

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**NuStar Pipeline Operating Partnership L.P.
8-Inch Refined Products Pipeline – Cass County
Siting Application**

Case No. PU-17-51

ORDER

April 28, 2017

Preliminary Statement

On February 24, 2016, in Case No. PU-15-674, the Commission issued Certificate of Corridor Compatibility No. 181 and Route Permit No. 193 to NuStar Pipeline Operating Partnership L.P. (NuStar) for the construction, operation, and maintenance of approximately 7.3 miles of 8-inch refined petroleum products pipeline and associated facilities in Cass County, North Dakota.

On January 30, 2017, NuStar filed an application to amend the designated corridor and route to include a site for a terminal with storage tanks, pumps, and associated facilities in Section 4, Township 139 North, Range 50 West in Mapleton Township, Cass County, North Dakota (Mapleton Terminal).

Also on January 30, 2017, NuStar filed an application for waiver of procedures and time schedules established under North Dakota Century Code Sections 49-22-07.2, 49-22-08, 49-22-08.1, and 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 such applications.

On February 16, 2017, the Commission deemed the applications complete and issued a Notice of Filings and Notice of Opportunity for Hearing (Notice), inviting interested parties to comment or request a hearing in writing by March 22, 2017. The Notice stated the Commission can determine the matter without a hearing.

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 Notice identified the following issues to be considered with respect to the application for corridor and route adjustment:

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?

On February 23, 2017, the North Dakota Department of Health filed comments and recommendations in which it stated that it believes environmental impacts from construction of the Project will be minor and can be controlled by proper construction methods.

No other comments, and no requests for hearing, were received by the Notice of Opportunity deadline of March 22, 2017.

Discussion

The Mapleton Terminal will be located in an area approximately 1,486 feet by 913 feet within 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 Mapleton Terminal will be located approximately six miles south of the point of interconnection of NuStar's 8-inch Laurel Interconnect Pipeline to the existing Genex pipeline system, and approximately one mile north of NuStar's Mapleton Junction site.

The site for the Mapleton Terminal is proposed to be located within the one-mile-wide Study Area evaluated by NuStar in its application for a certificate of corridor compatibility and a route permit for the Laurel Interconnection Pipeline in Case No. PU-15-674. During that evaluation, the following agencies were contacted by NuStar and provided responses: the United States Army Corps of Engineers (USACE), the United States Air Force (USAF), the North Dakota Parks and Recreation Department (NDPRD), the North Dakota Department of Health (NDDOH), North Dakota State Water Commission (NDSWC), the North Dakota Department of Transportation (NDDOT), the North Dakota State Historic Preservation Office (NDSHPO), and the Cass County Weed Control Board (CCWCB)

The 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 above ground 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 equipment; communications equipment; a storm water storage pond; lighting; fencing; and associated site improvements and facilities.

NuStar initially plans to construct one 50,000 barrel aboveground storage tank and a portion of the other facilities. 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. Future phases will be constructed and placed in-service, as needed.

NuStar conducted natural resource field surveys on all of Lot 1 in Section 4, Township 139 North, Range 50 West (Survey Area). One wetland is present within the Survey Area, but construction activities will not impact the wetland. No trees/saplings/shrubs, noxious weeds, or threatened or endangered species or habitat were observed in the Survey Area.

NuStar conducted a Class III cultural resources inventory on the Survey Area. The North Dakota State Historic Preservation Office (SHPO) concurred with NuStar's determination of "No Significant Sites Affected." Siting Criteria

The Commission established criteria pursuant to North Dakota Century Code Section 49-22-05.1 to guide the Commission in the corridor and route suitability evaluation and designation process. 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. NuStar evaluated the Project with respect to the Exclusion Area, Avoidance Area, Selection, and Policy criteria of the Commission.

A transmission facility route must not be sited within an Exclusion Area. Exclusion areas may be located within a corridor, but at no given point may such an area or areas encompass more than fifty percent of the corridor unless there is no reasonable alternative. No Exclusion Areas are located within the Survey Area.

A transmission facility may not be sited within an Avoidance Area, unless the applicant shows that, under the circumstances, there is no reasonable alternative. In determining whether an Avoidance Area should be designated for a transmission 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. Economic considerations alone are not

sufficient to establish no reasonable alternative. No Avoidance Areas are located within the Survey Area.

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

The Mapleton Terminal project proposed by NuStar will be an addition to the transmission facility sited by the Commission in Case No. PU-15-674 and is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).

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.

The location, construction, and operation of the Project are compatible with environmental preservation and the efficient use of resources.

The Project 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.

The Project is of such length, design, location, and purpose that it will produce minimal adverse effects, as defined under North Dakota Century Code Section 49-22-07.2.

It is appropriate for the Commission to waive those certain procedures and time schedules as requested in the waiver application under North Dakota Century Code 49-22-07.2.

Order

The Commission Orders:

1. NuStar's application for waiver of procedures and time schedules is granted.
2. First Amended Certificate of Corridor Compatibility No. 181 is issued to NuStar, designating a corridor for the construction, operation, and maintenance of approximately 7.3 miles of 8-inch diameter pipeline and associated facilities, including the Mapleton Terminal, for the storage and transmission of refined petroleum products in Cass County, North Dakota. For purposes of the Certificate, the designated corridor is adjusted to include the Adjusted Corridor shown in Exhibit A to the Dillinger Affidavit, filed on January 30, 2017.

3. First Amended Route Permit No. 193 is issued to NuStar, designating a route for the construction, operation, and maintenance of approximately 7.3 miles of 8-inch diameter pipeline and associated facilities, including the Mapleton Terminal, for the storage and transmission of refined petroleum products in Cass County, North Dakota. For purposes of the Permit, the designated route is adjusted to include the Adjusted Route shown in Exhibit A to the Dillinger Affidavit, filed on January 30, 2017.

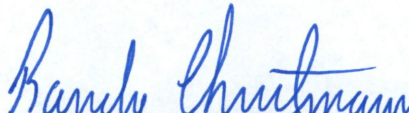
4. Except to the extent superseded by this Supplemental Order, NuStar shall comply with all provisions of the Commission's February 24, 2016 Findings of Fact, Conclusions of Law and Order, including the Certification Relating to Order Provisions – Transmission Facility Siting, issued in Case No. PU-15-674. To the extent there are any conflicts or inconsistencies between NuStar's applications in this proceeding and the Certification Relating to Order Provisions, the Certification provisions control.

5. NuStar shall comply with all applicable laws, rules, and/or regulations in the event it desires to construct another or a different transmission facility than was specified in the applications within the corridor granted in this proceeding.

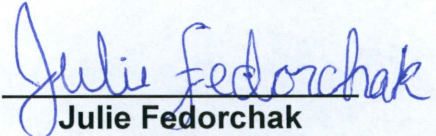
PUBLIC SERVICE COMMISSION



**Brian Kroshus
Commissioner**



**Randy Christmann
Chairman**



**Julie Fedorchak
Commissioner**

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

First Amended Certificate of Corridor Compatibility Number 181

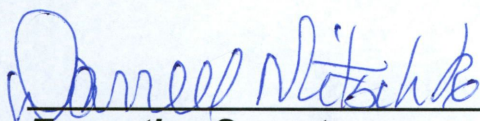
This is to certify that the Commission has designated a transmission facility corridor for NuStar Pipeline Operating Partnership L.P. for the construction, operation, and maintenance of approximately 7.3 miles of 8-inch diameter pipeline and associated facilities for the transmission of refined petroleum products in Cass County, North Dakota.

This certificate is issued in accordance with the Orders of the Commission dated February 24, 2016 in Case No. PU-15-674 and April 28, 2017 in Case No. PU-17-51 and is subject to the conditions and limitations noted in the Order.

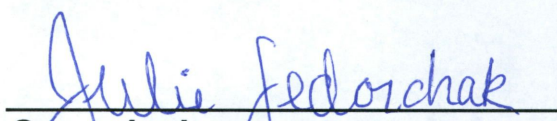
Bismarck, North Dakota, April 28, 2017

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

First Amended Route Permit Number 193

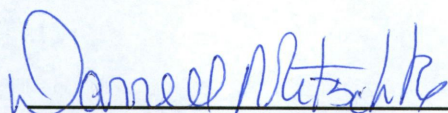
This is to certify that the Commission has designated a transmission facility route for NuStar Pipeline Operating Partnership L.P. for the construction, operation, and maintenance of approximately 7.3 miles of 8-inch diameter pipeline and associated facilities for the transmission of refined petroleum products in Cass County, North Dakota.

This permit is issued in accordance with the Orders of this Commission dated February 24, 2016 in Case No. PU-15-674 and April 28, 2017 in Case No. PU-17-51 and is subject to the conditions and limitations noted in the Order.

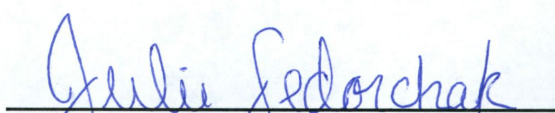
Bismarck, North Dakota, April 28, 2017.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner