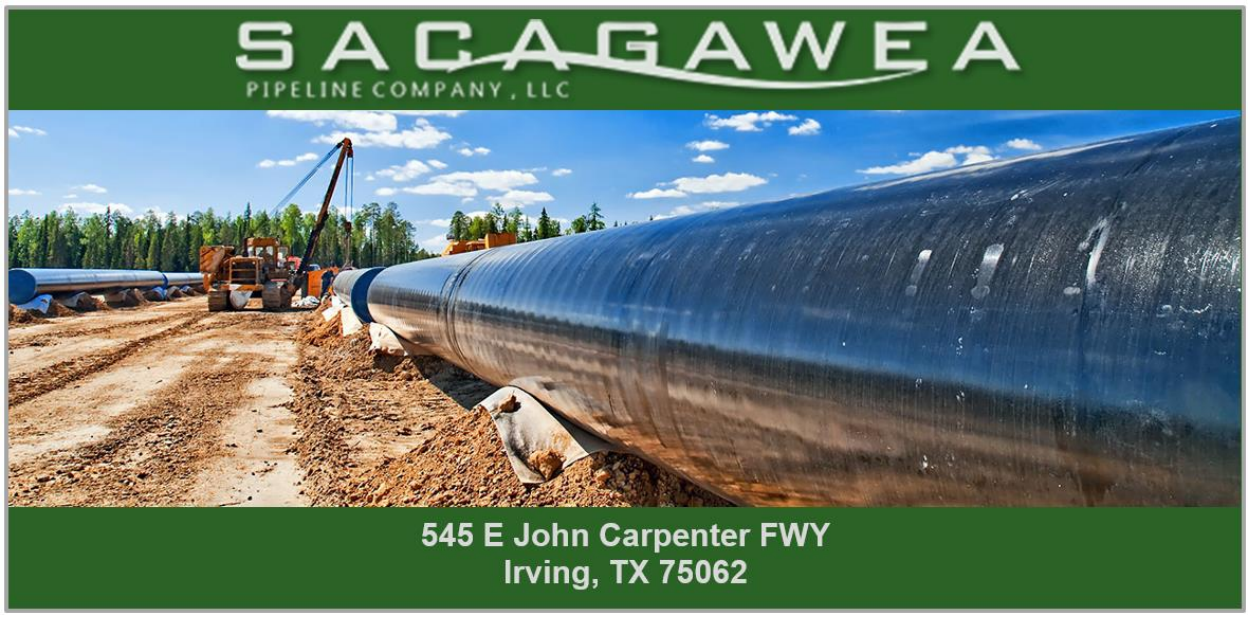
Amendment of Certificate of Corridor Compatibility Application

PU-15-744

Johnson's Corner Connector Crude Oil Pipeline
McKenzie County

February 2016



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Refer to the Application as filed; no changes have resulted from the modification.

INTRODUCTION

Sacagawea Pipeline Company, LLC ("Sacagawea"), submitted a Certificate of Corridor Compatibility and Route Permit Application to the North Dakota Public Service Commission ("Commission" or "PSC") for the proposed construction of a 16-inch crude oil pipeline approximately 13 miles in length located in McKenzie County, North Dakota on November 20, 2015 (PU-15-744). Since the original submittal, Sacagawea has identified the need for an additional pipeline segment that would originate from Johnson's Corner, North Dakota and terminate at an interconnection with the Dakota Access Pipeline ("DAPL"). Sacagawea has prepared this Amended Application to address this additional segment known as "JC to DAPL".

In accordance with Chapter 49-22 of the North Dakota Century Code, Section 69-06-08-02 of the North Dakota Administrative Code, and the Commission's Energy Conversion and Transmission Facility Siting Guidelines, Sacagawea provides the following information to support its amended request for a Certificate of Corridor Compatibility for the Project.

SECTION A DESCRIPTION OF PROPOSED FACILITY

A.1 Type and Size of Facility

A.1 (a) Type

The JC to DAPL segment will involve approximately 2 miles of pipeline installation. The steel pipe utilized for construction of the Project will meet United States Department of Transportation ("US DOT") regulations, specifically the design criteria outlined in 49 C.F.R. Subpart 195(C). The Project will be constructed per 49 C.F.R. Subpart 195(D). The Project will be operated and maintained per 49 C.F.R. Subpart 195(F).

A.1 (b) Size

Refer to the Application as filed on November 20, 2015; no changes have resulted from the modification.

A.1 (c) Length

The JC to DAPL segment will involve approximately 2 miles of pipeline installation. The total Project will involve approximately 15 miles of pipeline installation.

A.2 Purpose of Facility

The purpose of the JC to DAPL segment will be to transport crude oil from Johnson's Corner to an interconnection with the DAPL.

The interconnection with the DAPL will provide pipeline access to multiple refinery markets throughout the United States, including the Illinois market.

A.3 Location

The JC to DAPL segment would originate from a location near Johnson's Corner, North Dakota and terminate at an interconnection with DAPL. The Project is located entirely within McKenzie County. Figure A1.A.1 is an updated general location map of the entire Project.

A.4 Aboveground Facilities

No additional above ground facilities will result from the amendment.

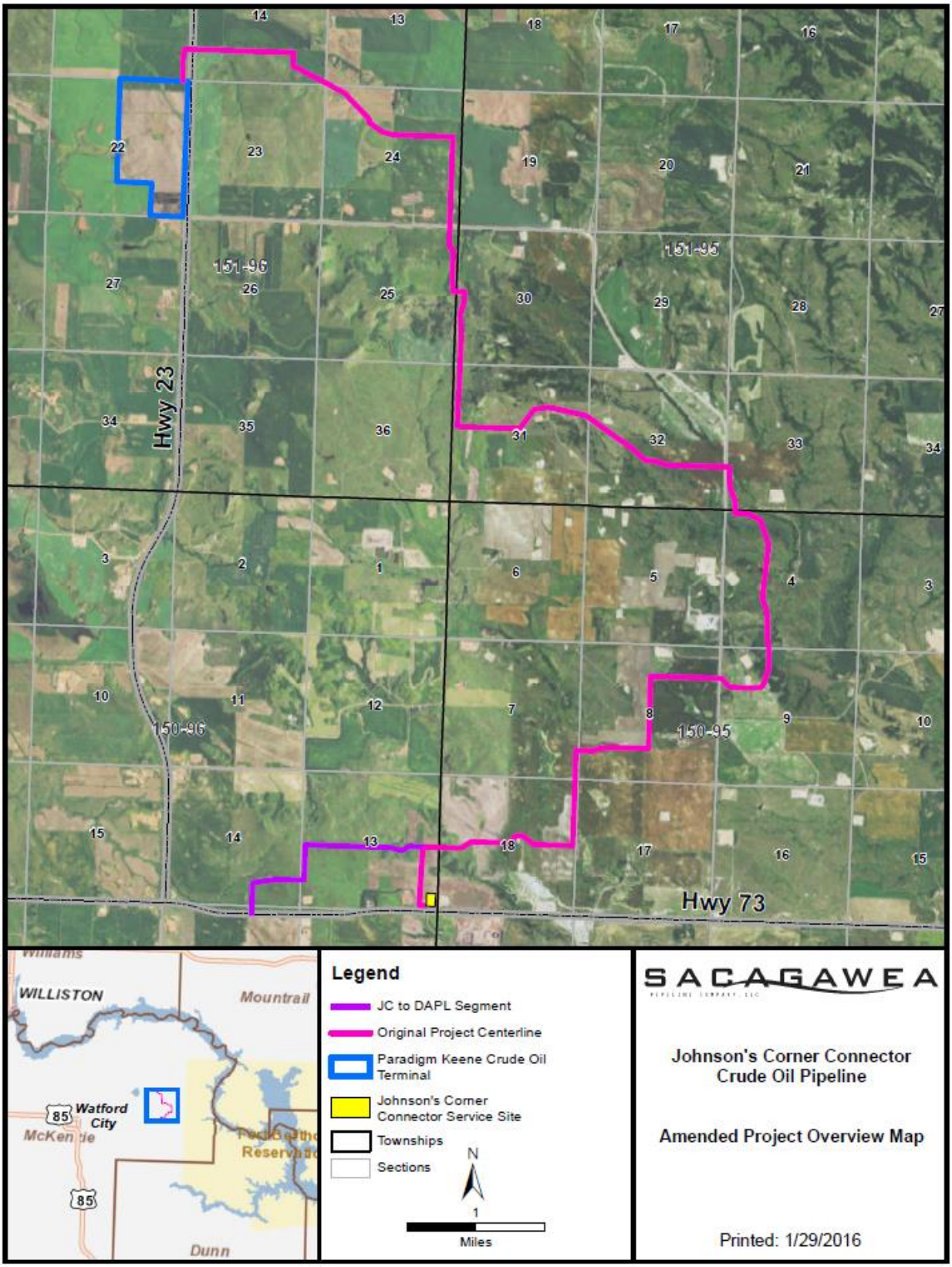

FIGURE A1.A.1 – Updated General Project Location Map

A.5 Project Schedule

Refer to the Application as filed; no changes have resulted from the modification.

SECTION B STUDIES

B.1 Corridor

Refer to the Application as filed; no changes have resulted from the modification.

B.2 Environmental Analysis

Studies were undertaken in conjunction with the proposed construction to evaluate the Project's potential impacts on recreational, environmental, and cultural resources. Specific study findings for the JC to DAPL segment are discussed in detail in the Amendment to Route Application (see Tab A3) and associated exhibits (see Tab A4). Significant features are depicted on Figures 4.C.a which are overlaid on an aerial photograph. The Project route is also presented superimposed on a USGS Topographic map as Figures 4.C.b (see separate Mapbook). This information is also presented as shapefiles on the enclosed CD-ROM disk in Tab A7 suitable for viewing with ESRI's ArcGIS mapping software.

Sacagawea engaged Keitu Engineers & Consultants, Inc. ("Keitu") and Beaver Creek Archaeology, Inc. ("Beaver Creek") to perform the environmental and cultural resource siting studies for the JC to DAPL segment.

Beaver Creek performed a Class I archeological file search using a 1-mile-wide study corridor of the JC to DAPL segment. A Class III field survey will be performed on a 200-foot-wide corridor and made available prior to the hearing. The cultural resource location details are not presented here in a publicly available document per request of the North Dakota State Historic Society. The abstract of the Class I report is being submitted as part of this application in Tab A4. Additional details of these sites will be provided to the Commission staff upon request.

Keitu conducted natural resource field surveys to identify exclusion and avoidance areas as specified in North Dakota Administrative Code Section 69-06-08-02 for the JC to DAPL segment. Field surveys were conducted using a 200-foot-wide survey corridor in October of 2015. Keitu conducted a wildlife survey and habitat assessment that covered threatened and endangered species; a tree, sapling, and shrub enumeration survey; and a noxious weed survey.

SECTION C NEED FOR FACILITY

C.1 Need for Facility Based on Current and Projected Demand

C.1 (a) Planned Use and Purpose

The purpose of the JC to DAPL segment will be to transport crude oil from Johnson's Corner to an interconnection with DAPL.

The interconnection with the DAPL will provide pipeline access to multiple refinery markets throughout the United States, including the Illinois market.

C.1 (b) Pipeline Capacity is Constrained in Western North Dakota

Refer to the Application as filed; no changes have resulted from the modification.

C.1 (c) Recent System Studies Supporting the Analysis of the Need

Refer to the Application as filed; no changes have resulted from the modification.

C.1 (d) Other Expansions on the Sacagawea System

Refer to the Application as filed; no changes have resulted from the modification.

C.1 (e) Statement Concerning Deviations from Most Recent 10-year Plan

Refer to the Application as filed; no changes have resulted from the modification.

C.2 Alternatives to the Proposed Facility

Refer to the Application as filed; no changes have resulted from the modification.

SECTION D LOCATION

D.1 Study Area

The JC to DAPL segment would originate from a location near Johnson's Corner, North Dakota and run approximately 2 miles northwest turning southwest, terminating at an interconnection with DAPL. The Project is located entirely in McKenzie County, North Dakota.

In conjunction with the application for construction of the proposed Project, a one-mile-wide corridor was studied via desktop studies. Field studies were completed using a 200-foot-wide corridor. The Class I archeological file search was completed using a 1-mile-wide study corridor of the route. A Class III field survey will be performed on a 200-foot-wide corridor for the JC to DAPL segment.

D.2 Map of Proposed Corridor

Maps (including USGS Quad and Aerial Maps) of the amended proposed corridor and route for the Project can be found in Appendix 4.C of the Amended Route Application (see separate Mapbook). The location of exclusion and avoidance areas, as defined in Section 69-06-08-02 of the North Dakota Administrative Code, within the corridor are also depicted on the maps provided.

D.3 Criteria to be Evaluated

The criteria to be evaluated are discussed in Section C of the Amended Route Permit portion of the application (see Tab A3).

D.4 Relative Value of Each of the Criteria

The relative value of each of the criteria considered is discussed in Section C of the Amended Route Permit portion of the application (see Tab A3).

SECTION E GENERAL MITIGATIVE MEASURES TO BE TAKEN

Refer to the Application as filed; no changes have resulted from the modification.

SECTION F QUALIFICATIONS OF PERSONS CONTRIBUTING TO THE STUDY

The qualifications of the personnel who contributed to the corridor location study are:

(1) Thomas G. Janik, VP Engineering – Paradigm Energy Partners, LLC

Degree: Bachelor of Science - Civil Engineering, Texas A&M University

Experience: 38 years of experience in the oil and gas industry including executive management experience in engineering and corrosion services, project and construction management, operations, and pipeline and facilities construction. In addition, he is experienced in the development and management of pipeline integrity management process safety management programs.

(2) Kathleen Spilman, Managing Director — Keitu Engineers & Consultants, Inc.

Degrees: Bachelor of Science - Chemical Engineering, University of North Dakota
Masters in Management, University of Mary

Experience: 33 years' experience in petroleum refining and fuels transportation field as well as regulatory affairs and compliance.

Professional License: Registered Professional Engineer: North Dakota, South Dakota, Montana

(3) Heather Patch, Staff Engineer (Chemical) — Keitu Engineers & Consultants, Inc.

Degree: Bachelor of Science - Chemical Engineering, University of North Dakota

Experience: 3 years' experience in regulatory affairs and compliance.

SECTION G MAPS

G.1 Map of Criteria within Study Area

The maps (including USGS Quad and Aerial Maps) of the proposed corridor and route of the Project can be found in Appendix 4.C of the Route Permit portion of the application (see separate Mapbook). The location of exclusion and avoidance areas, as defined in Section 69-06-08-02 of the North Dakota Administrative Code, within the corridor are also depicted on the maps provided.

G.2 Maps of Study Area

The geographic information system ("GIS") software currently in use by Commission staff is ESRI's ArcGIS and companion software packages. A CD-ROM containing electronic copies of ArcGIS shapefiles outlining the proposed corridor has been included with this application as Tab A7.