



Public Service Commission

State of North Dakota

COMMISSIONERS

Julie Fedorchak
Randy Christmann
Brian P. Kalk

Executive Secretary
Darrell Nitschke

January 24, 2017

600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505-0480
Web: www.psc.nd.gov
E-mail: ndpsc@nd.gov
Phone: 701-328-2400
ND Toll Free: 1-877-245-6685
Fax: 701-328-2410
TDD: 800-366-6888 or 711

Lawrence Bender
Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, ND 58501-1215

**RE: Plains Terminals North Dakota LLC
24-Inch Crude Oil Pipeline – McKenzie County
Post Construction Inspection
Case No. PU-16-140**

Dear Mr. Bender:

The North Dakota Public Service Commission retained a third-party vendor to conduct a post construction inspection under the authority provided in the above referenced case. Below we provide a weblink to the third-party post construction inspection report for your review and a link to the Commission's order in this proceeding.

The construction report can be found at:
<http://www.psc.nd.gov/database/documents/16-0140/044-020.pdf>

The Commission Order and Certification to Order Provisions can be found at:
<http://www.psc.nd.gov/database/documents/16-0140/036-040.pdf>

On page 1 of the Executive Summary, the Construction Inspection Report says that construction started on August 15, 2016. The Commission did not issue its order until August 17, 2016. Please explain why the Company started construction prior to receiving the Commission order as this is a violation of siting laws.

As per the Certification Relating to Order Provisions, the Company is supposed to provide minutes of a preconstruction conference call, inform the Commission of its construction start date, provide monthly construction reports and copies of the project as-builts in both hard copy and ESRI GIS mapping software. There is no record of any of these items in the case file. If the Company does not comply with these provisions, these are also violation of Commission orders and the siting laws.

From a review of the Commission's Order, the Company was to:

45 **PU-16-140** Filed: 1/24/2017 Pages: 2
Letter re post-construction inspection reports

4. Thirty days prior to commencing construction, the Company shall inform the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration of the intent to start construction.

5. Prior to commencing construction of any portion of the proposed Project, Plains Terminals North Dakota LLC shall obtain all other necessary licenses and permits for construction of such portion, and provide copies to the Commission prior to construction of that portion of the Project.

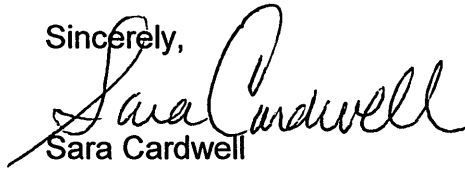
There is no record of compliance with these provisions in the case file. This is in violation of the Commission's order and the siting laws.

In the Company's application, there was an estimate that 34 trees and shrubs would need to be planted. As of this date, the case file does not include an actual tree and shrub inventory nor a plan for tree and shrub mitigation.

Please respond to all of the items noted above within 30 days.

If you have any questions regarding this letter, please contact me at 701-328-4153.

Sincerely,


Sara Cardwell
Public Utility Analyst