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October 21, 2014

Ms. Julie Prescott  
North Dakota Public  
Service Commission  
600 E. Boulevard Ave., Dept. 408  
Bismarck, ND 58505-0480



Dear Ms. Prescott:

In re: CHS, Inc.  
Case No. PU-14-731  
Certification Letter for Tank Construction  
at Minot Terminal  
Our File No. 20-640-000

We are writing on behalf of our client, CHS, Inc. We are in receipt of your letter dated October 15, 2014, to Mr. Mick Gee, Engineering Manager for CHS.

Your letter references the Certification letter dated September 24, 2014, from CHS to the Public Service Commission. In its letter CHS notified the Commission of its intent to construct three new tanks at its existing Minot terminal.

As stated in the CHS letter, the Minot terminal was acquired in 1959 and the original terminal facilities were constructed in 1960/1961. As such, this terminal facility predates North Dakota's siting act.

CHS enclosed a map depicting the location of the three new tanks to be constructed. In your letter you state that in a review of the map "it does not appear that the proposed construction would take place entirely within 350 feet of the centerline of the pipeline." You requested additional information as to the pipeline's construction date and location.

It appears you are indicating that CHS may not qualify for certification under North Dakota Century Code § 49-22-03(3)(a)(1)(c) as a "transmission facility" constructed before April 9, 1975, as not all the new tanks may be within 350' of the pipelines located within the Minot

terminal. However, the Siting Act defines a “transmission facility” in part as a “liquid transmission line and associated facilities.” NDCC 49-22-12(b). The certification statute refers to a “transmission facility” constructed before April 9, 1975. Clearly, the entire Minot terminal’s 1960 footprint is an “associated facility” of CHS’s 1960 pipeline from Laurel, Montana, to Minot. As CHS will construct the three new tanks within existing terminal grounds, the tanks clearly meet the footage requirements as they do not extend beyond the terminal’s 1960 footprint.

While it is correct that the Minot terminal was constructed before the adoption of the siting act on April 9, 1975, this is not the only basis for CHS to file a certification under North Dakota Century Code § 49-22-03(3)(a). The statute provides in part that construction does not include activities “conducted wholly within the geographic location for which a utility has previously obtained a certificate or permit under this chapter.”

In 1991 the Farmers Union Central Exchange, Inc. (now known as CHS, Inc.) had a pipeline project before the Public Service Commission in Case No. PU-126-90-625. The purpose of that case was the construction of a pipeline from the existing Minot terminal to West Fargo, and also numerous associated facilities. The Minot terminal is discussed numerous times in the application to the Public Service Commission, including that the pipeline will commence within the existing terminal. The facilities that were to be constructed at the Minot terminal was a substantial new pumping station and new electrical facilities including a pad mount transformer to bring additional electric loads onto the terminal grounds. A map enclosed within the application sets forth the existing Minot terminal location, and several diagrams note the construction of the additional pump station on the Minot terminal property.

The Findings of Fact, Conclusions of Law and Order, dated May 21, 1991, in Case No. PU-126-90-625 mentions the Minot terminal in several paragraphs. In addition, the “existing Minot terminal” is set forth on both the corridor certificate and route permit issued for that project.

As a result, in addition to CHS qualifying for a certification as a transmission facility constructed before April 9, 1975; the application and the order issued in Case No. PU-126-90-625 additionally qualifies it for certification under § 49-22-03(3)(a)(1)(a) as these three new tanks will be constructed wholly within the geographic location which CHS acquired in 1959 and for which in 1991 previously obtained a corridor certificate and route permit.

Thus, CHS requests that you also conduct your evaluation in light of the issuance of the corridor certificate and route permit to CHS in Case No. PU-126-90-625.

Also, in your letter you state that “in addition it appears that the location of the pipeline as presented does not correspond with that shown by PHMSA on their online National Pipeline Mapping System.” CHS has reviewed its pipeline locations within the Minot terminal and they appear to be very similar to what is on the National Pipeline Mapping System.

CHS submits its certification filing of September 24, 2014, fully complies with its right to file a certification pursuant to North Dakota Century Code § 49-22-03(3)(a)(1) under both subsections (a) and (c).

Please call should you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "BRIAN R. BJELLA", with a long horizontal flourish extending to the right.

BRIAN R. BJELLA

bw

cc: Mike Gee  
CHS, Inc.