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November 11, 2019

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

RE: Comments on Dakota Access, LLC application for waiver of procedures and time schedules and for an amended certificate of corridor compatibility and amended route permit

Dear North Dakota Public Service Commission:

Thank you for the opportunity to provide comments on the application by Dakota Access, LLC for a waiver of procedures and time schedules and for an amended certificate of corridor compatibility and amended route permit. The North Dakota Petroleum Council (NDPC) is a trade association that represents more than 650 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oil field service activities in North Dakota, South Dakota, and the Rocky Mountain Region. The comments provided here should be viewed as comments from the regulated community and not as from one single entity.

We write to express our support for the proposed Dakota Access Pipeline (DAPL) Optimization project. This application is focused solely on construction of a pump station facility within a 20.8-acre parcel of privately-owned land. We believe the hearing on this matter should remain focused on the very specific nature of this application and that the application should be expeditiously approved.

The DAPL, operating since 2017, has been a critical piece of infrastructure and game-changing asset for the oil industry and the State of North Dakota. Pipelines are the safest, most economic, most efficient, most environmentally friendly way to ship oil, and the DAPL currently transports 40% of Bakken-produced oil to market. With access to a safe and efficient mode of transportation for their product, Bakken producers can operate more economically, directly contributing to economic growth and increased tax revenues for the state.

However, with growing Bakken oil production, there is once again not enough available pipeline capacity to move North Dakota oil to market. This capacity shortage will only increase, as Bakken production is expected to increase between 350,000 and 450,000 barrels per day (bpd) in the next five years. Bakken production already increased from 1.045 million bpd in June 2017 when DAPL first began operations to 1.45 million bpd in August 2019. DAPL optimization is essential to respond to growing production in the Bakken as well as growing demand from shipping customers. The proposed optimization will increase pipeline capacity from 600,000 bpd to 1.1 million bpd.

The proposed optimization project will be a \$40 million private sector investment in our state. This new infrastructure will ensure better market access for Bakken oil, encouraging greater capital investment and resulting in increased overall oil production, job creation, and economic growth. The oil and gas industry in North Dakota already accounts for 50% of state tax revenues, and any infrastructure improvement that facilitates more production will lead to additional growth in tax revenues. These taxes are used to fund schools, roads, and water projects.

Lastly, we take very seriously the safety and environmental responsibility of our industry. Pipelines are proven to be the safest mode of transporting oil and natural gas. Without optimization of the DAPL, growing petroleum transportation demand will have to be supplemented with rail and truck transportation, which is not ideal. The initial DAPL application underwent a rigorous environmental review, including a one-mile wide area along the pipeline route. The proposed pump station falls within this one-mile wide study area already analyzed in the initial DAPL application and approved by the ND Public Service Commission.

We are proud of North Dakota's contribution to America's position as the leading oil producer in the world. An optimized DAPL will only help strengthen this position and help the United States ensure a stable domestic supply of oil. This reduces our need for oil from unstable or dangerous parts of the world and helps ensure stable domestic fuel prices.

We thank you again for the opportunity to provide comments on the pending applications from Dakota Access, LLC. We support this project and strongly recommend its approval. Timely approval of the Dakota Access, LLC application will allow this critical infrastructure project to move forward to the benefit of the oil and gas industry, the State of North Dakota, and the nation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ron Ness", with a large, sweeping flourish at the end.

Ron Ness, President
North Dakota Petroleum Council