

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Dakota Access, LLC
Dakota Access Pipeline Pump Station – Emmons County
Siting Application**

CASE NO. PU-19-204

DIRECT TESTIMONY OF CHARLES FREY

ON BEHALF OF

DAKOTA ACCESS, LLC

NOVEMBER 13, 2019

1 **I. WITNESS INTRODUCTION**

2 **Q. Please state your name, business address, and present position.**

3 A. My name is Charles “Chuck” Frey. My business address is 1300 Main Street, Houston,
4 Texas 77002. I am the Vice President of Liquids Engineering of Energy Transfer
5 Partners, L.P. (“ETP”).

6 **Q. What are your duties and responsibilities in your present position?**

7 A. I am responsible for the engineering and engineering related work activities for a number
8 of liquids pipelines, including the Dakota Access Pipeline.

9 **Q. Please describe your educational and professional background.**

10 A. I received a Bachelor’s of Science degree in Civil Engineering from Texas Tech
11 University. I am a Registered Professional Engineer in four States, and I have 40 years of
12 experience in the energy industry with roles of increasing responsibility and leadership
13 for the engineering design, construction and operation of midstream and downstream
14 facilities pipelines. I began work for ETP in 2011 as Vice President – Liquids
15 Engineering which is my current position. I began work in the industry as a project
16 engineer and moved through a variety of engineering and operations positions before
17 becoming Director of Southwest Operations for TEPPCO in 2000 where I was
18 responsible for all operations in a four state region. In 2007, through an acquisition, I
19 moved to the role of Vice President of Texas Operations for LDH Energy where I served
20 until moving to ETP in 2011. In addition to engineering design, construction and
21 operations, at times my roles and responsibilities have included project development,
22 joint venture formation and management and asset acquisition, integration and
23 optimization.

1 **Q. Have you previously provided testimony before the North Dakota Public Service**
2 **Commission (“Commission”)?**

3 A. Yes.

4 **Q. What is the purpose of your direct testimony in this proceeding?**

5 A. I am testifying in support of Dakota Access, LLC’s (“Dakota Access”) request for an
6 order amending its current Certificate of Corridor Compatibility and Route Permit
7 (“Corridor Certificate and Route Permit”) issued by the Commission in connection with
8 the proposed construction and operation of a new pumping station and related facilities
9 on the Dakota Access Pipeline in Emmons County, North Dakota (“Emmons County
10 Pump Station”), as described in Dakota Access’ Consolidated Application for an
11 Amended Certificate of Corridor Compatibility and Amended Route Permit in Emmons
12 County North Dakota dated June 20, 2019 (the “Application”), and as I will further
13 describe in this testimony. Specifically, I will describe the Emmons County Pump
14 Station that Dakota Access proposes to install as part of its optimization further described
15 in the Application (the “Optimization”), in order to be able to transport up to 1.1 million
16 barrels of crude oil per day to serve the increased demands for crude oil transportation
17 services in North Dakota.

18 **II. DESCRIPTION OF THE PROJECT**

19 **Q. Can you please provide a brief overview of the existing crude oil pipeline commonly**
20 **known as the Dakota Access Pipeline as situated and operated in the state of North**
21 **Dakota?**

22 A. The Dakota Access Pipeline is an approximately 358 mile, 12-, 20 and 30-inch diameter
23 crude oil pipeline and associated facilities located in Mountrail, Williams, McKenzie,

1 Dunn, Mercer, Morton and Emmons Counties, North Dakota, with terminals near Stanley
2 in Mountrail County, near Tioga in Williams County, near Epping in Williams County,
3 near Trenton in Williams County, near Watford City in McKenzie County, and near
4 Johnson's Corner in McKenzie County. The current daily average throughput on the
5 Dakota Access Pipeline is 570,000 barrels per day. The Dakota Access Pipeline is
6 operated by DAPL-ETCO Operations Management, LLC ("DAPL-ETCO"), an affiliate
7 of Dakota Access.

8 **Q. Who will construct, own and operate the Emmons County Pump Station?**

9 A. The Emmons County Pump Station will be constructed and owned by Dakota Access.
10 After completion, the Emmons County Pump Station will be operated as part of the
11 overall Dakota Access pipeline system, which is operated by DAPL-ETCO.

12 **Q. Could you please provide us with a general description of the Emmons County**
13 **Pump Station?**

14 A. The Emmons County Pump Station will, in conjunction with the installation of pumps
15 and/or pump stations in other states, allow for transportation of up to 1,100,000 barrels of
16 crude oil per day through the Dakota Access Pipeline. The Emmons County Pump
17 Station will utilize up to five (5) 6,000 HP electrically driven motors and pumps
18 contained within a building with acoustical controls to ensure the facility complies with
19 state and/or local standards. In addition to the pumps, the station will include above-
20 ground valves and piping, an electrical substation, and a service building to house
21 electrical, measurement, and control system components. The new facility will be fully
22 secure with six-foot high metal fencing with designated points of access and parking for

1 credentialed operations and maintenance personnel. The fence line of the project will
2 encompass approximately 20.8 acres.

3 **Q. What factors drive the need to locate new pumping capacity along the pipeline in**
4 **Emmons County?**

5 A. The proposed location of the Emmons County Pump Station is primarily driven by the
6 hydraulic requirements of the Dakota Access Pipeline in order to optimize its daily crude
7 petroleum transportation capabilities, taking into account the locations, capabilities, and
8 proposed additions to pumping facilities at other locations along the route of the pipeline.

9 **Q. What is the anticipated total cost of the Emmons County Pump Station?**

10 A. The estimated cost for the new pumping station in Emmons County is approximately \$30
11 to \$40 million.

12 **Q. Please describe the location of the Emmons County Pump Station as depicted on**
13 **Exhibit B of the Application.**

14 A. The Emmons County Pump Station is located approximately five (5) miles west of
15 Linton, North Dakota.

16 **Q. In addition to the Emmons County Pump Station in North Dakota that you have**
17 **described, is Dakota Access installing other new pumping facilities along the Dakota**
18 **Access Pipeline?**

19 A. Yes, in order to be able to achieve the proposed daily throughput volumes needed to
20 accommodate the current and anticipated increases in shipper demand for transportation
21 of Bakken crude oil, it is necessary to also install upgrades to certain existing pumping
22 facilities as well as certain new pumping facilities on the Dakota Access Pipeline at
23 various locations in other states in which the pipeline is located.

1 **III. LAND USE AND LANDOWNER CONCERNS**

2 **Q. Who owns the land upon which the Emmons County Pump Station is to be located?**

3 A. Dakota Access has acquired an option to purchase the approximate 20.8 acre site where
4 the Emmons County Pump Station will be located. Dakota Access has exercised the
5 option to purchase the property and is expected to close on the acquisition in November
6 of 2019 will ultimately own the entire 20.8 acre parcel in fee.

7 **Q. Other than the 20.8 acre parcel you just described, will additional land or easements
8 be required for the Emmons County Pump Station?**

9 A. No.

10 **Q. Is Dakota Access requesting eminent domain authority in connection with the
11 acquisition of real estate for the Emmons County Pump Station?**

12 A. No. As I stated, Dakota Access has already secured an option to purchase the property in
13 fee, so eminent domain authority is not required.

14 **Q. Will installation and operation of the Emmons County Pump Station require
15 permits or approvals from or consultations with other State of North Dakota and
16 federal departments and agencies and local government bodies?**

17 A. Yes. A Conditional Use Permit has been obtained for construction and installation of the
18 Emmons County Pump Station. In addition, Dakota Access will notify the Pipeline and
19 Hazardous Materials Safety Administration (“PHMSA”) of the Optimization and comply
20 with any applicable PHMSA requirements. As part of its ongoing community outreach
21 and standard operating procedure, Dakota Access is engaging in coordination with
22 federal, state and local stakeholders regarding the Optimization.

23 **Q. Has Dakota Access obtained a conditional use permit from Emmons County?**

1 A. Yes. A copy of the Emmons County Conditional Use Permit has been filed with the
2 Commission.

3 **IV. ENGINEERING AND OPERATIONAL DESIGN**

4 **Q. Please describe the principal design characteristics of the Dakota Access Pipeline as**
5 **built.**

6 A. As described in Commission Case No. PU-14-842, the Dakota Access Pipeline was
7 constructed of high-strength carbon steel with a 0.429 inch wall thickness in most areas,
8 increasing to a 0.625 wall thickness in unusually sensitive areas and at road crossings and
9 locations that were horizontal directionally drilled (“HDD”) or bored. The pipeline is
10 coated with external fusion bonded epoxy coating to protect against corrosion. The
11 pipeline has cathodic protection systems to prevent external corrosion. All construction
12 was carried out in compliance with applicable government requirements, including the
13 regulations of the U.S. Department of Transportation Pipelines and Hazardous Materials
14 Safety Administration at 49 C.F.R. Parts 194 and 195, and applicable codes and
15 standards.

16 **Q. Has the Dakota Access Pipeline been evaluated to determine that it can be safely**
17 **operated at the proposed daily throughput volumes with the addition of the new**
18 **pumping station?**

19 A. Yes, it has. The maximum operating pressure (“MOP”) of the pipeline will not change.
20 The design and construction specifications and as-built condition of the entire Dakota
21 Access Pipeline will safely operate at the MOP. There will be no changes to the Dakota
22 Access Pipeline, other than at new or existing pump stations.

1 **Q. In what ways will operations at the Emmons County Pump Station improve upon**
2 **the existing pipeline as it operates today?**

3 A. As previously stated, the addition of the Emmons County Pump Station in addition to
4 other optimization work in other states will increase capacity of the Dakota Access
5 Pipeline from an average daily throughput of 570,000 barrels per day to an amount up to
6 1,100,000 barrels per day.

7 **Q. Will the Emmons County Pump Station be designed, constructed and operated in**
8 **compliance with all applicable federal and state regulations?**

9 A. Yes, the Emmons County Pump Station will be designed, constructed, and operated to
10 meet or exceed all applicable federal, state, and local laws and regulations.

11 **V. PROJECT CONSTRUCTION, MODIFICATION AND COMMISSIONING**

12 **Q. What is the anticipated schedule for construction and the in-service date of the**
13 **Emmons County Pump Station?**

14 A. Depending on the timing of receipt of necessary permits and approvals, the anticipated
15 in-service date is the third quarter of 2020, but no later than the first quarter of 2021.
16 More specifically, from the date that construction is authorized to proceed, it is projected
17 that approximately eight to ten months will be required for construction and installation
18 at the Emmons County site in order to bring the initial set of pumps into commercial
19 operation. The new pumps may be installed at the Emmons County site in stages over a
20 period of time to better match increases in pipeline transportation capacity with increases
21 in demand. The staging of work at the Emmons County Pump Station and other new
22 pumping stations is intended to optimize the construction processes and manpower

1 utilization given the procurement and construction lead times and contractor availability
2 components of scheduling.

3 **Q. Please describe the processes that will be followed for selecting a construction and**
4 **installation contractor or contractors for the work required for the Optimization.**

5 A. A general contractor or contractors will be selected using the standard procedures
6 employed by ETP. It is the practice of ETP and its subsidiaries to hire only experienced,
7 highly-qualified contractors for their facilities and infrastructure projects. All contractor
8 candidates will go through ETP's standard prequalification process as a condition for the
9 contractor being invited to bid on the work. ETP's standard prequalification process
10 involves a detailed review of the contractor's financial capabilities and credit standing,
11 capabilities to perform the scope of work, and past performance, including safety record,
12 in the industry on similar projects in similar regions. The contractors selected for the
13 project will be familiar with both the resources available in the area of the project and the
14 concerns specific to construction of such facilities in the Midwest.

15 **Q. Are there any additional pipelines associated with the Optimization in North**
16 **Dakota?**

17 A. No.

18 **Q. Does this conclude your prepared direct testimony?**

19 A. Yes, it does.

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