

**PLAINS TERMINALS NORTH DAKOTA LLC**  
**2016-2026**  
**TEN-YEAR PLAN**

**Introduction**

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, Plains Terminals North Dakota LLC (“Plains”), submits the following Ten-Year Plan for years 2016 through 2026.

- 1) *A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.*

**A) Johnsons Corner Terminal**

1. East of Watford City, North Dakota, just east of Johnsons Corner intersection of Hwy 23 & 78
  - a. Product type: crude oil
  - b. Maximum capacity: 50,000 barrels per day
  - c. Pump station specifications: Oil will be gathered from trucks from production sites in North Dakota and Montana and unloaded at this facility. A short pipeline (0.8 miles) has been installed to connect the Johnson Corner Terminal with a nearby connecting carrier to receive or deliver crude oil.
  - d. Two (2) 250,000 barrel crude oil storage tanks exist at this terminal as well as associated measurement and pumping equipment.
  - e. In Service date – July 2015
  - f. NOTE: This asset was formerly owned by Legion Terminals, LLC and was acquired by Plains All American Pipeline, L.P., Plains’s parent company, in February 2015.

**B) Other Facilities**

Plains is submitting a Consolidated Application for a Certificate of Corridor Compatibility and Route Permit requesting permission from the Commission to construct an approximately 3.5 mile crude oil pipeline originating at the Plains Johnsons Corner Terminal, approximately three (3) miles east of Johnsons Corner, North Dakota, and extending to the northwest to terminate at the Dakota Access Pipeline Johnsons Corner Terminal Facility, located approximately one (1) mile southeast of Johnsons Corner (hereinafter referred to as the “Johnsons Corner to Dakota Access Pipeline Project”).

Plans are currently underway to connect to various pipelines in the vicinity. Those connections are undisclosed at the time of this filing.

Plains intends to expand the existing storage capacity at Johnsons Corner; however, the expansion of tank storage capacity is in preliminary planning stages and no definite project has been approved at the time of this filing.

There are no long term plans for construction at this time. Plains does not own or operate any facilities that it plans to remove from service during the next ten (10) years.

- 2) *An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.*

As noted above, Plains plans to construct the Johnsons Corner to Dakota Access Pipeline Project upon approval from the Commission. Plains evaluated a study area to determine the best location for the placement of the corridor and route for the Johnsons Corner to Dakota Access Pipeline Project in order to minimize any potential land use and environmental impacts, maximize public benefits, and to consider design and construction limitations and economics. The proposed location of the route within the corridor for the Johnsons Corner to Dakota Access Pipeline Project was made in compliance with Chapter 49-22-05.1, as discussed in the corresponding application for a Certificate of Corridor Compatibility and Route Permit filed with the Commission for the project.

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- 3) *A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.*

Oil and gas exploration activity remains uncertain due to unpredictable crude oil prices. Since petroleum exploration is a highly competitive business, regional planning for production and transportation of oil and gas production is very limited.

If the companies engaged in the exploration and production of oil and gas coordinated their plans on a regional basis in order to meet regional fuel requirements as they foresaw them, they may expose themselves to the severe penalties associated with violation of the nation's antitrust laws.

- 4) *A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.*

Plains has developed cooperative working relationships with the U.S. Forest Service, the Bureau of Land Management, the North Dakota Industrial Commission, the North Dakota Public Service Commission, the State Health Department, the State Water Commission, and those counties in which it operates.

Plains selects pipeline corridors and routing to minimize impact as required by the statutes and rules and regulations of the Public Service Commission. Whenever desirable, Plains may employ local environmentalists and archaeologists to assist with planning; local farmers may be employed for restoring cropland to tillable condition following construction. Plains is proud of its safety record in the operation of facilities in North Dakota and is prepared to meet any emergency that should arise in order to minimize the impact of any pipeline failure.

- 5) *A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.*

Despite a downturn in commodity pricing, producers in the Williston Basin region remain active; many producers have contractual commitments to deliver specified volumes to third parties which creates demand for crude oil infrastructure, *i.e.*, pipelines and tank storage facilities. As development and production continues, the need for transportation capability will also increase. New facilities and pipelines may need to be constructed to meet growing demand; however, uncertainty and confidentiality of production activities leads to short range planning by the crude oil gathering and transportation industry.

### **Company Overview**

Plains and its affiliates provides crude petroleum transportation and storage services from producing leases to various pipeline or refinery destinations. Ultimately, the crude oil is converted to marketable condition as fuels and lube products. Plains must react to the oil and gas industry's needs for its service on a much shorter time frame than five (5) or ten (10) years. The distances involved are relatively short and the need for the service is generally only foreseeable by a few short months. Long-range planning is valuable only to the extent that it permits Plains to react rapidly and efficiently to industry requirements for pipeline transportation and storage services.