

July 25, 2018

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: NST Express, LLC's Ten Year Plan for 2018-2028
Case No. PU-18-_____**

Dear Mr. Nitschke:

On June 29, 2018, two Ten Year Plans were inadvertently switched during the filing and service to the Auditor. The correct Plan is enclosed for filing and service, along with an updated 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/bd
Enclosures

cc: Erica Johnsrud, McKenzie County Auditor (w/encls.)

64293202.2

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TEN YEAR PLAN: 2018-2028
NST Express, LLC

June 2018

In accordance with N.D.C.C. § 49-22-04 and N.D.A.C. Ch. 69-06-02, NST Express, LLC (“NST Express”), submits the following Ten Year Plan for years 2018 through 2028.

- (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.

NST Express does not currently operate any transmission facilities in North Dakota.

NST Express is a Delaware limited liability company, authorized to do business in the State of North Dakota. NST Express owns and operates a 23-mile-long, 12-inch-diameter crude oil pipeline and associated facilities located in McKenzie County, North Dakota (the “NST Express Project”). The NST Express Project includes the NST Express Alexander Facility, a market hub located north of Alexander, North Dakota. The pipeline originates at the NST Express Alexander Facility and terminates at the existing NST Transload East Fairview Facility in East Fairview, North Dakota. On October 14, 2015, the North Dakota Public Service Commission (“Commission”) issued Certificate of Corridor Compatibility No. 173 and Route Permit No. 185 to NST Express for the NST Express Project. The NST Express Project was placed in service at the end of 2016. Additional detailed information regarding the NST Express Project is provided in Case No. PU-15-232.

Additionally, on October 5, 2016, the Commission issued Certificate of Corridor Compatibility No. 193 and Route Permit No. 205 to NST Express for an approximately 3.6-mile-long, 8-inch-diameter crude oil pipeline and associated facilities located in McKenzie County, North Dakota (the “WTT Project” and, together with the NST Express Project, the “Projects”). The WTT Project will originate at Tesoro Logistics GP, LLC’s existing crude oil break-out tank located north of Alexander, North Dakota (the “Tesoro Break-Out Tank”) and terminate at the NST Express Alexander Facility. Additional detailed information regarding the WTT Project is provided in Case No. PU-16-305.

NST Express does not own or operate any facilities that it plans to remove from service during the next ten years.

- (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.

As discussed above, the NST Express Project was placed in service in late 2016. The NST Express Project begins at the NST Express Alexander Facility in Section 24, Township 152 North, Range 102 West, McKenzie County, North Dakota, extends westward and southward, and terminates at the existing NST Transload East Fairview Facility in Section 30, Township 151 North, Range 104 West, McKenzie County, North Dakota. Maps depicting the location of the NST Express Project are provided in Case No. PU-15-232. As set forth in the Commission's October 14, 2015 Findings of Fact, Conclusions of Law and Order ("Order") issuing Certificate of Corridor Compatibility No. 173 and Route Permit No. 185, and post-Order filings, the corridor and route for the NST Express Project comply with the Commission's siting criteria, including the exclusion and avoidance areas referenced in N.D.C.C. § 49-22-05.1 and identified in N.D.A.C. § 69-06-08-02 (see Case No. PU-15-232).

The WTT Project will also be located in McKenzie County, North Dakota. The WTT Project will commence at the Tesoro Break-Out Tank in Section 5, Township 151 North, Range 101 West, McKenzie County, North Dakota, extend northward and westward, and interconnect to the NST Express Alexander Facility in Section 24, Township 152 North, Range 102 West, McKenzie County, North Dakota. Maps depicting the location of the WTT Project are provided in Case No. PU-16-305. As set forth in the Commission's October 5, 2016 Findings of Fact, Conclusions of Law and Order ("Order") issuing Certificate of Corridor Compatibility No. 193 and Route Permit No. 205, and post-Order filings, the corridor and route for the WTT Project comply with the Commission's siting criteria, including the exclusion and avoidance areas referenced in N.D.C.C. § 49-22-05.1 and identified in N.D.A.C. § 69-06-08-02 (see Case No. PU-16-305).

- (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.

In developing the Projects, NST Express performed centerline surveys of the routes, and based on those surveys, NST Express identified all third-party entities/utilities that would be encountered (e.g., petroleum, water, electric). NST Express then contacted each entity to obtain its respective crossing and encroachment guidelines and requirements. These requirements have been incorporated, as applicable, into the design of the Projects, and NST Express worked closely with each entity during the construction phase of the NST Express Project and will continue to work closely with such entities during the construction phase of the WTT Project and during the operation and maintenance phases of both Projects in order to safely construct and operate the Projects around adjacent utilities.

NST Express continues to explore potential interconnection opportunities with other pipeline facility owners.

- (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.

NST Express engaged qualified environmental consulting firms to conduct studies of and identify avoidance and exclusion areas within each Project's respective corridor and route, in accordance with N.D.C.C. Ch. 49-22 and N.D.A.C. Ch. 69-06-08. NST Express developed and implemented an Environmental Mitigation Plan for the NST Express Project that outlined general construction-related mitigation measures to minimize impacts to natural and cultural resources from project development and construction.

With respect to the WTT Project, no environmental or siting concerns have been identified to date within the WTT Project's study area that would preclude project development. NST Express has also developed an Environmental Mitigation Plan for the WTT Project that outlines general construction-related mitigation measures to minimize impacts to natural and cultural resources from project development.

NST Express has consulted, and will continue to coordinate with, federal, state and local agencies and governmental units regarding the Projects. NST Express will obtain all required permits for the Projects.

- (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.

The development of hydrocarbon production in the Williston Basin has increased significantly in recent years due to advancements in deep horizontal directional drilling techniques and subsequent oil extraction in the Bakken and Three Forks shale formations. The total recoverable amount of Bakken and Three Forks oil reserves is subject to interpretation and speculation. Studies conducted by the North Dakota Department of Mineral Resources ("NDDMR") and North Dakota Geological Survey ("NDGS") in 2008 on the Bakken formation¹ and in 2010 on the Three Forks formation² indicate that between 2.1 and 6.3 billion barrels of

¹ Bohrer, M., Fried, S., Helms, L., Hicks, B., Juenker, B., McCusker, D., Anderson, F., LeFever, J., Murphy, E., and Nordeng, S. North Dakota Department of Mineral Resources. State of North Dakota Bakken Resources Study Project 23 (2008).

² Helms, L. and Nordeng, S. North Dakota Department of Mineral Resources. Bakken Source System, Three Forks Formation Assessment (2010).

recoverable reserves are available in the Bakken and Three Forks formations within the State of North Dakota, with 4.0 billion barrels described as the most likely amount. More recently, the U.S. Geological Survey estimated there may be 7.4 billion barrels of undiscovered recoverable oil in the entire Bakken and Three Forks formations, spanning Montana, North Dakota and South Dakota.³ Statistics from the NDDMR indicate that oil production has increased dramatically over the past ten years from an average of just over 170,000 bpd in 2008 to an average of over 1,080,000 bpd in 2017.⁴

The Projects help address demand for crude oil transport in western North Dakota by providing for the safe, efficient, and reliable transport of up to 100,000 bpd (NST Express Project) and, upon WTT Project construction, up to 40,000 bpd (WTT Project) of crude oil via pipeline. The WTT Project will provide an additional outlet for crude oil from the Tesoro system, thereby removing an existing capacity constraint and enabling additional crude oil barrels to enter the system that would otherwise be transported to a market hub by truck. Crude oil transported by the WTT Project or other means to the NST Express Alexander Facility can then be transported via the NST Express Pipeline to the NST Transload East Fairview Facility with access to rail, or via third-party interconnecting pipelines. Both options will provide producers with access to major U.S. markets, thereby offering producers greater options for markets and pricing, and the potential for better netbacks.

³ United States Geological Survey. Assessment of Undiscovered Oil Resources in the Bakken and Three Forks Formations, Williston Basin Province, Montana, North Dakota, and South Dakota (2013). Web access in June 2018 at: <http://pubs.usgs.gov/fs/2013/3013/>.

⁴ North Dakota Department of Mineral Resources. North Dakota Monthly Oil Production Statistics. Web access in June 2018 at: <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>.

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-18-___

IN THE MATTER OF THE FILING OF A
TEN YEAR PLAN BY NST EXPRESS, LLC

CERTIFICATE OF SERVICE

Mollie M. Smith, being first duly sworn, does depose and state that on July 25, 2018, she served the following document:

Ten Year Plan: 2018-2028

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

Ms. Erica Johnsrud
McKenzie County Auditor
201 5th St NW, Suite 543
Watford City, ND 58854

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


Mollie M. Smith