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March 24, 2015

Via Hand Delivery

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

In re: Meadowlark Midstream Company, LLC/Epping Transmission Company, LLC
Little Muddy Creek Pipeline & Epping Station Project
Williams County
Case No. PU-14-769
Our File No.: 65-363-002

Dear Mr. Nitschke:

Please find enclosed eleven copies of the Proposed Findings of Fact, Conclusions of Law and Order.

If you have any questions, please feel free to contact me. Thank you.

Very truly yours,

John W. Morrison

lh
enc.

cc (via e-mail): Wade Mann
Zachary Pelham
John Millar
Megan Davis

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Proposed Findings of Fact, Conclusions of Law and Order
Meadowlark Midstream Company, LLC
John Morrison, Crowley Fleck, PLLP

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Meadowlark Midstream Company, LLC /Epping Transmission Company, LLC
Little Muddy Creek Pipeline & Epping Station Pjct
Williams County
Siting Application

Case No. PU-14-769

PROPOSED FINDINGS OF FACT

CONCLUSIONS OF LAW, AND ORDER

_____, 2015

Appearances

John W. Morrison, Attorney at Law, Crowley Fleck PLLP, 100 West Broadway, Suite 250, Bismarck, North Dakota 58501 on behalf of the Meadowlark Midstream Company, LLC and Epping Transmission Company, LLC

Zachary E. Pelham, Special Assistant Attorney General, 314 E. Thayer Ave., P.O. Box 400, Bismarck, ND 58502-0400 on behalf of the Public Service Commission.

Julie Prescott, Compliance and Competitive Markets Division, North Dakota Public Service Commission, 600 East Boulevard, Bismarck, North Dakota 58505

Wade C. Mann, Administrative Law Judge, Office of Administrative Hearings, 2911 North 4th Street, Suite 303, Bismarck, ND 58503, as Substantive Hearing Officer.

Preliminary Statement

On November 3, 2014, Meadowlark Midstream Company, LLC and Epping Transmission Company, LLC (jointly "Meadowlark") filed a joint application for a certificate of corridor compatibility and a joint application for a route permit for a proposed 14-mile, 10-inch diameter crude oil pipeline and associated facilities in Williams County, North Dakota. Also on November 3, 2014, Meadowlark filed a joint application for waiver of procedures and time schedules established under North Dakota Century Code sections 49-22-07, 49-22-08(5), 49-22-08.1(5), 49-22-13, and North Dakota Administrative Code section 69-06-01-02 and chapter 69-06-06, requiring separate filings, separate notices, and separate hearings on the certificate of

corridor compatibility and route permit applications

On January 21, 2015, the Commission found the applications complete and issued a Notice of Filings and Notice of Hearing scheduling a public hearing on March 18, 2015 at 9:00 a.m. CST at the Ernie French Center, NDSU, Williston, North Dakota 58801.

On February 11, 2015, the Commission requested the Director of the Office of Administrative Hearings to appoint an administrative law judge to serve as substantive hearing officer in the case.

On February 13, 2015, Wade C. Mann was designated to serve as substantive hearing officer.

The issues to be considered in Meadowlark's request for a waiver of procedures and time schedules are as follows:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects such that adherence to the 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 issues to be considered in Meadowlark's applications for certificate of corridor compatibility and route permit are as follows:

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse affects 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 March 18, 2015, the hearing was held as scheduled. Having allowed all interested persons an opportunity to be heard and having heard, reviewed, and considered all the evidence presented, the Hearing Officer makes the following:

Findings of Fact

1. Meadowlark and Epping are both Delaware limited liability companies authorized to transact business in the State of North Dakota. Meadowlark is authorized to do business in the State of North Dakota as evidenced by corporate papers filed with the Commission on April 30, 2014 in Case No. PU-14-224. Epping is authorized to do business in the State of North Dakota

as evidenced by corporate papers filed with the Commission on November 3, 2014 in Case No. PU-14-770.

Size, Type and Preferred Location of Facility

2. The proposed facilities (the "Project") consists of approximately 14 miles of 10-inch pipe and associated facilities consisting of two tanks at the Epping Station and a connection to the Little Muddy Compressor Station, all located in Williams County, North Dakota. Approximately 10 miles of the pipeline has been constructed and is currently being used as a gathering pipeline to gather oil from two well sites to the Epping Station, where a 20,000 barrel tank currently exists. The Project will include installing an additional tank and a pump at the Epping Station and an additional 4 miles of pipeline to connect the existing pipe to the Little Muddy Compressor Station

3. The maximum operating pressure of the pipeline will be 1,480 pounds per square inch, but Meadowlark anticipates normally operating the pipeline at a pressure of 500 pounds or less. At the maximum operating pressure the pipeline would have the capacity to ship 100,000 barrels of oil per day, but Meadowlark anticipates that at least initially the pipeline will be used to ship between 15,000 and 30,000 barrels of oil per day.

4. Aboveground facilities will include the existing 20,000 barrel tank, the additional 55,000 barrel tank and associated pumps at the Epping Station, and four block valves.

5. Meadowlark's witness testified that Williams County has denied a necessary conditional use permit for the construction of the 55,000 barrel tank. Meadowlark requests that the 55,000 barrel tank be included in the route permit, but acknowledges that the tank will not be constructed until the necessary permits are obtained and intends to operate the transmission system with the existing 20,000 barrel tank until that occurs.

6. The total cost of the project is approximately $18 million.

Need for Facility

7. Meadowlark concluded there is a need for the Project based on recent and significant increases in oil extraction in western North Dakota and a lack of efficient transportation methods.

Study of Preferred Location

8. Meadowlark evaluated a one-mile-wide study area ("Study Area") centered on the existing pipeline alignment and a direct connection to the Little Muddy Compressor Station.

Field surveys were conducted for cultural resources and natural resource over a 150-foot wide area centered on the pipeline alignment (the "Environmental Survey Area").

9. Meadowlark conducted a Class I literature search in the Study Area and a Class III cultural resources inventory in the Environmental Survey Area. Environmental data collected in the Environmental Survey Area included information on soils, land use, wetlands and waterbody crossings, noxious weeks, trees and shrubs, and protected species and habitat.

10. The following agencies were contacted by Meadowlark: the United States Fish and Wildlife Service, the North Dakota Game and Fish Department, the North Dakota Parks and Recreation Department, and the North Dakota Department of Trust Lands. No agencies expressed concern for the project.

11. In both a June 10, 2014 letter, and, after a minor reroute, an October 10, 2014 letter, the SHPO concurred with a "no significant sites" determination for the Project.

Siting Criteria

12. 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 69-06-07-02 are classified as Exclusion Areas, Avoidance areas, Selection Criteria, and Policy criteria.

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

14. An avoidance area is a geographical area that may not be considered in the routing of a transmission facility unless the applicant 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.

15. Although the application submitted by Meadowlark shows that there is one inhabited residence within 500 feet of the pipeline, evidence submitted at the hearing indicated that this structure was, in fact, not inhabited. Additionally, while there is a residence under construction approximately 700 feet from the pipeline, the owners of that residence have waived any objection

Mitigation to Minimize Impact

16. Meadowlark has personnel available in the area to respond to any conditions 24 hours a day, seven days a week. Valves will allow the pipeline to be quickly shut down in the event of any system failure. Meadowlark's SCADA system, located in its control center in Houston, TX, will report pipeline operations and facilitate early response to any breach or failure of the pipeline.

17. Meadowlark has agreed to a number of steps to mitigate the impact of the Project as indicated by the 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.

From the foregoing Findings of Fact, the Hearing Officer makes the following:

Conclusions of Law

1. The Commission has jurisdiction over Meadowlark, and the subject matter of this application under North Dakota Century Code Chapter 49-22.

2. Meadowlark 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 pipeline as a transmission line will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

5. The pipeline corridor and route are compatible with the environmental preservation and the efficient use of resources.

6. The pipeline corridor and route 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, as defined under 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 in the Application pursuant to North Dakota Century Code section 49-22-07.2

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

Order

The Commission orders:

1. Applicant's application for waiver of procedures and time schedules is granted.

2. Certificate of Corridor Compatibility No. ___ is issued to Meadowlark, designating a corridor for the construction, operation and maintenance of an approximately 14 mil, 10-inch crude oil transmission pipeline and associated facilities in Williams County, North Dakota. For purposes of the Certificate, the Corridor will consist of a 150-foot wide corridor centered on the pipeline route.

3. Route Permit No. ___ is issued to Meadowlark, granting authority to construct and operate an approximately 14-mile, 10 inch crude oil transmission pipeline and associated facilities in Williams County, North Dakota.

4. The Certificate of Compatibility for a Transmission Facility Corridor No. ____ and Route Permit for Construction of a Transmission Facility No. ____ are effective for the life of the Pipeline, but are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.

5. Meadowlark shall comply with all the rules and regulations of all other agencies having jurisdiction over any phase of the proposed project. Prior to commencing construction of any phase of the proposed project, Meadowlark shall obtain all other necessary licenses and permits for construction of such phase, and provide copies to the Commission prior to construction of each phase.

6. Meadowlark shall conduct a preconstruction conference to be held prior to the commencement of any additional construction. The conference must include a Meadowlark representative, Meadowlark's construction supervisor, and Commission staff, to ensure that Meadowlark fully understands the conditions set forth in this order.

7. Meadowlark shall comply with the Certification Relating to Order Provisions – Pipeline Siting filed in this proceeding and attached hereto.

8. Meadowlark shall notify the Commission as soon as reasonably possible if any damage, as defined by North Dakota Century Code Chapter 49-23, occurs to underground facilities during construction conducted under the certificate issued in this proceeding. In the event of any damage to underground facilities, Meadowlark shall suspend construction in the vicinity of the damage until compliance with One-Call Excavation Notice System requirements

under North Dakota Century Code Chapter 49-23 has been determined and clearance to proceed has been given by the Commission.

Dated this ___ day of _____, 2015.

PUBLIC SERVICE COMMISSION

_____	_____	_____
Randy Christman	**Julie Fedorchak**	**Brian P. Kalk**
Commissioner	**Chairman**	**Commissioner**