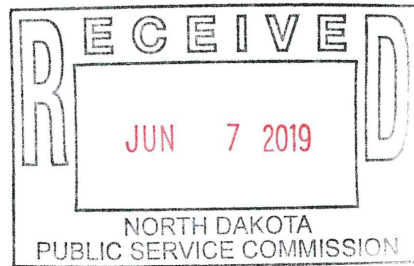


June 7, 2019

Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480



Reference: Public Service Commission Case No. PU-18-404 (Belle Fourche Pipeline Company 8-inch Wilson-Bowline Pipeline Conversion Project)

Good morning Chairman Kroshus and members of the Public Service Commission. My name is Karl Rockeman, and I am the director of the Division of Water Quality within the North Dakota Department of Environmental Quality. The Division of Water Quality protects and monitors the state's water resources to ensure the quality of surface and groundwater for the public's use.

We appreciate the opportunity to provide additional comment on the conversion of Belle Fourche's 8-inch Wilson-Bowline crude oil gathering line to a crude oil transmission line.

Today I'd like to expand upon the comments already provided in our letter of May 14, 2019 and included as Docket #35. For the record, I'm referring to the last part of item #8 in our letter that states "Proper surveillance and monitoring for early detection of leaks should be required."

All pipelines should have adequate leak detection systems to allow for timely detection of leaks. In some cases, inadequate leak detection has resulted in significant losses of both oil and saltwater and subsequent environmental damage. Conversely, there have been other times when timely detection of leaks by the pipeline operator resulted in only small incidents.

The Department of Environmental Quality does not object to the conversion of the line with appropriate oversight. However, we believe a thorough evaluation of the monitoring, leak detection and control room management of Belle Fourche's lines should be completed. Such an evaluation will ensure that operation of the pipeline reduces the potential for adverse environmental impacts.

The basis for our concerns about the ability of Belle Fourche to detect leaks in its system can be found in Docket #22 — the 10 Year Spill History which lists, among others, the 12,615-barrel spill from a pipeline into Ash Coulee Creek first reported December 5, 2016. Staff from our agency responded to this spill that same day and continued to participate as part of the Incident Command, in cooperation with Belle Fourche and the U.S. Environmental Protection Agency.

Unified Incident Command directed the response and cleanup in the creek through June 2017. Oil is still being collected as it is discharged from the hillside, and Belle Fourche continues to clean up near the site of release under our oversight.

The Ash Coulee Spill was discovered by the landowner and reported to Belle Fourche on December 5, but the release had been occurring for days prior to that date. Although data collected by the leak detection technology did indicate a leak, insufficient action was taken to address the leak until its discharge into Ash Coulee Creek was reported by the landowner.

Our investigation and enforcement action continues for this specific spill and its causes, but some of the issues discovered may relate to this proposed line, as the pipelines share a common control room. The commission should review the adequacy of the following items by requiring a third-party audit to include:

1. Collection of data from the Supervisory Control and Data Acquisition (SCADA) system, including protocols to ensure its accuracy.
2. Calculation and presentation of the data to the pipeline controllers by the computational pipeline monitoring (CPM) system, including alarm management.
3. Written control room management procedures, including the operator's authority and responsibilities.
4. Processes for tracking and approving changes to the SCADA and CPM systems.
5. Training on CPM system and control room management procedures.

As the Ash Coulee spill was caused by a landslide, we also would encourage the Commission to consider the letter from the North Dakota Geological Survey, Docket #37.

Again, the Department of Environmental Quality thanks the Commission for this opportunity to provide comment, and I'd be happy to answer any questions.



Karl Rockeman
Director
Division of Water Quality
North Dakota Department of Environmental Quality