflicts or inconsistencies between Tesoro's Application and the January 2, 2015 Certification, the Certification provisions Control.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner

ndaero@nd.gov
Melinda Weninger
Aeronautics Commission
PO Box 5020
Bismarck ND 58502-5020

ndag@nd.gov
Attorney General's Office

jmittleider@nd.gov
John Mittleider
Department of Commerce
600 East Blvd
Bismarck ND 58505

cte@nd.gov
Dept of Career and Technical Education
State Capitol
Bismarck ND 58505

laurie.suttmeier@faa.gov
Laurie Suttmeier
Federal Aviation Administration

cberg@nd.gov
Claudia Berg
Historical Society

mike.nilson@minot.af.mil
Mike Nilson
Minot Air Force Base

jay.fuhrer@nd.usda.gov
Jay Fuhrer
NATURAL RESOURCE CONSERVATION SVC
PO BOX 1458
BISMARCK ND 58502-1458

ksonsalla@nd.gov
Kevin Sonsalla
ND Department of Commerce

Larry.kotchman@nds.u.edu
MR LARRY KOTCHMAN
ND FOREST SERVICE
MOLBERG CENTER 307 1ST STREET EAST
BOTTINEAU ND 58318

goehring@nd.gov
Doug Goehring
Agriculture Department
State Capitol
Bismarck ND 58505

todd.j.lindquist@usace.army.mil
Todd Lindquist
Corp of Engineers
PO Box 527
Riverdale ND 58565-0527

dhseo@nd.gov
Department of Human Services

energyimpact@nd.gov
Energy Infrastructure and Impact Office

governor@nd.gov
Jack Dalrymple
Governor's Office
State Capitol
Bismarck ND 58505

sjdavis@nd.gov
Scott Davis
Indian Affairs Commission
State Capitol - 1st Floor J Wing INSID
Bismarck ND 58505

jpaczkowski@nd.gov
John Paczkowski
N D Water Commission
900 E Boulevard
Bismarck ND 58505

ndascd@lincolnoakes.com
ND Assoc of Soil Conservation Dist
3310 University Drive
Bismarck ND 58504-7564

mdockter@nd.gov
Monte Dockter
ND Department of Transportation
State Highway Building
Bismarck ND 58505

tsteinwa@nd.gov
Terry Steinwand
ND GAME & FISH DEPT
INSIDE MAIL

emurphy@nd.gov
MR ED MURPHY
ND GEOLOGICAL SURVEY

labor@nd.gov
Tony Weiler
ND Labor Dept
600 E Blvd Ave
Bismarck ND 58505

jjkringstad@ndpipelines.com
ND Pipeline Authority

markzimmerman@nd.gov
Mark Zimmerman
North Dakota Parks & Rec
1600 E Century Ave, Ste. 3 INSIDE MAIL
Bismarck ND 58503-0649

drust@nd.gov
David S. Rust
Senator
PO Box 1198
Tioga ND 58852-1198

dglatt@nd.gov
Dave Glatt
State Health Department
1

jandrist@nd.gov
John Andrist
State Senator
PO Box E
Crosby ND 58730-0660

wendy ross@nps.gov
Wendy Ross
Theodore Roosevelt Nat'l Park
PO Box 7
Medora ND 58645

gjwiche@usgs.gov
District Chief
U S Geological Survey
821 E Interstate Ave
Bismarck ND 58501

managementauthority@fws.gov
US Fish & Wildlife Service
3425 Miriam Ave
Bismarck ND 58501

cgiesen@nd.gov
Cheri Giesen
ND Job Service
P.O. Box 5507 INSIDE MAIL
Bismarck ND 58506-5507

mhaupt@nd.gov
Mike Haupt
ND Land Department

ndicino@nd.gov
North Dakota Industrial Commission

andreastomberg@lignite.com
Andrea Stomberg
North Dakota Transmission Authority

tsando@nd.gov
Todd Sando
State Engineer
ND Water Commission

bskarphol@nd.gov
Bob Skarphol
State Representative
PO Box 725
Tioga ND 58852-0725

bill whitworth@nps.gov
Chief of Resource Management
Theodore Roosevelt National Park
P O Box 7
Medora ND 58645-0007

sschwenke@fs.fed.us
Sherri Schwenke
U S Forest Service
240 W Century Ave
Bismarck ND 58501-1494

cenwo-de@usace.army.mil
District Engineer
US Army Engineer District Omaha
1616 Capitol Ave
Omaha NE 68102

Bert Anderson
State Representative
P O Box 604
Crosby ND 58730

County Auditor
Williams County
PO Box 2047
Williston ND 58802-2047

County Commissioner
Williams County Commission
PO Box 2047
Williston ND 58802-2047