

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA**

In the Matter of the Application of Cenex Pipeline, LLC for a Certificate of Corridor Compatibility and Route Permit for the Cenex Prosper Terminal Project in Cass County, North Dakota

Case No. \_\_\_\_\_

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CONSOLIDATED APPLICATION OF CENEX PIPELINE, LLC  
FOR A WAIVER OR REDUCTION OF PROCEDURES AND  
TIME SCHEDULES AND FOR A  
CORRIDOR CERTIFICATE AND ROUTE PERMIT

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Applicant Cenex Pipeline, LLC, (“Cenex”), whose address for purposes of this Application is PO Box 909, Laurel, Montana 59044, pursuant to the Energy Conversion and Transmission Facility Siting Act, codified at North Dakota Century Code Chapter 49-22 (“Act”), hereby submits this Consolidated Application For a Waiver or Reduction of Procedures and Time Schedules and For a Corridor Certificate and Route Permit (“Application”). Cenex Pipeline, LLC is a wholly owned subsidiary of CHS Inc. (formerly Farmers Union Central Exchange, Inc.).

Cenex requests that the North Dakota Public Service Commission (“Commission”) waive and/or reduce procedures and time schedules required by the Act or in the Commission’s regulations set forth in Title 69-06 of the North Dakota Administrative Code, to accomplish the purposes as requested herein. These include, but are not limited to: (1) waive pursuant to North Dakota Century Code §§ 49-22-07.2, 49-22-13(2), and North Dakota Administrative Code § 69-06-01-02 and Chapter 69-06-06, those provisions of North Dakota Century Code §§ 49-22-08(5),

49-22-08.1(5), 48-22-13, and North Dakota Administrative Code § 69-06-01-02 which require separate filings of such applications and certain time schedules as set forth in said statutes and rules; (2) allow consolidation of the certificate of corridor compatibility application and route permit application into a single consolidated application; (3) approve a corridor consisting of a 1.0 mile diameter (0.5 mile radius) circle around the 63.107 acre survey area; (4) hold one consolidated hearing on the consolidated certificate of corridor compatibility application and route permit application; (5) find that the proposed facilities are of such design, length, location and purpose that they will produce minimal adverse effects; and (6) designate and approve the requested facilities as identified in this Application and issue the appropriate corridor certificate and route permit.

The Commission's application guidelines for waiver of procedures and time schedules require the description of the facility, the need for the facility, the cost of the facility and separate justification for each provision of the Act for which the Applicant is requesting a waiver, together with evidence that the project will produce minimal adverse effects or that a demonstrable emergency exists. As demonstrated in this Application, and summarized below, Applicant's requests for waivers and/or reductions of procedures and time schedules and the issuance of a corridor certificate and route permit are justified as the proposed facilities are of such design, length, location and purpose that they will produce minimal adverse effects, and that the pipeline facility for which approval is sought is needed in order to provide additional refined petroleum products to eastern North Dakota and western Minnesota customers, primarily in the agriculture industry.

## DESCRIPTION

This Project, known as the Prosper Terminal will be located on up to 63.107 ± acres of land located in Section 9, Township 140 North, Range 50 West, Cass County, North Dakota. The proposed terminal site is located 1.3 miles southeast of Prosper, North Dakota.

The major facility components of the Prosper Terminal will be: three 145,000 barrel storage tanks; one 10,000 barrel tank to receive product from a mainline pressure release valve in the event of a pipeline upset condition; an incoming receipt metering manifold for measurement of refined product; receipt and delivery valve manifolds in and out of the site tankage; a booster pump station used to deliver products from tankage to an adjacent pump station owned and operated by NuStar Pipeline Operating Partnership LP (“NuStar”); a mainline pump station and delivery meters used to deliver products from tankage back to the existing Cenex 8” mainline that continues into a Magellan Terminal in West Fargo; approximately one mile of electrical feeder supply to an electrical/control equipment building; a supervisory control and data acquisition (“SCADA”) system; water storage tankage for fire response capability; and an office/shop.

The proposed Prosper Terminal will be constructed immediately adjacent to the eight-inch refined petroleum products pipeline approved by this Commission in Case No. PU-126-90-625 on May 21, 1991, in the application of Farmers Union Central Exchange, Inc. (now Cenex Pipeline, LLC), Minot, North Dakota, to Fargo, North Dakota, pipeline siting. This pipeline is owned and operated by Cenex.

The proposed terminal would supply refined petroleum products to NuStar’s proposed eight-inch Laurel Interconnect Pipeline which is currently pending before the Commission in Case No. PU-15-674. The NuStar Project consists of approximately 7.3 miles of

eight-inch diameter refined petroleum products pipeline connecting Cenex's proposed Prosper Terminal with NuStar's existing pipeline system.

### **NEED**

Between 2007 and 2013, consumption of petroleum products in North Dakota increased significantly, from 26,411 barrels per year to 40,679. Both Cenex and NuStar expect this increased demand to continue or increase during the next ten years. This Project, in conjunction with NuStar's proposed Laurel Interconnect Pipeline, will provide additional storage and distribution capability between Cenex's existing pipeline and NuStar's existing North System Pipeline. The storage provided by the Prosper Terminal will enhance the refined petroleum product supply capabilities of both systems, and better ensure that the systems can efficiently meet this increased refined petroleum products customer demand in eastern North Dakota and western Minnesota. If approved, this terminal Project will enable Cenex to deliver refined petroleum products to its customers in the Fargo-Moorhead area via either its existing system or NuStar's system. Currently, deliveries of refined petroleum products to West Fargo can be hampered by the demand for refined product on a seasonal basis, and by the availability of storage capacity of the Magellan Terminal located in West Fargo, North Dakota. This Project, if approved, will help mitigate seasonal market fluctuations, by creating another outlet for the product coming out of the CHS Inc. Laurel refinery. It would also greatly enhance the ability of Cenex and NuStar to ensure the availability of refined petroleum products during high demand times by having additional storage for product reserves.

The Project will also enable NuStar to more efficiently distribute diesel fuel and gasoline within the State of North Dakota.

COST

The estimated cost of constructing the Prosper Terminal is \$17 million.

JUSTIFICATION

The environmental and cultural resource studies and reports which have been commissioned by the Applicant for this Project demonstrate that there will be minimal adverse effects by construction. As a result, Applicant hereby submits that there is substantial justification for the requested waivers and/or reduction of time schedules and procedures, as the Project will produce minimal adverse effects.

Applicant respectfully requests the Commission to grant the requested waivers and/or reduction of procedures and time schedules; and to render an expeditious decision approving the requested corridor certificate and route permit.

Dated this 18<sup>th</sup> day of December, 2015.

Respectfully submitted,

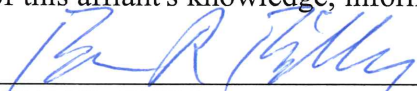
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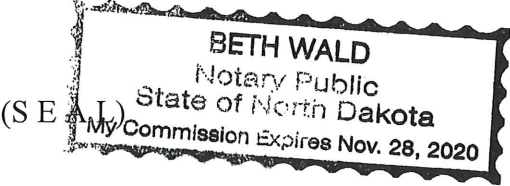
By   
BRIAN R. BJELLA (#03549)

STATE OF NORTH DAKOTA     )  
   )  
COUNTY OF BURLEIGH        )

Brian R. Bjella, being first duly sworn on oath, deposes and says that he is the attorney for the applicant herein named, that he has read the above and foregoing application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information and belief.

  
BRIAN R. BJELLA

Subscribed and sworn to before me this 18<sup>th</sup> day of December, 2015.



Beth Wald

Notary Public  
Burleigh County, North Dakota  
My Commission Expires: \_\_\_\_\_