

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Tesoro High Plains Pipeline Company LLC
12-inch Crude Oil Pipeline – McKenzie County
Siting Application**

Case No. PU-15-720

**ORDER ON RECOMMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND
ORDER**

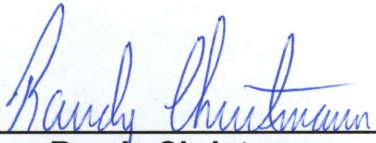
March 9, 2016

The evidence of record has been considered and appraised.

The Commission orders:

1. The Hearing Officer's February 23, 2016 Recommended Findings of Fact, Conclusions of Law and Order, a copy of which is attached to this Order and made a part of this Order, is ADOPTED as the Commission's Findings of Fact, Conclusions of Law and Order.
2. Certificate of Corridor Compatibility No. 182 is issued to Tesoro High Plains Pipeline Company LLC, designating a corridor for the construction, operation, and maintenance of approximately 1.4 miles of 12-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota. The Corridor will consist of a 400-foot wide corridor centered on the designated route.
3. Route Permit No. 194 is issued to Tesoro High Plains Pipeline Company LLC, designating a route for the construction, operation, and maintenance of approximately 1.4 miles of 12-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota. The designated route for this purpose is depicted in Appendix A-2 "Targa Antelope Lateral Pipeline Alignment Map" of Hearing Exhibit 1.

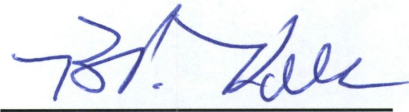
PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

Certificate of Corridor Compatibility Number 182


This is to certify that the Commission has designated a transmission facility corridor for Tesoro High Plains Pipeline Company LLC for the construction, operation, and maintenance of approximately 1.4 miles of 12-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota.

This certificate is issued in accordance with the Order of the Commission dated March 9, 2016 in Case No. PU-15-720 and is subject to the conditions and limitations noted in the Order.

Bismarck, North Dakota, March 9, 2016.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Tesoro High Plains Pipeline Company LLC
12-inch Crude Oil Pipeline – McKenzie County
Siting Application

Case No. PU-15-720

RECOMMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

February 23rd, 2016

Appearances

Danielle Krause, Attorney at Law, Fredrikson & Byron, P.A., 1133 College Drive, Suite 1000, Bismarck, North Dakota 58501, on behalf of Tesoro High Plains Pipeline Company LLC.

John Schuh, Special Assistant Attorney General, Legal Counsel for Public Service Commission, 600 E. Boulevard Ave., Dept. 408, Bismarck, North Dakota 58505.

Patrick J. Ward, Administrative Law Judge, Office of Administrative Hearings, 316 North Fifth Street, Bismarck, North Dakota 58503, as Substantive Hearing Officer.

Preliminary Statement

On November 5, 2015, Tesoro High Plains Pipeline Company LLC (“Tesoro”), 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 1.4-mile, 12-inch crude oil pipeline and associated facilities in McKenzie County, North Dakota (the “Project”). The Project will transport crude oil between Tesoro’s existing main trunk line and the Targa Resources, Inc. surface site and associated facilities in McKenzie County, North Dakota.

Also on November 5, 2015, in connection with the Application, Tesoro filed an application for waiver of procedures and time schedules established under North Dakota Century Code sections 49-22-07.2, 49-22-08, 49-22-08.1, 49-22-13, and North Dakota Administrative Code chapter 69-06-06 and section 69-06-01-02, requiring 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.

On December 16, 2015, the Commission deemed Tesoro’s Application complete and issued a Notice of Filings and Public Hearing (“Notice”) scheduling a hearing for February 11, 2016, at 11:30 a.m. Central Time at Teddy’s Residential Suites, 113 9th Avenue SE, Watford City, North Dakota 58854.

The Notice 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 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 February 11, 2016 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 Hearing Officer makes the following:

Findings of Fact

1. Tesoro is a Delaware limited liability company 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.

Need for the Facility

2. Tesoro concluded there is a need for the Project because the Project will allow a connection between the Targa surface site and Tesoro's existing mainline. The construction of the Project as an interconnection would have a positive effect on efficient transportation of crude oil and would relieve some of the impacts resulting from trucking the crude oil.
3. The Project will enable Tesoro to more fully utilize its existing pipeline system, increase the storage and transportation capabilities of its system, and provide increased flexibility in transporting Bakken crude oil to Tesoro's Mandan Refinery and other customer outlets for various crude oil producers.

Size, Type, and Preferred Location of Facility

4. The Project will consist of approximately 1.4 miles of 12-inch diameter steel pipeline to be located in McKenzie County, North Dakota.
5. The Project will be constructed between the Targa Resources, Inc. surface site and the existing Tesoro main trunk line.
6. The pipe to be used for the Project will have a wall thickness of 0.375 inches. The maximum operating pressure of the pipeline will be 1,440 pounds per square inch.
7. The maximum design flow rate of the Project will be 75,000 barrels of oil per day.
8. Above-ground facilities will consist of meter and receipt facilities within the Targa facility location, along with associated pigging and automation controls required for operation. Tap and pig receiving equipment will be installed adjacent to Tesoro's existing 12-inch main line.
9. The design, construction, and operation of the pipeline will be in accordance with the United States Department of Transportation ("USDOT") regulations governing the transportation of crude oil, including USDOT regulations as set forth in 49 Code of Federal Regulations Part 195.
10. The total anticipated cost of the Project is approximately \$8.9 million.

Study of Preferred Location

11. Tesoro evaluated a one-mile-wide study area centered on the route ("Study Area") for exclusion and avoidance areas, wetlands and waterbodies, wildlife, trees and shrubs, and natural and cultural resources.
12. Field surveys were conducted on a 400-foot-wide area centered on the route ("Survey Area") 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, and protected species and habitats.
13. Tesoro conducted a Class I cultural resource literature search on the Study Area and a Class III cultural resources field inventory on the Survey Area.
14. The following agencies were contacted by Tesoro regarding the Project: United States Fish and Wildlife Service; North Dakota Game and Fish Department ("NDGFD"); North Dakota Parks and Recreation Department ("NDPRD"); North Dakota State Historic Preservation Office ("SHPO"); North Dakota Department of Health; United States Army Corps of Engineers; North Dakota Aeronautics Commission; North Dakota Department of Vocational Education; North Dakota Highway Department; North Dakota Indian Affairs Commission; North Dakota State Water Commission; North Dakota Pipeline Authority; North Dakota Office of Attorney General;

North Dakota Department of Human Services; North Dakota Department of Commerce; North Dakota Geological Survey; North Dakota Department of Transportation (“NDDOT”); Job Service North Dakota; Division of Community Services; North Dakota Industrial Commission; Federal Aviation Administration; McKenzie County Commission; North Dakota Department of Agriculture; North Dakota Department of Labor; Energy Development Impact Office; Office of the Governor; North Dakota State Land Department; North Dakota State Soil Conservation Committee; United States Department of Defense; and North Dakota Transmission Authority.

15. In a response dated June 30, 2015, 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.

16. In a response dated July 2, 2015, the NDGFD indicated that wetlands are located within the proposed project corridor, and recommended steps be taken to protect wetlands, that no alterations be made to existing drainage patterns, that above-ground appurtenances not be placed in wetland areas, and that unavoidable destruction or degradation of wetland acres be mitigated in kind. The NDGFD further indicated that the Project should not have any significant adverse effects on wildlife or wildlife habitat, including species of concern, provided the recommendations of the NDGFD are implemented where appropriate and disturbed areas are reclaimed to pre-project conditions.

17. In a response dated July 14, 2015, the SHPO concurred with a “No Historic Properties Affected” recommendation for the Project, provided the Project remains as described and mapped in the Class III cultural resource report.

18. In a response dated January 13, 2016, the NDDOT indicated that the Project should have no adverse effect on the NDDOT highways.

Siting Criteria

19. 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.

20. Tesoro evaluated the Project for the Exclusion, Avoidance, Selection, and Policy criteria of the Commission.

21. An Exclusion Area may not encompass more than fifty percent of a corridor width unless there is no reasonable alternative. An Exclusion Area must be excluded in the consideration of a route for a transmission facility. A buffer zone of a reasonable width to protect the integrity of an Exclusion Area must be included in the siting of the transmission facility.

22. Designated or registered state parks, historic sites, monuments, historical markers, archaeological sites, and nature preserves are considered to be Exclusion Areas. One

architectural site is located in the Survey Area, but this area is not crossed by the route. The SHPO has issued its concurrence with the proposed route.

23. No other Exclusion Areas are present within the Survey Area.

24. An Avoidance Area is a geographic 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.

25. No Avoidance Areas are present within the Survey Area.

26. Wetland surveys and a jurisdictional determination were completed for the proposed route. Wetlands are present within the Survey Area and will be crossed by the route. Tesoro will take steps to protect wetlands and waterbodies, and no permanent impacts to wetlands or waterbodies are anticipated.

27. 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. Tesoro 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.

28. In accordance with the Commission's Policy Criteria, preference may be given to an application demonstrating certain benefits of the transmission facility. Tesoro 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. Tesoro 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

29. Tesoro 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.

30. Tesoro testified that a supervisory control and data acquisition system ("SCADA") will be installed as part of the Project. Operations will be continuously monitored by a control center in San Antonio, Texas, which will have the ability to remotely shut down the Project.
31. Tesoro testified that trained emergency response personnel, along with spill response equipment, will be located in Watford City, North Dakota.
32. Tesoro testified that it participates in the North Dakota One-Call Excavation System.
33. Tesoro testified that all landowner easements needed for construction of the Project have been obtained.
34. The design, construction, and operation of the Project will be in accordance with the United State Department of Transportation regulations governing the transportation of crude oil, including U.S. Department of Transportation regulations as set forth in 49 C.F.R. Part 195.

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

Conclusions of Law

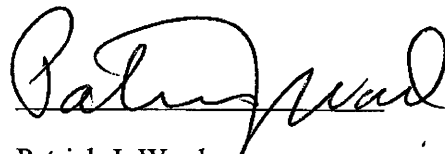
1. The Commission has jurisdiction over Tesoro and the subject matter of the Application under Chapter 49-22 of the North Dakota Century Code.
2. Tesoro is a utility as defined in Section 49-22-03(13) of the North Dakota Century Code.
3. The Project is a transmission facility as defined in North Dakota 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 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, as defined under Section 49-22-07.2 of the North Dakota Century Code.
8. The Project is of such design and location that it will produce minimal adverse effects, and, therefore, it is appropriate for the Commission to waive those certain procedures and time schedules as requested in the waiver application under North Dakota Century Code Section 49-22-07.2 and North Dakota Administrative Code Chapter 69-06-06.

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

Recommended Order

1. Tesoro's application for a waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. ___ is issued to Tesoro High Plains Pipeline Company LLC, designating a corridor for the construction, operation, and maintenance of approximately 1.4 miles of 12-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota. The Corridor will consist of a 400-foot-wide corridor centered on the pipeline route as surveyed.
3. Route Permit No. ___ is issued to Tesoro High Plains Pipeline Company LLC designating a route for the construction, operation, and maintenance of approximately 1.4 miles of 12-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota. For purposes of the Permit, the designated route is the proposed route depicted in Appendix A-3 of the Consolidated Application.
4. The February 9, 2016, Certification Relating to Order Provisions – Transmission Facility Siting ("Certification"), with accompanying Tree and Shrub Mitigation Specifications, is incorporated by reference and attached to this Order.
5. To the extent that there are any conflicts or inconsistencies between Tesoro's Applications in this proceeding and the Certification, the Certification provisions control.

Dated at Bismarck, North Dakota this 23rd day of February 2016.



Patrick J. Ward
Administrative Law Judge
Office of Administrative Hearings

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

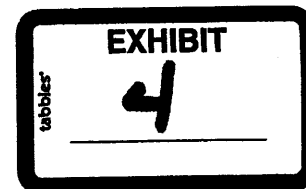
Tesoro High Plains Pipeline Company LLC
12-Inch Crude Oil Pipeline – McKenzie County
Siting Application

Case No. PU-15-720

CERTIFICATION RELATING TO ORDER PROVISIONS
TRANSMISSION FACILITY SITING
NEW FACILITY CONSTRUCTION

I am James Sanford, a representative of Tesoro High Plains Pipeline Company LLC ("Company") with authority to bind Company to requirements to be set forth by the Commission in its Order and I certify the following:

1. Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission will be subject to the conditions and criteria set forth in Chapter 49-22 of the North Dakota Century Code and Chapter 69-06-08 of the North Dakota Administrative Code, and that Company shall be responsible for compliance with this order and conditions and criteria set forth in the applicable laws and rules.
2. Company agrees to comply with the rules and regulations of all other agencies having jurisdiction over any phase of the transmission facility including all city, township, and county zoning regulations.
3. Company understands and agrees that it shall obtain all other necessary licenses and permits, and shall provide copies of all licenses and permits to the Commission prior to construction activity associated with the transmission facility that requires said license or permit.
4. Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission is subject to suspension or revocation and may, in an appropriate and proper case, be suspended or revoked for failure to comply with the Commission's order, the conditions and criteria of the certificate or subsequent modification, or failure to comply with the applicable statutes, rules, regulations, standards, and permits of other state or federal agencies.
5. Company agrees to maintain records that will demonstrate that it has complied with the requirements of the Commission's order issuing a Certificate of Corridor Compatibility or Route Permit, and that it will preserve these records for Commission inspection at any reasonable time upon reasonable notice.
6. Company understands and agrees that the authorizations granted by any Certificate of Corridor Compatibility or Route Permit issued by the Commission for



the transmission facility are subject to modification by order of the Commission if deemed necessary to protect further the public or the environment.

Construction:

7. Company agrees to hold a preconstruction conference prior to commencement of any construction, which must include a Company representative, its construction supervisor, and a representative of Commission Staff, to ensure that Company fully understands the conditions set forth in the Commission's order.
8. Company understands and agrees that all cultural resource mitigation plans must be submitted to the North Dakota State Historic Preservation Office and approved prior to the start of any fieldwork and construction activity in the affected area.
9. Company agrees to inform the Commission and the Commission's third-party construction inspector of its intent to start construction on the transmission facility prior to the commencement of construction. Once construction has started, Company shall keep the Commission and the Commission's third-party construction inspector updated on construction activities on a monthly basis.
10. Company understands and agrees that the pipeline will be buried to a minimum depth from the ground surface to the top of the pipe of 48 inches in range land, 48 inches for cultivated land, 48 inches at the bottom of the ditch for road crossings, and 72 inches across undeveloped section lines.
11. Company understands and agrees that all topsoil, up to 12 inches, or topsoil to the depth of cultivation, whichever is greater, over and along trench areas where cuts will be made, must be stripped and segregated from the subsoil. Any area on which excavated subsoil will be placed must also be stripped of topsoil. After backfilling is completed, any excess subsoil must be placed over the excavation area, blending the grade into existing topography. Topsoil must be replaced over areas from which it was stripped only after the subsoil is replaced.
12. Company understands and agrees that all buried facility crossings of graded roads must be bored unless the responsible governing agency specifically permits Company to open cut the road.
13. Company understands and agrees that staging areas or equipment shall not be located on land owned by a person other than Company unless otherwise negotiated with landowners.
14. Company understands and agrees that if any cultural resource, paleontological site, archeological site, historical site, or grave site is discovered during construction, it must be marked, preserved and protected from further disturbances until a

professional examination can be made and a report of such examination is filed with the Commission and the State Historical Society.

15. Company understands and agrees that construction must be suspended when weather conditions are such that construction activities will cause irreparable damage to roads or land, unless adequate protection measures are taken by Company.

Restoration and Maintenance:

16. Company understands and agrees that it shall, as soon as practicable upon the completion of the construction of the transmission facility, restore the area affected by the activities to as near as is practicable to the condition as it existed prior to the beginning of construction.
17. Company understands and agrees that all pre-existing township and county roads and lanes used during construction must be repaired or restored to a condition that is equal to or better than the condition prior to the construction of the transmission facility and that will accommodate their previous use, and that areas used as temporary roads or working areas during construction must be restored to their original condition.
18. Company understands and agrees that reclamation, fertilization, and reseeding is to be done according to the Natural Resources Conservation Service recommendations, unless otherwise specified by the landowner and approved by the Commission.
19. Company understands and agrees that its obligation for reclamation and maintenance of the transmission facility right-of-way, transmission facility, associated facilities, fences and gates, drainage tile, and roadways will continue throughout the life of the transmission facility.
20. Company agrees to comply with the Tree and Shrub Mitigation Specifications, attached.
21. Company understands and agrees that it shall remove all waste that is a product of construction and operation, restoration, and maintenance of the site, and properly dispose of it on a regular basis.
22. Company understands and agrees that it shall provide any necessary safety measures for traffic control or to restrict public access to the transmission facility.

Communication with Landowners and PSC:

23. Company understands and agrees that, prior to beginning construction of the transmission facility at a location, it shall send a letter to each landowner with whom an easement was executed for that location specifying the name and phone number of the company representative who is responsible for receiving and resolving landowner issues for the life of the easement.
24. Company understands and agrees that it will file with the commission the name and phone number of the current company representative who is responsible for receiving and resolving landowner issues for the transmission facility. The company will update this information whenever there is a change to the current company representative for the life of all easements for the transmission facility.
25. Upon request, Company agrees to provide the Commission with engineering design drawings of the transmission facility prior to construction.
26. Company understands and agrees that it shall advise the Commission as soon as reasonably possible of any extraordinary events which take place at the site of the transmission facility, including injuries to any person.
27. Company agrees to report to the Commission, as soon as reasonably possible, the presence in the permit area of any critical habitat or threatened or endangered species of which Company becomes aware and which were not previously reported to the Commission.
28. Company understands and agrees that it shall inform the Commission in writing of any plans to modify the transmission facility or of any plans to modify the site plan for the transmission facility.
29. Company agrees to provide the Commission with both an electronic and a paper copy of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built, and will provide this information within 3 months of the completion of the construction. Company also agrees to provide an electronic version of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built that can be imported into ESRI GIS mapping software within 3 months of the completion of the construction. This electronic map data must be referenced to the North Dakota coordinate system of 1983, North and/or South zones US Survey feet (NAD 83) UTM Zone 13N or 14N feet (NAD 83), or geographic coordinate system (WGS 84) feet. The vertical data must be in the appropriate vertical datum for the coordinate system used. All submissions must specify the datum in which the data was developed.

30. Company 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 or permit issued in this proceeding. In the event of any damage to underground facilities, Company 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.

Route Adjustments Before or During Construction:

31. Company agrees to utilize the following procedures if Company seeks a route adjustment before or during construction of the pipeline, pursuant under N.D.C.C. §49-22-16.3:
32. Company will specifically identify which subsection of NDCC 49-22-16.3 it is requesting the adjustment under. Company will file the name and contact information for a key contact person for the purposes of notice and communication during the adjustment application.
33. **ROUTE ADJUSTMENT WITHIN DESIGNATED CORRIDOR, NO AVOIDANCE AREA AFFECTED:** Before conducting any construction activities for any adjustment to the designated route within the designated corridor under NDCC 49-22-16.3(1), the Company will file:
 - a. Certification and supporting documentation affirming that construction activities will be within the designated corridor, will not affect any known exclusion or avoidance areas within the designated corridor;
 - b. Certification and supporting documentation, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying the designated corridor, route and the route adjustment;
 - c. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.
34. **ROUTE ADJUSTMENT WITHIN DESIGNATED CORRIDOR, AVOIDANCE AREA AFFECTED:** Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(2), within the designated corridor that may affect an avoidance area, and before conducting any construction activities for any adjustment to the designated route within the designated corridor, the Company will file:
 - a. A specific description of the avoidance area expected to be impacted, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying:
 - i. the designated corridor, route and the route adjustment;

- ii. all exclusion and avoidance areas within the portion of the designated corridor containing the route adjustment
- b. Certification and supporting documentation affirming:
 - i. That construction activities will be within the designated corridor
 - ii. That construction activities will not affect any known exclusion area
- c. All field studies performed on the portion of the designated corridor containing the route adjustment;
- d. Specific information about any mitigation measures Company will take within the adjustment area;
- e. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment;
- f. Certification that unless the Commission previously authorized the impact to the same avoidance area, that the utility has good cause and a specific reason to impact the avoidance area and a reasonable alternative does not exist;
- g. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.

Company acknowledges and agrees that:

1. Written authorization from the Commission for impacting the avoidance area is necessary prior to commencement of construction activity unless the Commission fails to act within ten working days of receipt of filing a complete adjustment application, in which case the adjustment is deemed approved.
2. The initiation of the ten working days begins upon receipt of a complete filing, to include Company's certifications, supporting documentation and maps. However, Commission may extend the ten working day provision if Company, in the person of the key contact referenced above, is informed of the reason additional time is necessary for extension and has no objection to an extension.

35. **ROUTE ADJUSTMENT OUTSIDE DESIGNATED CORRIDOR, NO AVOIDANCE AREA AFFECTED:** Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(3), outside the designated corridor and not affecting any exclusion and avoidance area, before conducting any construction activities for any adjustment to the designated route outside the designated corridor, the Company will file:

- a. Certification and supporting documentation affirming that construction activities will not affect any known exclusion or avoidance areas,
- b. Certification and supporting documents stating the length of the proposed route outside of the corridor and a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying the designated corridor, corridor adjustment, designated route and the route adjustment;

- c. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment; and
- d. Detailed field studies indicating exclusion and avoidance areas for the proposed adjustment area; and
- e. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route

36. ROUTE ADJUSTMENT OUTSIDE DESIGNATED CORRIDOR, AVOIDANCE AREA AFFECTED: Before adjusting the route of a gas or liquid transmission line under NDCC 49-22-16.3(4), outside the designated corridor that may affect an avoidance area, and before conducting any construction activities for any adjustment to the designated route outside the designated corridor, the Company will file:

- a. A specific description of the avoidance area expected to be impacted, including a map meeting the requirements of N.D. Admin. Code § 69-06-04-01(2)(n) identifying:
 - i. the designated corridor, corridor adjustment, route and the route adjustment;
 - ii. all exclusion and avoidance areas within the adjustment area
- b. Certification that construction activities will not affect any known exclusion area;
- c. Certification that the utility has good cause and a specific reason to impact the avoidance area and a reasonable alternative does not exist within the designated corridor and route;
- d. Certification that each owner of real property on which the adjustment is to be located and any applicable governmental entity with an interest in the same adjustment area do not oppose the adjustment;
- e. Provide specific information about any mitigation measures Company will take within the adjustment area;
- f. Detailed field studies indicating exclusion and avoidance areas for the proposed adjustment area; and
- g. Certification that Company will comply with the Commission's order, law and rules designating the corridor and route.

Company acknowledges and agrees that:

1. Written authorization from the Commission for impacting the avoidance area is necessary prior to commencement of construction activity unless the Commission fails to act within ten working days of receipt of filing a complete adjustment application, in which case the adjustment is deemed approved.
2. The initiation of the ten working days begins upon receipt of a complete filing, to include Company's certifications, supporting documentation and maps. However, Commission may extend the ten working day provision if Company, in the person of the key contact referenced above, is informed of

the reason additional time is necessary for extension and has no objection to an extension.

37. When applicable, Company may submit the field studies from the original application for the corridor and route provided they cover the adjustment area.

Dated this 9th day of February, 2016.

TESORO HIGH PLAINS PIPELINE COMPANY LLC

By James Sanford
James Sanford

Its Director, Right-of-
Way & Real Estate

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Tesoro High Plains Pipeline Company LLC
12-inch Crude Oil Pipeline – McKenzie County
Siting Application

Case No. PU-15-720

Tree and Shrub Mitigation Specifications

Inventory

1. Trees and shrubs anticipated to be cleared, including those that are considered invasive species or noxious weeds (e.g., *Caragana arborescens*, *Elaeagnus angustifolia*, *Rhamnus cathartica*, *Tamarix chinensis*, *T. parviflora*, *T. ramosissima*, *Ulmus pumila*), must be inventoried before cutting. The inventory must record the location, number, and species of trees and shrubs.
2. In windbreaks, shelterbelts and other planted areas, trees or shrubs anticipated to be cleared, regardless of size, must be inventoried for replacement.
3. In native growth areas, trees anticipated to be cleared that are 1 inch diameter at breast height (dbh) or greater must be inventoried for replacement.
4. In native growth areas, shrubs anticipated to be cleared in the permanent right-of-way must be inventoried for replacement.
5. In native growth areas outside the permanent right-of-way, shrubs must be cut flush with the surface of the ground, taking care to leave the naturally occurring seed bank and root stock intact. If soil disturbance is necessary, the native topsoil must be preserved and replaced after construction. Shrubs must be allowed to regenerate naturally where native topsoil is preserved and replaced. Where native topsoil is not preserved and replaced, shrubs anticipated to be cleared must be inventoried for replacement.

6. In native growth areas, trees and shrubs may be inventoried by actual count or by a sampling method that will properly represent the woody vegetation population. A sampling plan developed by the company, filed with the North Dakota Public Service Commission (Commission) and approved prior to the start of construction must define the sampling method to be used for trees, for tall shrubs and for low shrubs. The data from the sample plots must be extrapolated to the total acreage of the wooded area to be cleared to determine the species and quantity of trees and shrubs to be replaced.

Clearing for Construction

7. Trees and shrubs must be selectively cleared, leaving mature trees and shrubs intact where practical.
8. The maximum width of clear cuts through windbreaks, shelterbelts and all other wooded areas is 50 feet, unless otherwise approved by the Commission.
9. If the area of trees or shrubs actually cleared differs from the area inventoried, the difference in number of trees and shrubs to be replaced must be noted on the inventory.

Replacement

10. Prior to tree and shrub replacement, documentation identifying the number and variety of trees and shrubs removed, as well as the mitigation plan for the proposed number, variety, type, location and date of replacement plantings, must be filed with the Commission for approval.
11. Two 2-year-old saplings must be planted for every one tree removed. Two shrubs (stem cuttings) must be planted for every one shrub removed.
12. Except in the case of invasive or noxious species, trees and shrubs must be replaced by the same species or similar species, suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service.

Invasive or noxious species must be replaced by similar non-invasive or non-noxious species suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service.

13. Tree and shrub replacement must not be conducted within a 20 to 30 foot wide path over the pipeline to facilitate visual inspections of the right-of-way in accordance with U.S. Department of Transportation safety regulations.
14. Landowners must be given the option of having replacement trees and shrubs planted on the landowner's property, either on or off the right-of-way. The landowner must also be given the opportunity to waive those options in writing in order to have replacement trees and shrubs planted off the landowner's property.
15. At the conclusion of the project, documentation identifying the actual number, variety, type, location and date of the replacement plantings must be filed with the Commission.
16. Tree and shrub replacements must be inspected annually, in September, for three years. The first annual inspection must be at least one year from the anniversary date of the original plantings. A report of each annual inspection must be submitted to the Commission by October 1 of each year, documenting the condition of plantings and any woodlands work completed as of September of each year. If after the third annual report the survival rate is less than 75%, the Commission may order additional planting(s).