

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF NUSTAR PIPELINE OPERATING
PARTNERSHIP L.P. FOR A CERTIFICATE
OF CORRIDOR COMPATIBILITY AND
ROUTE PERMIT FOR THE LAUREL
INTERCONNECT PIPELINE PROJECT IN
CASS COUNTY, NORTH DAKOTA

CASE NO. PU-15-674

**Application of NuStar Pipeline Operating Partnership L.P.
for Waiver or Reduction of Procedures and Time Schedules**

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. 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. NuStar is submitting herewith a Route and Corridor Adjustment Request (“Adjustment Request”) requesting issuance of an amended Certificate of Corridor Compatibility and Route Permit authorizing an adjustment to the Designated Corridor and Route to include the proposed Terminal Site and potential workspace areas, and authorizing NuStar’s construction, operation, and maintenance of the Mapleton Terminal as part of the Project.

In connection with the Adjustment Request, NuStar submits to the Commission this application for a waiver or reduction of procedures and time schedules (“Waiver Request”) set forth in N.D.C.C. Ch. 49-22 and N.D.A.C. Art. 69-06. Specifically, NuStar requests the Commission waive the following requirements:

1. The requirements to hold a separate hearing on a waiver request, a request for an amendment to a Certificate of Corridor Compatibility, and a request for an amendment to a Route Permit, as may be required by N.D.C.C. §§ 49-22-07.2, 49-22-08, 49-22-08.1, and 49-22-13 and N.D.A.C. § 69-06-01-02. NuStar requests that the Commission waive the hearing requirement in its entirety unless a hearing is specifically requested within the designated time period by an interested party showing good cause. In the absence of such a request, NuStar requests that the Commission issue an Order based on the Adjustment Request, and accompanying documentation, as well as all relevant materials previously submitted in this docket. If the Commission determines a hearing is necessary, NuStar requests that the Commission hold a single consolidated hearing on this Waiver Request and the Adjustment Request. NuStar further requests that the

Commission shorten the time periods specified in N.D.C.C. §§ 49-22-08(5) and N.D.C.C. § 49-22-08.1, if applicable.

2. The requirements in N.D.C.C. §§ 49-22-08 and 49-22-08.1 insofar as these sections may require the separate filing of applications for an amendment to a Certificate of Corridor Compatibility and a Route Permit, and insofar as they require separate publication of notices.

Consistent with N.D.A.C. § 69-06-06-01(2), NuStar provides the following information in support of the Waiver Request:

A. Description of Proposed Project.

1. Type.

With the exception of the addition of the Mapleton Terminal, the Project remains as described in NuStar's Consolidated Application for a Certificate of Corridor Compatibility and Route Permit ("Application") and subsequent filings. The proposed Mapleton Terminal will be a refined products storage and distribution terminal, and will be crossed by and connected to the Laurel Interconnect Pipeline.

2. Product.

The Project, including the Mapleton Terminal, will transport, store, and distribute refined petroleum products, such as gasoline and diesel fuel.

3. Capacity and Design.

With the exception of the addition of the Mapleton Terminal, the Project's capacity and design are consistent with the information previously provided in the Application and subsequent filings. The proposed Mapleton Terminal 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. The Project will be constructed, operated, and maintained in accordance with 49 C.F.R. Part 195.

4. Location.

The proposed Mapleton 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. The 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. A map depicting the location of the Designated Route and Corridor, the proposed adjusted route (i.e., the Mapleton Terminal site), and the adjusted corridor is attached as Exhibit A to the Dillinger Certification, filed herewith.

5. Geographical Service Area.

The Project, including the Mapleton Terminal, will serve the same geographical service area as set forth in the Application. Specifically, the Project will transport refined petroleum products between the existing Cenex refined petroleum system and the existing NuStar refined petroleum system. The refined petroleum products transported by the Project will be delivered to NuStar refined products terminals, including those located in Moorhead, Sauk Centre, and Roseville, Minnesota. From those terminals, the refined petroleum products will be distributed by and to customers in North Dakota and Minnesota.

6. Time Schedule.

NuStar proposes to develop the Mapleton Terminal on the following schedule:

- January 2017 – NuStar files with the Commission its Adjustment Request.
- April 2017 – The Commission issues an Amended Certificate of Corridor Compatibility and Route Permit for the Project.
- June 1, 2017 – NuStar begins construction of the Mapleton Terminal.
- November 30, 2017 – NuStar places the Mapleton Terminal in-service.

7. Future Plans.

As discussed in the accompanying Adjustment Request, NuStar currently plans to construct one above-ground refined product storage tank and associated facilities, and additional facilities may be constructed in future phases. Other than the information provided in this Waiver Request and in the Adjustment Request, NuStar does not have specific details regarding future phases.

8. Need for the Facility and Alternatives Considered.

The Project, including the Mapleton Terminal, will provide a connection between Cenex's existing Laurel Pipeline and NuStar's existing North System Pipeline. This connection will enhance the refined petroleum product supply capabilities of both systems. In particular, the Mapleton Terminal will provide storage that will enhance the optionality of the connected refined products systems. Additionally, that storage 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 can, in turn, meet the needs of North Dakota and Minnesota consumers in the surrounding areas.

9. Ten Year Plan.

At the time that NuStar filed its Ten Year Plan for 2016-2026, it had not yet been determined that NuStar would build the Mapleton Terminal. Therefore, while the Ten Year Plan

references the Project, it does not specifically discuss NuStar's construction of the Mapleton Terminal.

10. Cost.

NuStar estimates that it will cost approximately \$8.5 million to construct the initial phase of the Mapleton Terminal (in addition to the \$12 million previously estimated for construction of the Laurel Interconnect Pipeline).

B. Waiver Request.

NuStar requests that the Commission grant the waivers requested herein because these waivers are needed to prevent potentially significant delays to completion of the Project. A delay in completion of the Mapleton Terminal will, in turn, delay realization of the benefits the terminal will provide, including an increase in refined petroleum product supply optionality for NuStar and Cenex customers and, in turn, North Dakota and Minnesota refined petroleum product consumers.


N.D.C.C. § 49-22-07.2 provides that the Commission may waive procedures and time schedules upon a finding that "the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in NuStar's Adjustment Request and supporting documentation, granting the requested waivers is appropriate because the proposed adjustment will produce minimal adverse effects due to its limited area (a portion of which is located within the Project's currently Designated Corridor), its design (limited tankage and associated facilities to enable interconnection with the Laurel Interconnect Pipeline), its location (avoiding Exclusion Areas and Avoidance Areas, as set forth in N.D.A.C. § 69-06-08-02), and its purpose (storage and underground distribution and transportation of refined petroleum products).

In determining whether the route and corridor adjustment will result in adverse impacts on the environment, NuStar evaluated the adjustment using the siting criteria set forth in N.D.C.C. Ch. 49-22 and N.D.A.C. § 69-06-08-02. Based upon NuStar's evaluation, the adjustment will have minimal adverse effects.

Accordingly, NuStar respectfully requests that the Commission grant the requested waivers and issue a Notice of Filing and Notice of Opportunity for Hearing as soon as possible. NuStar further requests that the Commission determine the matter without a hearing absent receipt of a hearing request within the designated time period by an interested party showing good cause, and render an expeditious decision on the Adjustment Request.

Dated this 13th day of January, 2017.

FREDRIKSON & BYRON, P.A.

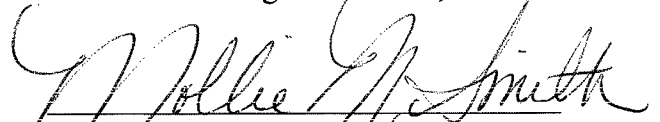
By 

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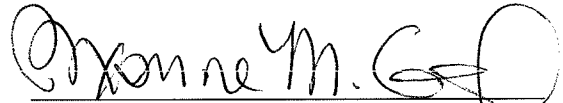
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

MOLLIE M. SMITH, of lawful age, being first duly sworn, on oath deposes and says:

That she is the duly elected and qualified attorney for Applicant in the foregoing application; that she executed the foregoing application for and on behalf of said Applicant and as its said attorney that she has read said application and knows the contents thereof, and that the statements made and contained therein are, to the best of her knowledge and belief, true and correct.


MOLLIE M. SMITH

Subscribed and sworn to before me this 13th day of January, 2017.


Notary Public

