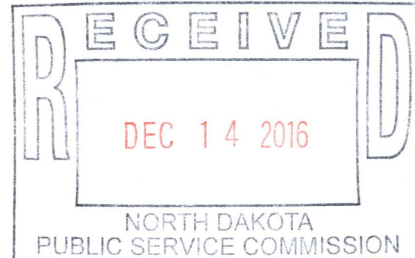


December 14, 2016

Hand Delivery

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



In re: Epping Transmission Company, LLC
DAPL Epping Facility Connector Pipeline Project
Williams County
Case No. PU-16-614
Our File No. 088393-000004

Dear Mr. Nitschke:

Please find enclosed for filing eleven copies of the Proposed Findings of Fact, Conclusions of Law and Order.

Please call should you have any questions. Thank you.

Sincerely,

Wade C. Mann

WCM/lh
enc.

cc: Megan Davis (via email)

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Epping Transmission Company, LLC
12.75-Inch Crude Oil Pipeline – Williams County
Siting Application**

Case No. PU-16-614

PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

December __, 2016

Appearances

Commissioners Julie Fedorchak, Randy Christmann, and Brian P. Kalk

Wade C. Mann, Attorney at Law, Crowley Fleck PLLP, 100 West Broadway, Suite 250,
Bismarck, North Dakota 58501, on behalf of Epping Transmission Company, LLC.

Brian Schmidt, Special Assistant Attorney General, 122 E. Broadway Ave., Bismarck,
North Dakota 58501.

Patrick J. Ward, Administrative Law Judge, Office of Administrative Hearings, 316 North
Fifth Street, Bismarck, North Dakota 58503, as Procedural Hearing Officer.

Preliminary Statement

On August 25, 2016, Epping Transmission Company, LLC (Epping Transmission), filed with the North Dakota Public Service Commission (Commission) a Consolidated Application for a Certificate of Corridor Compatibility and Route Permit (Application) for an approximately 3.2-mile, 12.75-inch crude oil pipeline and associated facilities in Williams County, North Dakota.

Also on August 25, 2016, Epping Transmission filed an Application for Waiver of Procedures and Time Schedules under North Dakota Century Code Sections 49-22-07.2, 49-22-08, 49-22-08.1, 49-22-13, and North Dakota Administrative Code Section 69-06-01-02 and Chapter 69-06-06, requiring separate filings, separate notices, and separate hearings on the certificate of corridor compatibility application, route permit application, and the waiver of procedures and time schedules application.

On September 21, 2016, the Commission deemed Epping Transmission's Application complete and issued a Notice of Filings and Public Hearing (Notice) scheduling a hearing for November 22, 2016, at 9:00 a.m. Central Time, at The Ernie French Center, NDSU Williston Research Extension Center, 14120 Hwy. 2, Williston, North Dakota 58801.

The Notice identified the following issues to be considered with respect to the Application for Waiver of Procedures and Time Schedules:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects and that adherence to applicable procedures and time schedules may be waived?
2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The issues to be considered in the applications for a certificate of corridor compatibility and a route permit are:

1. Will the location and operation of the proposed facilities produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed facility locations minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

Having allowed all interested persons an opportunity to be heard, and having heard, reviewed and considered all testimony and evidence presented, the Hearing Officer makes the following:

Findings of Fact

1. Epping Transmission is a Delaware limited liability company authorized to do business in the State of North Dakota, as evidenced by the corporate papers filed with the Commission on September 16, 2016, in Case No. PU-16-643.

Need for the Facility

2. Epping Transmission concluded there is a need for the Project to reduce the burden on existing infrastructure, minimize truck and rail traffic and provide wider market access to North Dakota oil and gas operators. The Project will provide reliable transport of crude oil from Epping Transmission's Epping Station and Divide Mainline to the Dakota Access Pipeline (DAPL) Epping Facility. From this facility, the crude can continue through to the DAPL terminal near Patoka, Illinois for distribution to refineries across the United States.

Size, Type, and Preferred Location of Facility

3. The Project will consist of approximately 3.2-miles of 12.75-inch steel pipeline with a nominal wall thickness of 0.375-inches and 0.500-inches in locations where the pipe is bored.

4. The Project will also include two separate 0.1-mile connections of 8-inch steel pipeline with a nominal wall thickness of 0.322-inches. One connection line will deliver crude oil from the existing Divide Mainline which was previously approved by the Commission in Case No. PU-14-223, to the new DAPL valve site. The other connection will deliver crude oil from the DAPL valve site back to the Divide Mainline.

5. The maximum operating pressure of the pipeline will be 1440 pounds per square inch with a normal operating pressure of 200 pounds per square inch.

6. The maximum design flow rate of the transmission pipeline will be approximately 70,000 barrels per day with a normal throughput of approximately 30,000 barrels per day. The maximum design flow rate of each of the connector pipelines will be approximately 50,000 barrels per day with a normal throughput of approximately 20,000 barrels per day.

7. The steel pipeline will meet U.S. Department of Transportation (DOT) regulations, specifically the design criteria outlined in 49 C.F.R. part 195 subpart C. The Project will be constructed per 49 C.F.R. part 195 subpart D, and operated and maintained per 49 C.F.R. part 195 subpart F.

8. The Project will be located entirely in Williams County, North Dakota, and will result in a transmission pipeline originating at the existing Epping Station, located approximately 0.4 miles south of Epping and will extend north and east to terminate at DAPL's Epping Facility approximately 1.8 miles northeast of Epping. A valve site will be constructed just north of Epping where the pipeline crosses North Dakota Highway 8 and two connector lines will extend north from the valve site approximately 0.1 miles each to the existing Divide Mainline.

9. The total anticipated cost of the Project is approximately \$7 million.

Study of Preferred Location

10. Epping Transmission identified a one mile wide area centered upon the preferred pipeline alignment (Study Area) routed from Epping Station to the DAPL Epping facility. Epping Transmission evaluated the Study Area for the Exclusion, Avoidance, Selection and Policy criteria of the Commission.

11. Field surveys were conducted on a 250-foot-wide area centered upon the proposed route (Survey Corridor) to inventory any potential resource issues regarding wetlands, waterbodies, protected species, critical habitats or cultural resources within the survey corridor, and to provide the baseline field data necessary to prescribe alternative routing or mitigation as necessary to minimize environmental impacts.

12. Epping Transmission conducted a Class I cultural resource literature search within the Study Area and a Class III cultural resource inventory of the Survey Corridor.

13. The following agencies were contacted by Epping Transmission regarding the Project: Williams County Weed Control Board; Williams County Water Resource Board; North Dakota State Historic Preservation Office (NDSHPO); North Dakota Department of Trust Lands – Surface Management and Minerals Management Divisions (NDDTL); North Dakota Parks and Recreation Department (NDPRD); North Dakota Game and Fish Department (NDGFD); North Dakota Department of Health (NDDOH); North Dakota State Water Commission (NDSWC); United States Fish and Wildlife Service (USFWS); Western Area Water Supply Authority (WAWSA).

14. In a response dated October 26, 2016, the USFWS concluded that the Project is not expected to have significant impact on fish and wildlife resources.

15. In a response dated August 16, 2016, the NDGFD provided standard comments to Epping Transmission regarding wetland impact avoidance and mitigation. NDGFD noted that they do not believe this Project will have significant adverse effects on wildlife or wildlife habitat, including species of conservation priority provided the comments are followed. Epping Transmission's construction practices encompass the suggestions set forth by NDGFD in the letter.

16. In a response dated August 17, 2016, the NDPRD concluded that the Project would not affect state park lands or Land and Water Conservation Fund recreation projects and that there are no documented significant ecological community occurrences or plant and animal species of concern within the Project area.

17. In a response dated October 7, 2016, the NDDOH provided standard comments to the Commission regarding proper construction methods. NDDOH indicated that environmental impacts from construction of the Project will be minor and can be controlled by proper construction methods. Epping Transmission's construction practices encompass the suggestions set forth by the NDDOH in the letter.

18. In a response dated July 26, 2016, the NDSHPO concurred with a "No Significant Sites Affected" recommendation for the Project. In a response dated October 3, 2016, the NDSHPO addressed an addendum to the original cultural resources inventory report covering an additional 1.04 acres of workspace required for the Project. The NDSHPO found the addendum report acceptable and again concurred that no "Significant Sites" would be impacted.

19. In a response dated August 10, 2016, the Williams County Water Resource Board concluded that no permitted drains were found within the study area and identified an unnamed tributary of Stony Creek.

Siting Criteria

20. The Commission has established criteria pursuant to the North Dakota Century Code Section 49-22-05.1 to guide the Commission in evaluating the suitability of granting a certificate of corridor compatibility and route permit. The criteria, as set forth in North Dakota Administrative Code Section 69-06-08-02, are classified as Exclusion Areas, Avoidance Areas, Selection Criteria, and Policy Criteria.

21. A transmission facility route must not be sited within an Exclusion Area.

22. An Exclusion Area may not encompass more than fifty percent of a corridor width unless there is no reasonable alternative. A buffer zone of a reasonable width to protect the integrity of the area must be included.

23. No Exclusion Areas are intersected by the pipeline route and none will be adversely impacted by the Project. Archeological sites were identified within the Study Area but all direct impacts to archeological sites will be avoided. NDSHPO concurred with Epping Transmission's "No Significant Sites Affected" recommendation for the Project.

24. Avoidance areas are geographic areas that may not be considered in the routing of a transmission facility, unless it is shown there is no reasonable alternative under the circumstances. A proposed corridor may contain avoidance areas; however, avoidance areas may not encompass more than 50% of the corridor width at any point, unless there is no reasonable alternative. In determining whether an Avoidance Area shall be designated for a facility, the Commission may consider, among other things, the proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes.

25. Areas within 500-feet of a residence, school or place of business, and reservoirs and municipal water supplies are designated as avoidance areas.

26. Eight residences are located within 500-feet of the pipeline route. The owners of the residences executed written waivers allowing the proposed pipeline to be located within 500-feet of their residences.

27. No other Avoidance Areas are present within the Project Study Area or Survey Corridor.

28. Wetland surveys and a jurisdictional determination were completed for the proposed route.

29. Three wetlands were identified within the Survey Corridor totaling approximately 0.6 acres. Each of the identified wetlands features little to no open water. Two intermittent tributaries to Stony Creek were also identified within the Survey Corridor during a desktop review. A field investigation determined both to be upland swales. No waterbodies were identified within the survey corridor. No permanent impacts to any wetlands or waterbodies are anticipated.

30. In accordance with the Commission's Selection Criteria, a transmission facility shall be approved only if it is determined that any significant adverse effects that will result from the location, construction and operation of the facility as they relate to the Selection Criteria will be at an acceptable minimum, or will be managed and maintained at an acceptable minimum. Epping Transmission has analyzed the impacts of the Project in relation to all relevant Selection Criteria. No significant adverse impact will result from the location, construction and operation of the Project.

31. In accordance with the Commission's Policy Criteria, preference may be given to an application demonstrating certain benefits of the transmission facility. Epping Transmission has analyzed the relevant policy criteria and has committed to: designating, constructing, and operating the pipeline in accordance with all applicable federal, state, and local laws and regulations; energy conservation through the facility's location, process, and design; training and utilizing available labor in the state; constructing the Project to take advantage of the economics of scale; achieving capacity in the most minimally intrusive and most efficient way possible; and coordinating with state and local officials. Epping Transmission submitted evidence to demonstrate its commitment to maximize the benefits of the proposed transmission facility to the extent possible so as to meet the Policy Criteria.

Measures to Minimize Impact

32. Epping Transmission has agreed to take steps to mitigate the impact of the Project, as indicated by the executed Certification Relating to Order Provisions – Transmission Facility Siting, with accompanying Tree and Shrub Mitigation Specifications, which is incorporated by reference and attached to this Order.

33. Epping Transmission will continue to coordinate with local authorities and emergency managers regarding emergency response measures and follow Epping Transmission's emergency action plan for the Project.

34. Standard operating procedures will conform to applicable United States Department of Transportation requirements, which include regular pipeline monitoring and periodic inspection.

35. Epping Transmission participates in the North Dakota One-Call Excavation System.

36. All landowner easements needed for construction of the pipeline up to the DAPL Epping facility have been obtained. Epping Transmission is finalizing negotiations on the remaining required easement with Dakota Access at the DAPL Epping facility.

37. Winter construction may be necessary for timely completion of the Project. Epping Transmission has experience with winter pipeline construction in North Dakota and presented evidence demonstrating its ability to properly reclaim all lands impacted by winter construction.

From the foregoing Findings of Fact, the Hearing Officer now makes the following:

Conclusions of Law

1. The Commission has jurisdiction over Epping Transmission and the subject matter of the Application under N.D.C.C. ch. 49-22.
2. Epping Transmission is a utility as defined in N.D.C.C. § 49-22-03(13).
3. The Project proposed by Epping Transmission is a transmission facility as defined in N.D.C.C. § 49-22-03(12).
4. The location, construction, and operation of the Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
5. The location, construction, and operation of the Project are compatible with environmental preservation and the efficient use of resources.
6. The proposed transmission facility survey area and route will minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.
7. The project is of such design and location that it will produce minimal adverse effects, and, therefore, it is appropriate for the Commission to grant Epping Transmission's application for a waiver of procedures and times schedules under N.D.C.C. § 49-22-07.2.

From the foregoing Findings of Fact and Conclusions of Law, the Commission now makes its:

Order

The Commission orders:

1. Epping Transmission Company, LLC's application for waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. ___ is issued to Epping Transmission designating a corridor in Williams County, North Dakota for the construction, operation and maintenance of an approximately 3.2-mile, 12.75-inch diameter crude oil transmission pipeline and two separate 0.1-mile connections of 8-inch steel pipeline with a nominal wall thickness of 0.322-inches. For purposes of the Certificate, the designated corridor is approximately 3.2-miles long and 250-feet wide centered on the pipeline route designated in this order.
3. Route Permit No. ___ is issued to Epping Transmission, designating a route in Williams County, North Dakota for the construction and operation of an approximately 3.2-mile long crude oil transmission pipeline and two separate 0.1-mile connections of 8-inch steel pipeline

with a nominal wall thickness of 0.322-inches. For purposes of this Permit, the designated route is the proposed route depicted in Hearing Exhibit 12.

4. The Certification Relating to Order Provisions - Transmission Facility Siting (Certification), with accompanying Tree and Shrub Mitigation Specifications executed on December 1, 2016 and filed with the Commission on December 5, 2016 is incorporated by reference and attached to this Order.

5. To the extent there are any conflicts or inconsistencies between Epping Transmission's Applications and the Certification filed December 5, 2016, the Certification provisions control.

6. Epping Transmission is granted the authority to segregate soils at any time during the year and to conduct all winter construction necessary to complete the Project.

PUBLIC SERVICE COMMISSION

Randy Christmann
Commissioner

Julie Fedorchak
Chairman

Brian P. Kalk
Commissioner