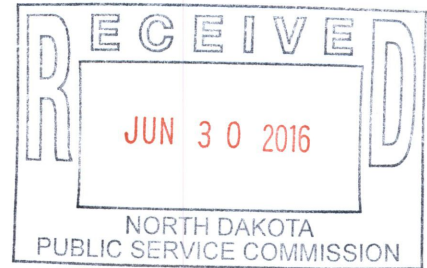


June 30, 2016

VIA E-MAIL AND FEDERAL EXPRESS

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480



**RE: NuStar Pipeline Operating Partnership L.P.'s Ten Year Plan for 2016-2026
Case No. PU-16-_____**

Dear Mr. Nitschke:

Enclosed for filing are originals of the following documents:

1. NuStar Pipeline Operating Partnership L.P.'s Ten Year Plan: 2016-2026;
2. Notice of Filing Ten Year Plan: 2016-2026; and
3. Certificate of Service.

Electronic copies of the enclosed documents were filed with the Commission today via e-mail. If you have any questions, please let me know.

Sincerely,

MOLLIE M. SMITH

MMS/kas
Enclosures

58832338_1.DOC

Attorneys & Advisors
main 612.492.7000
fax 612.492.7077
www.fredlaw.com

Fredrikson & Byron, P.A.
200 South S
Minneapolis
55402-1425

1

PU-16-472
2016 Ten Year Plan

Filed: 6/30/2016

Pages: 11

TEN YEAR PLAN: 2016-2026
NuStar Pipeline Operating Partnership L.P.

June 2016

In accordance with N.D.C.C. § 49-22-04 and N.D.A.C. Ch. 69-06-02, NuStar Pipeline Operating Partnership L.P. (“NuStar”) 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.

NuStar’s existing 10-inch North System Pipeline transports refined petroleum products and extends east from the Tesoro Refinery in Mandan, North Dakota, through NuStar terminals in Jamestown, North Dakota, and Moorhead and Sauk Center, Minnesota, to a terminal in Roseville, Minnesota. NuStar’s North System Pipeline also has the ability to transport refined petroleum products produced in Kansas, Oklahoma, and Texas and deliver to the Jamestown terminal from a NuStar 6-inch refined products pipeline extending north from Kansas. At the various terminals along the North System Pipeline, products are distributed by customers (e.g., retail outlets and contract end-users) in North Dakota and Minnesota.

NuStar is developing an approximately 7.3 mile-long, 8-inch-diameter refined petroleum products pipeline referred to as the Laurel Interconnect Pipeline Project (“Project”) that will extend between Cenex Pipeline, LLC’s (“Cenex”) existing Laurel Pipeline, starting at a point southeast of Prosper, North Dakota, and NuStar’s existing North System Pipeline, located approximately 2 miles southeast of Mapleton, North Dakota. The Project is located entirely in Cass County, North Dakota.

On February 24, 2016, the North Dakota Public Service Commission (the “Commission”) issued its Findings of Fact, Conclusion of Law and Order (“Order”) granting Certificate of Corridor Compatibility No. 181 and Route Permit No. 193 to NuStar for the Project (*see* Case No. PU-15-674). On June 20, 2016, NuStar submitted a Certification Relating to N.D.C.C. § 49-22-16.3 regarding an adjustment to the Project route. More recently, NuStar identified a need to construct a loop line and associated components as an associated facility to the Project. The loop line and associated components will be adjacent to the 8-inch-diameter pipeline and within the corridor designated for the Project. Before construction, NuStar will make the necessary filings with the Commission. NuStar plans to begin construction of the Project, including the loop line and associated components, in August of 2016, and to complete construction before the end of 2016.

NuStar does not currently have plans to remove any facilities from service during the ten-year period.

- (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.

NuStar evaluated a study area for the Project to determine the best location for the placement of the corridor and route in order to meet the needs of the Project, while minimizing land use and environmental impacts, and taking into consideration landowner input and design and construction limitations. As set forth in the Order, the location of the Project complies with the Commission's siting criteria, including the exclusion and avoidance area criteria referenced in N.D.C.C. § 49-22-05.1 and identified in N.D.A.C. Ch. 69-06-08. Maps depicting the Project corridor and route, as well as additional detail regarding the Project's corridor and route, are provided in Case No. PU-15-674.

NuStar continually assesses its pipeline system to meet market demands but currently has no plans to construct additional transmission facilities within the next five years.

- (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.

NuStar, in coordination with Cenex, evaluated both NuStar's and Cenex's refined petroleum products pipeline systems, and both utilities concluded that connecting the two systems via the proposed Project would enhance the refined petroleum products supply capabilities of both systems. The Project will provide Cenex with greater refined petroleum product supply optionality through the use of NuStar's North System Pipeline. The North System Pipeline has a direct connection to the Tesoro Refinery in Mandan, North Dakota; a terminal connection to a pipeline with the ability to transport product from refineries in Kansas, Oklahoma, and Texas; and a terminal connection in Moorhead, Minnesota. Thus, the Project will enable Cenex to deliver refined petroleum products from multiple sources to its customers in the Fargo-Moorhead area via either its existing system or NuStar's system. The Project will also enable NuStar to more efficiently distribute diesel fuel and gasoline to meet customer demand in North Dakota and Minnesota. The specific benefits to the NuStar system are discussed further in Section 5 below.

In addition, with respect to the proposed Project, NuStar performed a centerline survey of the Project route, and based on that survey, NuStar identified all third-party entities/utilities that would be encountered (e.g., petroleum, water, electric). NuStar contacted each entity to obtain its respective crossing and encroachment guidelines and requirements. NuStar has incorporated these requirements into the Project design, and will work closely with each entity during construction and future operations and maintenance in order to safely construct and operate the Project around these adjacent utilities.

- (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.

NuStar employed a qualified environmental consulting firm to conduct studies of and identify avoidance and exclusion areas within the proposed Project corridor and route, in accordance with N.D.C.C. Ch. 49-22 and N.D.A.C. Ch. 69-06-08. NuStar consulted with federal, state and local agencies and officials regarding the Project, and will continue to do so, as appropriate. NuStar has also developed an Environmental Mitigation Plan that outlines general construction-related mitigation measures to avoid or minimize impacts to natural and cultural resources from Project development.

Additional information regarding NuStar's agency and entity contacts, and efforts to identify and minimize any potential environmental issues, is provided in Case No. PU-15-674.

- (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.

Between 2007 and 2014, consumption of petroleum products in North Dakota increased significantly – from 26.4 to 44.1 million barrels per year.¹ NuStar and Cenex expect this increased demand to continue or increase during the next ten years. The Project will provide a connection between Cenex's existing Laurel Pipeline and NuStar's existing North System Pipeline. This connection will enhance the refined petroleum products supply capabilities of both systems and better ensure that the systems can efficiently meet this increased refined petroleum product customer demand.

With respect to the NuStar system, the Project will enable NuStar to more efficiently distribute diesel fuel and gasoline in North Dakota. The Project will allow NuStar to aggregate the gasoline and diesel fuel that comes off of Cenex's Laurel Pipeline with the supply from North Dakota, Kansas, Oklahoma, and Texas already transported by the North System Pipeline. The additional supply from Cenex's Laurel Pipeline will enable NuStar to take more gasoline and diesel fuel off of the North System Pipeline at the Jamestown terminals to meet the increased North Dakota demand, and still continue to fulfill refined petroleum product customer needs downstream at NuStar's Moorhead, Sauk Center and Roseville terminals. As a result, NuStar will be able to convert and dedicate existing tanks at the Jamestown, North Dakota, terminals to

¹ See U.S. Energy Information Administration, *State Profile and Energy Estimates* (available at <http://www.eia.gov/state/data.cfm?sid=ND#ConsumptionExpenditures>) (last accessed on June 20, 2016) and *Total End-Use Energy Consumption Estimates 1960-2013, North Dakota* (available at http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_use/tx/use_tx_ND.html&sid=North Dakota) (last accessed on June 20, 2016).

gasoline and diesel fuel storage, which will increase the overall supply of gasoline and diesel fuel available to the North Dakota market. For example, NuStar will be better able to meet the gasoline and diesel fuel needs of North Dakota consumers from the centrally located Jamestown terminals during peak agricultural production periods. In essence, connecting to Cenex's refined products system will better enable NuStar to ensure refined petroleum product customers at its terminals (including the Jamestown and Moorhead terminals) receive the amounts and types of products required, and meet the needs of both North Dakota and Minnesota consumers.

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-16-___

IN THE MATTER OF THE FILING OF A TEN
YEAR PLAN BY NUSTAR PIPELINE
OPERATING PARTNERSHIP L.P.

CERTIFICATE OF SERVICE

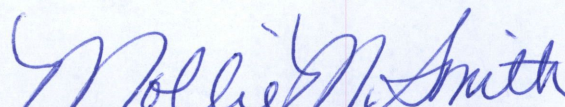
Mollie M. Smith, being first duly sworn, does depose and state that on June 30, 2016, the following document was served:

Ten Year Plan: 2016-2026

by placing a true and correct copy of said document in an envelope addressed as follows:

Mr. Michael Montplaisir
Cass County Auditor
P.O. Box 2806
Fargo, ND 58108-2806

and depositing the same, with postage prepaid, in the United States mail at Minneapolis, Minnesota.


MOLLIE M. SMITH

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-16-_____

IN THE MATTER OF THE FILING OF A TEN
YEAR PLAN BY NUSTAR PIPELINE
OPERATING PARTNERSHIP L.P.

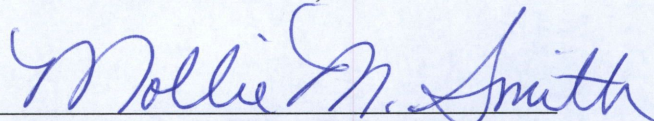
**NOTICE OF FILING TEN YEAR PLAN
2016-2026**

PLEASE TAKE NOTICE that NuStar Pipeline Operating Partnership L.P., in accordance with N.D.C.C. § 49-22-04 and N.D.A.C. Ch. 69-06-02, filed a Ten Year Plan for the years 2016 through 2026 with the North Dakota Public Service Commission on June 30, 2016, and the Cass County Auditor on June 30, 2016.

Dated this 30th day of June, 2016.

FREDRIKSON & BYRON, P.A.

By



MOLLIE M. SMITH, ND Bar #06714
*Attorneys for NuStar Pipeline Operating
Partnership L.P.*
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402-1425
(612) 492-7270

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the following document:

NOTICE OF FILING TEN-YEAR PLAN: 2016-2026

was served on the 30th day of June, 2016 by placing the same in the United States mail, postage prepaid, properly addressed to the following:

North Dakota Aeronautics Commission
P.O. Box 5020
Bismarck, ND 58502-5020

North Dakota Office of Attorney General
State Capitol
600 E. Boulevard Ave.
Dept. 125
Bismarck, ND 58505

North Dakota Dept. of Agriculture
600 E. Boulevard Ave.
Dept. 602
Bismarck, ND 58505-0020

North Dakota Dept. of Health
600 E. Boulevard Ave.
Bismarck, ND 58505-0200

Dept. of Human Services
600 E. Boulevard Ave.
Dept. 325
Bismarck, ND 58505-0250

North Dakota Dept. of Labor
600 E. Boulevard Ave.
Dept. 406
Bismarck, ND 58505-0340

Department of Vocational Education
c/o Career and Technical Education
State Capitol, 15th Floor
600 E. Boulevard Ave., Dept. 270
Bismarck, ND 58505-0610

North Dakota Dept. of Commerce
P.O. Box 2057
Bismarck, ND 58503

Energy Infrastructure and Impact Office
North Dakota Department of Trust Lands
1707 North Ninth Street
P.O. Box 5523
Bismarck, ND 58506-5523

North Dakota Game and Fish Department
100 N. Bismarck Expressway
Bismarck, ND 58501-5095

North Dakota Industrial Commission
600 East Boulevard Ave., Dept. 405
Bismarck, ND 58505-0840

Office of Governor Jack Dalrymple
State of North Dakota
600 E. Boulevard Ave.
Bismarck, ND 58505-0100

North Dakota Department of Transportation
608 E. Boulevard Ave.
Bismarck, ND 58505-0700

State Historical Society of North Dakota
612 E. Boulevard Ave.
Bismarck, ND 58505-0830

North Dakota Indian Affairs Commission
State Capitol Building
600 E. Boulevard Ave.
1st Floor - Judicial Wing, Rm. 117
Bismarck, ND 58505-0300

Job Service North Dakota
P.O. Box 5507
Bismarck, ND 58506-5507

North Dakota Department of Trust Lands
1707 North 9th Street
P.O. Box 5523
Bismarck, ND 58506-5523

North Dakota Parks and Recreation Dept.
Century Center
1600 E. Century Ave., Suite 3
PO Box 5594
Bismarck, ND 58506-5594

North Dakota State Soil Conservation Committee
c/o NDSU Extension Service
2718 Gateway Ave., Suite 104
Bismarck, ND 58503

North Dakota State Water Commission
900 E. Boulevard Ave., Dept. 770
Bismarck, ND 58505-0850

United States Department of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

United States Fish and Wildlife Service
North Dakota Field Office
3425 Miriam Avenue
Bismarck, ND 58501-7926

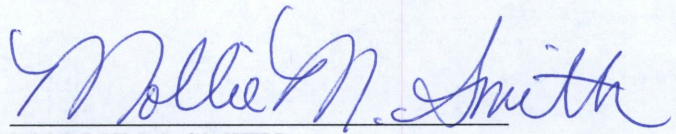
United States Army Corps of Engineers
North Dakota Regulatory Office
1513 South 12th Street
Bismarck, ND 58504

United States Department of Transportation
Federal Aviation Administration
800 Independence Ave, SW
Washington, DC 20591

Cass County Commission
211 9th Street South
Fargo, ND 58103

North Dakota Transmission Authority
c/o North Dakota Industrial Commission
State Capitol 14th Floor
600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840

North Dakota Pipeline Authority
c/o North Dakota Industrial Commission
State Capitol 14th Floor
600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840



MOLLIE M. SMITH

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