

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF NUSTAR PIPELINE OPERATING
PARTNERSHIP L.P. FOR A CERTIFICATE
OF CORRIDOR COMPATIBILITY AND
ROUTE PERMIT FOR THE LAUREL
INTERCONNECT PIPELINE PROJECT IN
CASS COUNTY, NORTH DAKOTA

CASE NO. PU-15-_____

**Application of NuStar Pipeline Operating Partnership L.P.
for Waiver or Reduction of Procedures and Time Schedules**

In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit (“Consolidated Application”) for the construction of the Laurel Interconnect Pipeline Project (the “Project”), which is an 8-inch refined products pipeline, approximately 7.3 miles in length, and associated facilities, all of which will be located in Cass County, North Dakota, NuStar Pipeline Operating Partnership L.P. (“NuStar”), submits to the North Dakota Public Service Commission (the “Commission”) this application for a waiver or reduction of procedures and time schedules set forth in Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code. In accordance with Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, NuStar requests that the Commission waive the following requirements:

1. The requirements to hold a separate hearing on a waiver request, a Certificate of Corridor Compatibility (“Corridor Certificate”) application and a Route Permit application, as may be required by Sections 49-22-07.2, 49-22-08, 49-22-08.1, and 49-22-13 of the North Dakota Century Code and Chapter 69-06-01-02 of the North Dakota Administrative Code. NuStar requests that the Commission hold a

single consolidated hearing on this waiver request and NuStar's Consolidated Application. NuStar also requests that the Commission shorten the three-month period specified in Section 49-22-08(5) of the North Dakota Century Code, and the six-month period specified in Section 49-22-08.1 of the North Dakota Century Code.

2. The requirements in Sections 49-22-08 and 49-22-08.1 of the North Dakota Century Code insofar as these sections may require the separate filing of applications for a Corridor Certificate and a Route Permit, and insofar as they require separate publication of notices for said applications.

Consistent with Section 69-06-06-01(2) of the North Dakota Administrative Code, NuStar provides the following information in support of its waiver requests:

A. Description of Proposed Project.

1. Type.

The Project is comprised of an underground pipeline and associated facilities for the transport of refined petroleum products. The underground, 8-inch pipeline will be approximately 7.3 miles long and will commence at a proposed pump station (the "Fargo Pump Station"), which will be located on up to 2 acres of land within the 60-acre site proposed for a Cenex Pipeline, LLC refined petroleum products terminal (the "Cenex Fargo Terminal"). From the Fargo Pump Station, the pipeline will extend south for approximately 7.3 miles, and at its terminus, the pipeline will interconnect with NuStar's existing North System Pipeline at a junction point approximately 2 miles southeast of Mapleton, North Dakota (the "Mapleton Junction"). The Mapleton Junction will be located on approximately 1 acre of land adjacent to the existing North System Pipeline. The Project will be constructed with unilateral southerly flow from the Fargo Pump Station to the Mapleton Junction.

At the Fargo Pump Station, NuStar would construct metering equipment, a pipeline pump station, a pig trap launcher, a pump control building, and supervisory control and data acquisition (“SCADA”) system and associated communication equipment. At the Mapleton Junction, NuStar would construct a pig trap receiver, an interconnect line and valves to connect to the NuStar North System Pipeline, a control building, and SCADA system and associated communication equipment.

2. Product.

The Project will transport refined petroleum products, such as gasoline and diesel fuel.

3. Capacity and Design.

The Project will require installation of an 8-inch outside diameter steel pipeline with a nominal wall thickness of 0.250 inches. The nominal wall thickness will increase to 0.322 inches for specific locations, such as waterbody, railroad, highway, and road crossings. The pipe material will be AP5L X42. The pipeline is designed for a maximum operating pressure (“MOP”) of 1,480 pounds of pressure per square inch gauge (“psig”) and maximum temperature of 100 degrees Fahrenheit. The maximum design flow rate for the Project is approximately 24,000 barrels per day (“bpd”). The Project will be constructed, operated, and maintained in accordance with 49 C.F.R. Part 195.

The proposed Fargo Pump Station would be located on up to 2 acres of land, and the proposed Mapleton Junction would be located on approximately 1 acre of land; the facilities would consist of the components described in Section A.1 above.

For additional analysis of the capacity and design for the proposed Project, please see Sections 1.0, 9.1, and 9.2 of NuStar’s Consolidated Application, which accompanies this waiver application.

4. Location.

The total length of the Project is approximately 7.3 miles, all of which is located in Cass County, North Dakota. The pipeline will originate at the Fargo Pump Station, located at the proposed Cenex Fargo Terminal approximately 1.3 miles southeast of Prosper, North Dakota. The pipeline will then run south to connect to the existing NuStar 10-inch North System Pipeline at the proposed Mapleton Junction, located an estimated 2.3 miles southeast of Mapleton, North Dakota. Maps of the proposed Project are provided in Appendix A to the Consolidated Application filed herewith.

5. Geographical Service Area.

As noted above, the Project is entirely located in Cass County and will transport refined petroleum products between the Fargo Pump Station at the proposed Cenex Fargo Terminal and the proposed Mapleton Junction. The refined petroleum products transported by the Project will be delivered to NuStar refined products terminals, including those located in Moorhead, Sauk Centre, and Roseville, Minnesota. From those terminals, the refined petroleum products will be distributed by and to customers in North Dakota and Minnesota.

6. Time Schedule.

NuStar proposes to develop the Project on the following schedule:

- November 2015 – The Commission issues a Corridor Certificate and Route Permit for the Project.
- May 2016 – NuStar will begin construction of the Project.
- September 2016 – NuStar will have completed construction of the Project.
- Commissioning and restoration activities will commence immediately following construction of the Project, and the Project will be in-service by October 2016.

7. Future Plans.

NuStar has no specific plans for additions to or modifications of the Project at this time.

8. Need for the Facility and Alternatives Considered.

The Project, in conjunction with the proposed Cenex Fargo Terminal, will provide a connection between Cenex's existing Laurel Pipeline and NuStar's existing North System Pipeline. This connection will enhance the refined petroleum products supply capabilities of both systems. Cenex's existing Laurel Pipeline extends from the Cenex Refinery in Laurel, Montana, through terminals in Montana and North Dakota, to Magellan Midstream Partners, L.P.'s West Fargo Tank Farm in Fargo, North Dakota. At the connected terminals, the refined petroleum products transported are distributed to Cenex's customers (e.g., retail outlets and contract end-users) in North Dakota, Montana, and Minnesota. NuStar's existing North System Pipeline extends from the Tesoro Refinery in Mandan, North Dakota, through NuStar terminals in Jamestown, North Dakota, and Moorhead and Sauk Center, Minnesota, to a terminal in Roseville, Minnesota. NuStar's North System Pipeline also transports refined petroleum products produced in Kansas, Oklahoma, and Texas, which are delivered to a terminal in Jamestown via a NuStar refined products pipeline extending north from Kansas. At the various terminals along the North System Pipeline, the refined petroleum products are distributed by customers (e.g., retail outlets and contract end-users) in North Dakota and Minnesota.

The Project will provide Cenex with greater refined product supply optionality through the use of NuStar's North System Pipeline. The Project will also enable NuStar to more efficiently distribute diesel fuel and gasoline within the state of North Dakota. Moreover, the additional supply from Cenex's Laurel Pipeline will enable NuStar to take more gasoline and diesel fuel off of the North System Pipeline at the Jamestown terminals to meet increased demand in North Dakota, and still continue to fulfill refined petroleum product customer needs downstream at NuStar's Moorhead, Sauk Center and Roseville terminals. In short, connecting to Cenex's refined products system will better enable NuStar to ensure refined petroleum product

customers at its terminals (including the Jamestown and Moorhead terminals) receive the amounts and types of products required and can, in turn, meet the needs of North Dakota and Minnesota consumers in the surrounding areas.

For additional analysis of the need for the proposed Project, including a discussion of alternatives evaluated, please see Sections 3.0 and 13.0 of NuStar's Consolidated Application, which accompanies this waiver application.

9. Ten Year Plan.

The Project is consistent with NuStar's Ten Year Plan for 2015-2025, which was filed with the Commission on September 16, 2015.

10. Cost.

NuStar estimates that it will cost approximately \$12 million to develop the Project.

B. Waiver Request.

NuStar requests that the Commission grant the waivers requested herein because these waivers are needed to prevent potentially significant delays to the Project. Without the waivers of time schedules and procedures requested, completion of NuStar's proposed Project will be delayed, which in turn, will delay the increase in supply optionality for both NuStar and Cenex and the resulting benefits to NuStar and Cenex customers and North Dakota and Minnesota refined petroleum product consumers.

Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that "the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in NuStar's Consolidated Application, granting the waivers requested is appropriate because the proposed Project will produce minimal adverse effects due to its length (approximately 7.3 miles), its design (an underground, small-diameter pipeline with

limited above-ground appurtenances), its location (avoiding Exclusion Areas and avoiding impacts to Avoidance Areas, as set forth in Section 69-06-08-02 of the North Dakota Administrative Code), and its purpose (underground transportation of refined petroleum products).

In determining whether the Project will result in adverse impacts on the environment, NuStar evaluated the impacts of the Project considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22-09 of the North Dakota Century Code. Impacts associated with the Project, and mitigation measures that will be taken with respect to said impacts, are summarized in Sections 14.0 and 16.0 through 19.0 of the Consolidated Application. Based upon NuStar's siting criteria evaluation, the Project will have minimal adverse effects.

Accordingly, NuStar respectfully requests that the Commission grant the requested waivers and render an expeditious decision.

Dated this 17th day of September 2015.

FREDRIKSON & BYRON, P.A.

By 

MOLLIE M. SMITH, ND Bar #06714
*Attorney for NuStar Pipeline Operating
Partnership L.P.*
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402-1425
(612) 492-7270

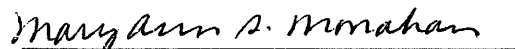
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

MOLLIE M. SMITH, of lawful age, being first duly sworn, on oath deposes and says:

That she is the duly elected and qualified attorney for Applicant in the foregoing application; that she executed the foregoing application for and on behalf of said Applicant and as its said attorney that she has read said application and knows the contents thereof, and that the statements made and contained therein are, to the best of her knowledge and belief, true and correct.


MOLLIE M. SMITH

Subscribed and sworn to before me this 17th day of September, 2015.


Notary Public

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