

NuStar Pipeline Operating Partnership L.P.

North Dakota Public Service Commission

Case No. PU-15-674

Laurel Interconnect Pipeline Project

Route and Corridor Adjustment Request

January 13, 2017

## **I. Introduction.**

NuStar Pipeline Operating Partnership L.P. (“NuStar”) is developing a refined products pipeline and associated facilities known as the Laurel Interconnect Pipeline Project (“Project”) in Cass County, North Dakota. On February 24, 2016, the North Dakota Public Service Commission (“Commission”) issued Findings of Fact, Conclusions of Law and Order (“Order”) granting Certificate of Corridor Compatibility No. 181 and Route Permit No. 193 to NuStar for the Project. At the time the Order was issued, Cenex Pipeline, LLC (“Cenex”) was proposing to construct an aboveground storage tank terminal at the northern end of NuStar’s pipeline.

After the Order was issued, Cenex decided to move its proposed terminal location from the northern end of NuStar’s pipeline to a location in Mapleton Township, which is crossed by the route and corridor designated for NuStar’s Project (“Designated Route and Corridor”). As a result, NuStar made Project adjustments, which are described in its Certification Relating to North Dakota Century Code § 49-22-16.3 and a subsequent letter outlining planned Project modifications, filed June 21, 2016 and July 21, 2016, respectively. NuStar commenced construction of the Project in August 2016.

NuStar, in coordination with Cenex, now plans to construct, own, and operate the proposed terminal in Mapleton Township (“Mapleton Terminal”) as part of the Project. As discussed in prior filings and testimony, the Mapleton Terminal, together with the Laurel Interconnect Pipeline, will enhance the refined product supply capabilities of both the NuStar refined products system and the Cenex refined products system. As a result, NuStar and Cenex will be better able to efficiently meet the gasoline and diesel fuel needs of North Dakota consumers, particularly during peak agricultural production periods.

The proposed Mapleton Terminal Site (“Terminal Site”) and associated potential temporary construction workspace areas are crossed by, but extend beyond, the Project’s Designated Route and Corridor. Therefore, in accordance with North Dakota Administrative Code (“N.D.A.C.”) § 69-06-05-02(3), NuStar respectfully requests that the Commission approve an adjustment to the Designated Route to include the proposed Terminal Site and potential workspace areas, and authorize NuStar’s construction, operation, and maintenance of the Mapleton Terminal. In support of its request, NuStar submits additional information regarding the Mapleton Terminal, as well as information demonstrating that the proposed route and corridor adjustment complies with the requirements of North Dakota Century Code (“N.D.C.C.”) Ch. 49-22 and N.D.A.C. § 69-06-08-02. Accompanying this request is the Certification of Michael P. Dillinger (“Dillinger Certification”), which attests to the information provided herein and provides additional supporting documentation.

## **II. Description of Route and Corridor Adjustment.**

The proposed Terminal Site is approximately 1,486 feet by 913 feet and is located on an approximately 69.68 acre parcel of land described as Lot 1, Block 1, Kindred I94 Exit Subdivision in Section 4, Township 139 North, Range 50 West, Cass County, North Dakota (“Lot 1”). The Terminal Site is located approximately six miles south of the Laurel Interconnect Pipeline’s point of interconnection to the existing Cenex pipeline system, and approximately one mile north of the Project’s Mapleton Junction site. Cenex owns Lot 1, and NuStar will construct, own, and operate the Mapleton Terminal on Lot 1 under a lease with Cenex.

NuStar requests an adjustment of the Project’s Designated Route to include the Terminal Site, and an adjustment of the Project’s Designated Corridor to include all of Lot 1, which will encompass both the Terminal Site and all potential temporary construction workspace areas. A map depicting the location of the existing Designated Route and Corridor, and the proposed adjusted route and corridor, is attached as Exhibit A to the Dillinger Certification.

On June 30, 2016, Mapleton Township granted a request for a zoning change, variance, and conditional use building permit for the Mapleton Terminal Site (*see* Exhibit D to the Dillinger Certification). NuStar will obtain all other permits required to construct the proposed facility prior to engaging in the work for which the permit is required, and will comply with all requirements set forth in the Commission’s Order.

## **III. Description of Mapleton Terminal Facilities.**

The proposed Mapleton Terminal will be a refined products storage and distribution terminal, which may include installation of the following facilities: up to six aboveground storage tanks, with a capacity of up to 145,000 barrels each and a height of up to 55 feet; up to one aboveground storage tank with a capacity of up to 10,000 barrels and a height of up to 44 feet (to be used as a pressure relief valve outlet); tank booster and other pumps; a mainline booster pump and associated components; piping to/from pipeline and facility components; pig traps at pipeline interconnect; meters; MCC building; control building; pump building; office building; maintenance shed; electrical equipment, including terminal power; supervisory control and data acquisition (“SCADA”) equipment; communications equipment; a stormwater storage pond; lighting; fencing; and associated site improvements and facilities. A preliminary plot plan for the Mapleton Terminal showing the approximate location of the facility on the site is attached as Exhibit B to the Dillinger Certification.

NuStar initially plans to construct one 50,000 barrel aboveground storage tank and a portion of the other facilities identified above. A preliminary site plan for the initial phase of construction is attached as Exhibit C to the Dillinger Certification. Future phases will be constructed, as needed.

#### **IV. Mapleton Terminal Construction Schedule.**

NuStar plans to begin construction of the initial phase of terminal construction on or about June 1, 2017, and to have the initial phase in-service by November 30, 2017. As noted above, future phases will be constructed and placed in-service, as needed.

#### **V. Siting Criteria Evaluation.**

NuStar has analyzed the proposed route and corridor adjustment in relation to the Commission's Exclusion Area, Avoidance Area, Selection, and Policy Criteria. As discussed further below, based on NuStar's analysis, the adjustment will not impact any Exclusion or Avoidance Areas; in relation to the Selection Criteria, no significant adverse impact will result from the location, construction, and operation of the Mapleton Terminal as part of the Project; and the adjustment will not affect NuStar's commitments with respect to the Policy Criteria.

##### **A. Exclusion Areas.**

In accordance with N.D.A.C. § 69-06-08-02(1), NuStar evaluated the location of the route and corridor adjustment in relation to the Commission's Exclusion Areas. No Exclusion Areas are located within the adjusted corridor or crossed by the route adjustment.

##### **B. Avoidance Areas.**

In accordance with N.D.A.C. § 69-06-08-02(2), NuStar evaluated the location of the route and corridor adjustment in relation to the Commission's Avoidance Areas. No Avoidance Areas are located within the adjusted corridor or crossed by the route adjustment.

##### **C. Selection Criteria.**

In accordance with N.D.A.C. § 69-06-08-02(3), NuStar evaluated the location of the route and corridor adjustment in relation to the Commission's Selection Criteria. NuStar has concluded that the proposed adjustment does not alter the conclusion that no significant adverse impact will result from the location, construction, and operation of the Project, as set forth in Finding of Fact Paragraph No. 28 of the Commission's Order.

##### **D. Policy Criteria.**

In accordance with N.D.A.C. § 69-06-08-02(4), NuStar has analyzed the route and corridor adjustment in relation to the Commission's Policy Criteria. NuStar has concluded that the proposed adjustment will not alter any of its commitments with respect to the Policy Criteria.

#### **VI. Environmental Analysis.**

The proposed route and corridor adjustment will not impact the environmental analysis conducted for the Project, as described in its Combined Application for Certificate for Corridor

Compatibility and Route Permit (“Application”), or the conclusions reached by the Commission in its Order. The route and corridor adjustment is within the 1-mile-wide study area NuStar analyzed in its Application (*see* Section 2.1 of the Application). In addition, NuStar performed field survey work for the portion of the route and corridor adjustment outside of the Designated Corridor. The results of the surveys are provided in a January 13, 2017 letter from SWCA Environmental Consultants (“SWCA”), attached as Exhibit E to the Dillinger Certification, and are summarized below:

**A. Cultural Resources.**

SWCA completed cultural resource field surveys on the Terminal Site, as well as the adjusted corridor. SWCA identified one historic cultural material scatter within Lot 1, which it recommended not eligible for inclusion in the National Register of Historic Places. SWCA recommended a determination of No Significant Sites Affected, and the State Historical Society of North Dakota concurred with SWCA’s recommended determination. Therefore, no cultural resources will be affected by construction and operation of the Mapleton Terminal within the proposed route and corridor adjustment.

**B. Other Surveys.**

SWCA conducted a natural resources field survey of the Terminal Site, as well as the adjusted corridor. One wetland was identified within Lot 1; however, construction activities will not impact the wetland. No trees/saplings/shrubs, noxious weeds, or threatened or endangered species or habitat were observed within Lot 1.

**VII. Conclusion.**

As set forth above, the requested route and corridor adjustment complies with the requirements of N.D.C.C. Ch. 49-22 and the Commission’s siting criteria in N.D.A.C. § 69-06-08-02. Therefore, NuStar respectfully requests that the Commission grant its request and issue an amended Route Permit and Certificate of Corridor Compatibility for the Project authorizing construction, operation, and maintenance of the Mapleton Terminal within the route and corridor adjustment described herein.