

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION
OF DAKOTA ACCESS, LLC FOR AN
AMENDMENT TO CERTIFICATE AND
PERMIT IN ACCORDANCE WITH THE
DAKOTA ACCESS PIPELINE
OPTIMIZATION IN EMMONS COUNTY,
NORTH DAKOTA

CASE NO. PU-14-842

**Application of Dakota Access, LLC
for Waiver or Reduction of Procedures and Time Schedules**

In connection with its submission of the Dakota Access Pipeline Optimization application (the “Application”) and request for an amended Certificate of Corridor Compatibility and amended Route Permit for the construction of additional pipeline facilities – i.e., an additional pump station, located in Emmons County, North Dakota (the “Optimization”), Dakota Access, LLC (“Dakota Access”) submits to the North Dakota Public Service Commission (“Commission”) this application for a waiver or reduction of certain procedures and time schedules set forth in Chapter 49-22.1 of the North Dakota Century Code (“Siting Act”) and Article 69-06 of the North Dakota Administrative Code (“Siting Rules”). In accordance with Section 49-22.1-07 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, Dakota Access requests that the Commission waive the following requirements:

1. That the Commission waive the requirements to hold a separate hearing on the request of Dakota Access for this waiver application, as may be required by Section 49-22.1-05 of the North Dakota Century Code.

2. That the Commission waive in its entirety any hearing requirements for this Optimization Application, and instead proceed by virtue of the Commission's notice and opportunity for hearing procedure.

Consistent with the Commission's Energy and Transmission Facility Siting Guidelines ("Commission's Guidelines"), Dakota Access provides the following information in support of its waiver requests:

A. Description of Proposed Optimization.

1. **Type:** Dakota Access owns the Dakota Access Pipeline ("DAPL"), an approximate 358-mile crude oil pipeline and associated facilities commencing in North Dakota and terminating in Illinois. In North Dakota, the DAPL is located in Mountrail, Williams, McKenzie, Dunn, Mercer, Morton, and Emmons Counties, North Dakota, with terminals near Stanley in Mountrail County, near Tioga in Williams County, near Epping in Williams County, near Trenton in Williams County, near Watford City in McKenzie County, and near Johnsons Corner in McKenzie County. Dakota Access is proposing the Optimization to optimize and upgrade the DAPL by increasing the DAPL's capacity to transport crude oil in order to meet increased production from the Williston Basin, as well as the corresponding increase in demand for such transportation capabilities.

2. **Product:** The Optimization will increase the transportation capacity of crude oil from 600,000 barrels per day to up to 1,100,000 barrels per day.

3. **Size and Design:** The current DAPL and associated facilities were authorized pursuant to the Commission's Second Supplemental Findings of Fact, Conclusions of Law and Order, and the Second Amended Certificate of Corridor Compatibility No. 179 and the Second Amended Route Permit No. 191. The Optimization would provide an increase in the

transportation capacity of crude oil on the existing DAPL, from 600,000 barrels per day to up to 1,100,000 barrels per day, by installing a new pump station facility consisting of up to 30,000 HP of electronically driven motors and pumps contained within a building. The Optimization will not alter the existing maximum operating pressure of the DAPL. The new pump station facility would be located in the S1/2SE1/4 of Section 5, Township 132 North, Range 77 West in Emmons County, North Dakota. The new pump station facility site boundary extends approximately 16.6 acres outside of the corridor designated by the Second Amended Certificate of Corridor No. 179 and approximately 19.5 acres outside of the route designated by the Second Amended Route Permit No. 191. The new pump station facility is positioned within an approximately 20.8 acre parcel. The Optimization will enable Dakota Access to meet the increasing demand for the transportation of crude oil from the Williston Basin.

4. **Location:** The Optimization will occur entirely within land that will ultimately be owned in fee by Dakota Access consisting of approximately 20.8 acres located in the S1/2SE1/4 of Section 5, Township 132 North, Range 77 West, in Emmons County, North Dakota (approximately five miles west of Linton, North Dakota on Highway 13). Dakota Access has purchased a fee option for the property. No additional land acquisition is required for the Optimization. Maps of the proposed Optimization are provided in the Application, submitted herewith.

5. **Geographic Service Area:** As noted above, the Optimization will be located in Emmons County, North Dakota. The DAPL's primary service area is the Williston Basin in western North Dakota. However, the DAPL commences in North Dakota, runs through South Dakota and Iowa, and terminates in Illinois, providing crude oil to customers throughout the United States.

6. **Time Schedule:** Dakota Access anticipates completion of the Optimization in the first quarter of 2021. Dakota Access proposes to develop the Optimization on the following schedule:

- June 2019 – Dakota Access files with the Commission the Dakota Access Pipeline Optimization Application.
- September/October 2019 – The Commission issues a Third Amended Certificate of Corridor Compatibility No. 179 and Third Amended Route Permit No. 191 for the Optimization.
- Construction of the Optimization is anticipated to commence late 2019, subject to receipt of all appropriate approvals.
- February 2021 – Dakota Access will complete construction of the Optimization.

7. **Future Plans:** At this time, Dakota Access has no specific plans for additional modifications other than the Optimization.

B. Need for the Optimization.

Crude oil production from the Williston Basin has increased from 1.045 million barrels per day in June of 2017 to almost 1,349,000 barrels per day in December of 2018. This number is projected to increase by another 350,000 to 450,000 barrels per day over the next five years. Such an increase in crude oil production will exceed the current transportation capacity of the DAPL. This increase in production has led to an increase in demand for crude oil transportation services on the DAPL. The current maximum capacity of the DAPL is oversubscribed by shippers holding or seeking long-term transportation contracts. During an open season held in the fourth quarter of 2018, seven new shippers participated, along with all current shippers. Both the new and existing shippers have indicated interest in contracting for additional capacity on the DAPL, beyond the open season amounts, in order to support their expected future needs for crude oil transportation services. The Optimization is needed to accommodate the increase in

production from the Williston Basin, and the corresponding increase in demand from the region's current and potential customers.

For additional analysis of the need for the Optimization, including a discussion of alternatives evaluated, please see Section 2.0 of Dakota Access's Application, which accompanies this waiver application.

C. Cost.

Dakota Access estimates that it will cost approximately \$35 to \$40 million to complete the Optimization.

D. Waiver Request.

Dakota Access requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Optimization. As noted above, the Optimization is needed to allow Dakota Access to better utilize its existing pipeline system and increase the capacity for transporting crude oil on the DAPL. Utilizing the Optimization will eliminate the need to supplement the pipeline transportation of crude oil with rail facilities, truck, or an entirely new pipeline. Without the waivers of time schedules and procedures requested, operation of the Optimization will be delayed and the Optimization will not be able to satisfy the immediate need for a higher capacity of transporting crude oil to facilities that have access to major markets.

Section 49-22.1-05 of the North Dakota Century Code 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 the Application of Dakota Access, granting the waivers requested is appropriate because the proposed facility will produce no adverse effects due to its

design (additional pump station added to an existing pipeline), its location (on land that will be ultimately owned in fee by Dakota Access), and its purpose (increasing the capacity for the transportation of crude oil on the existing DAPL).

In determining whether the proposed facility will result in adverse impacts on the environment, Dakota Access evaluated the Optimization using the criteria set forth in the Siting Act, the Siting Rules, and the Commission's Guidelines. More specifically, Dakota Access evaluated the impacts of the Optimization considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22.1-09 of the North Dakota Century Code. Impacts associated with the Optimization, and mitigation measures that will be taken with respect to said impacts, are summarized in Sections 5.0 and 6.0 of the Application. Based upon Dakota Access's siting criteria evaluation, and the factors set forth in the Guidelines, the Optimization will have no adverse effects. Accordingly, Dakota Access respectfully requests that the Commission grant the requested waivers and render an expeditious decision.

Dated this 20th day of June, 2019.

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