

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF HILAND OPERATING, LLC AND
HILAND PARTNERS HOLDINGS LLC FOR
A TRANSFER OF CERTIFICATE OF
CORRIDOR COMPATIBILITY NO. 149
AND ROUTE PERMIT NO. 160 FOR THE
OPERATION OF A 6-INCH NATURAL GAS
PIPELINE IN DIVIDE AND BURKE
COUNTIES, NORTH DAKOTA

CASE NO. PU-15-____

**APPLICATION FOR TRANSFER OF CERTIFICATE OF CORRIDOR
COMPATIBILITY AND ROUTE PERMIT**

Pursuant to Chapter 49-22 of the North Dakota Century Code, Article 69-06 of the North Dakota Administrative Code, and Section 69-02-02-04 of the North Dakota Administrative Code, Hiland Partners Holdings LLC (“Hiland Partners”), successor by merger to Hiland Operating, LLC (“Hiland Operating”) (hereinafter collectively referred to as “Applicants”), respectfully submit this Application (“Application”) for the Transfer of Certificate of Corridor Compatibility No. 149 (“Certificate”) and Route Permit No. 160 (“Route Permit”) from Hiland Operating to Hiland Partners. The Certificate and Route Permit were originally issued by the North Dakota Public Service Commission (“Commission”) to Hiland Operating in Case No. PU-12-190.

I. Statutory Authority.

Transfer of a certificate of corridor compatibility and a route permit are authorized under Section 49-22-07 of the North Dakota Century Code and Section 69-06-01-02(4) of the North Dakota Administrative Code. Pursuant to these provisions and North Dakota Century Code Section 49-22-13(2), the Commission is not required to hold a public hearing on an application for such transfer unless, following publication of a notice of opportunity for a public

hearing in the official newspaper of each county in which a portion of the facility is located, there is both a request by an interested person and a showing of good cause. However, based on the nature of this transfer from Hiland Operating to Hiland Partners simply through merger of the entities, the Applicants request that the Commission waive any notice and opportunity for hearing requirement and simply reissue the Certificate and Route Permit to Hiland Partners.

II. Background.

Pursuant to the Commission's Findings of Fact, Conclusions of Law and Order dated December 18, 2013, in Case No. PU-12-190, the Commission approved the issuance of the Certificate and Route Permit to Hiland Operating for the construction of a natural gas pipeline (the "Project") in Divide and Burke Counties, North Dakota. The approved Project includes approximately 6 miles of 6-inch underground natural gas pipeline.

The approximately 6-mile-long pipeline originates at the Norse Gas Plant in Divide County, and terminates at a WBI Energy Transmission, Inc. transmission pipeline tie-in in Burke County, North Dakota. The Project utilizes 6-inch diameter steel pipe, with a maximum operating pressure of 1,200 pounds of pressure per square inch gauge. The maximum capacity is 20 million cubic feet per day. Aboveground facilities include block valves, pig launching and receiving stations, rectifiers, and pipeline markers. The Project provides an additional means of transporting Bakken and Three Forks natural gas to WBI Energy Transmission, Inc.'s transmission line, from which the gas can be transported to key markets within the United States.

III. Application for Transfer of Certificate and Route Permit.

The Applicants are requesting the transfer from Hiland Operating to Hiland Partners of the Certificate and Route Permit based on the merger of Hiland Operating with Hiland Partners since the issuance of the Certificate and Route Permit. Specifically, in July of 2015, Hiland

Operating, LLC, merged with and into Hiland Partners Holdings LLC. A copy of the Certificate of Merger from the State of Delaware merging Hiland Operating with Hiland Partners is enclosed herewith. *See* Exhibit A.

In accordance with Section 69-02-02-04(3)(c) of the North Dakota Administrative Code, Hiland Operating's corporate documents were filed with the Commission on October 28, 2010, and December 14, 2010, in Case No. PU-10-618.

As evidenced by the Certificate of Merger, Hiland Partners is a Delaware limited liability company. Hiland Partners is also authorized to do business in the State of North Dakota. Enclosed herewith as Exhibit B is a Certificate of Good Standing issued by the North Dakota Secretary of State for Hiland Partners.

Hiland Partners agrees to assume the rights and obligations of the Certificate and Route Permit, as well as the conditions and limitations set forth in the Commission's Findings of Fact, Conclusions of Law and Order, dated December 18, 2013, issuing the Certificate and Route Permit. *See* Affidavit of William E. Wolf, provided herewith.

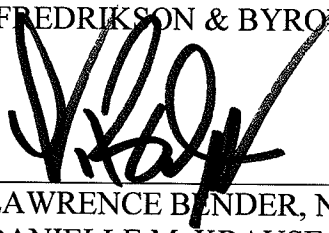
WHEREFORE, Applicants respectfully request that the Commission:

1. Waive any notice of opportunity for a public hearing unless the Commission deems there is good cause to issue such notice;
2. Grant a transfer of the Certificate and Route Permit to Hiland Partners Holdings LLC; and
3. Grant such other relief as the Commission shall deem appropriate.

Dated this 14th day of December, 2015.

FREDRIKSON & BYRON, P.A.

By

A handwritten signature in black ink, appearing to read 'L. Bender', written over a horizontal line.

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