



Public Service Commission

State of North Dakota

COMMISSIONERS

Brian Kroshus
Julie Fedorchak
Randy Christmann

600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505-0480
Web: www.psc.nd.gov
E-mail: ndpsc@nd.gov
Phone: 701-328-2400
ND Toll Free: 1-877-245-6685
Fax: 701-328-2410
TDD: 800-366-6888 or 711

March 1, 2019

Steve Kahl
Interim Executive Director
ND Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

via Hand Delivery

Re: Case No. PU-19-27
Hess Corporation
Pipeline – Tioga Gas Plant to ND LNG Plant
Jurisdictional Determination

Dear Mr. Kahl:

Enclosed is a copy of the Staff Response to the Request for Jurisdiction to be filed in the above captioned case.

Best Regards,

A handwritten signature in blue ink, appearing to read "John Schuh".

John Schuh
Legal Counsel

Enclosure

February 26, 2019

Vicky Sund
Regulatory Manager
Hess Corporation
3015 16th Street SW, Suite 20
Minot, ND 58701

RE: Request for Interpretation of 49 CFR 192.8 relating to Intrastate Natural Gas Pipeline

Dear Ms. Sund:

Thank you for your January 3, 2019 request for a gas safety jurisdictional review of an 8-inch pipeline that runs from the Tioga Gas Plant under a public roadway to North Dakota, LNG, LLC's (ND LNG) liquefaction plant.

Hess requests a determination that the gathering designation for its intrastate pipeline to be extended 2000 feet beyond Hess's Tioga Gas Plant to ND LNG's liquefaction plant pursuant to 49 CFR § 192.8(a)(2) and Section 2.2(a)(1)(A) of API Recommended Practice 80. The request correctly states 49 CFR § 192.8(a)(2) in that "[t]he endpoint of gathering . . . may not extend beyond the first downstream natural gas processing plant, unless the operator can demonstrate, using sound engineering principles, that gathering extends to a further downstream plant."

The Commission has regulatory authority jurisdiction over the safety standards and practices of intrastate pipeline transportation. That being stated, in PHMSA's October 23, 2017 interpretation provided to ND LNG, PHMSA determined that ND LNG's liquefaction plant was subject to regulation under 49 CFR Part 193. As you are well aware, this interpretation hinged upon whether the pipeline that is the subject of this request was subject to 49 CFR Part 192 regulation. In that letter, PHMSA did interpret this pipeline to fall under Part 192 regulation.

Commission regulation is subject to federal certification and state law, which requires the Commission to regulate consistent with the federal standards. Subject to a clear showing to the alternative, the Commission intends to administer concurrently with the interpretation provided by PHMSA. There has been no clear showing to the contrary, so it is our determination that the line in question is jurisdictional.

We thank you again for contacting us. If there are any other areas that we may be of assistance or questions you may have, please do not hesitate to contact us.

Best Regards,

A handwritten signature in blue ink, appearing to read "John M. Schuh". The signature is fluid and cursive, with a large initial "J" and "S".

John M. Schuh

Special Assistant Attorney General