

June 11, 2020

HAND DELIVERED

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

**Re: Dakota Prairie Refining, LLC
Case No. PU-20-_____**

Dear Mr. Kahl:

Please find enclosed herewith for filing with the North Dakota Public Service Commission, an original and five (5) copies of the Consolidated Application for Amended Order, Amended Certificate of Corridor Compatibility and Amended Route Permits.

Please also find enclosed, a disk containing the above-referenced documents in PDF format.

Should you have any questions, please advise.

Sincerely,



LAWRENCE BENDER

LB/kl
Enclosures

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Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
fredlaw.com

Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, North Dakota
58501-1215

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Consolidated Application for Amended Order, Cert. of Corridor Compatibility, and Route Permits
Dakota Prairie Refining, LLC
Lawrence Bender, Fredrikson&Byron, P.A.

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

**Dakota Prairie Refining, LLC
Two Petroleum Product Pipelines – Stark County
Siting Application**

CASE NO. PU-20-___

**CONSOLIDATED APPLICATION FOR AMENDED ORDER, AMENDED
CERTIFICATE OF CORRIDOR COMPATIBILITY AND AMENDED
ROUTE PERMITS**

On September 18, 2013, Dakota Prairie Refining, LLC (“Dakota Prairie”) and Lario Shipping, LLC (“Lario”) filed with the North Dakota Public Service Commission (“Commission”) an Application for Waiver of Procedures and Time Schedules and Certificate of Corridor Compatibility and Route Permit to authorize the construction of two (2) pipelines for the transmission of refined petroleum products between the Dakota Prairie refinery and the Lario rail hub located in Stark County, North Dakota (the “Project”). *See* Case No. PU-13-799, Docket No. 1. On December 30, 2013, the Commission entered its Findings of Fact, Conclusions of Law and Order (“Order”) issuing Certificate of Corridor Compatibility Number 151 (“Certificate”) and Route Permit Number 162 and Route Permit Number 163 (collectively, the “Permits”) for the Project. *Id.*, Docket No. 31.

The Dakota Prairie refinery processed approximately 20,000 barrels of crude oil per day, producing approximately 7,000 to 10,000 barrels of diesel fuel per day which was transported to the Lario rail hub for transportation by tractor tanker to end use locations. The Dakota Prairie refinery also produced approximately 6,500 barrels of naphtha and 6,000 barrels per day of Atmospheric Tank Bottoms (“ATB”) as by-products of its crude oil refining operations. The purpose of the Project was to provide for the transmission of the naphtha and ATB by-products

from the Dakota Prairie refinery to the Lario rail hub for transportation to other destinations for further processing.

The Order and Route Permit Number 162 authorized the construction of a 6-inch diameter pipeline for the transmission of naphtha from the Dakota Prairie refinery to the Lario rail hub (the “6-inch Naphtha Pipeline”). The 6-inch Naphtha Pipeline was constructed of schedule 40, seamless ASTM A53 grade B, carbon steel piping with 150 class raised face weldneck flange, and designed according to the ASME Code for Pressure Piping, B31.3. In operation, the maximum outlet pump pressure for the pipeline was 187 psig; however the design rating per Dakota Prairie standard for 150 class pipe, valves, and fittings is 285 psig and the design pressure rating of the pipeline is 1,120 psig.

The Order and Route Permit Number 163 authorized the construction of an 8-inch diameter pipeline for the transmission of ATB from the Dakota Prairie refinery (“8-inch ATP Pipeline”). The 8-inch ATB Pipeline was constructed of schedule 40, seamless ASTM A53 grade B, carbon steel piping with 300 class raised face weldneck flange, and designed according to the ASME Code for Pressure Piping, B31.3. In operation, the maximum outlet pump pressure for the pipeline was 162 psig; however the design rating per Dakota Prairie standard for 300 class pipe, valves and fittings is 740 psig and the design pressure rating of the pipeline is 1,030 psig. As constructed, the 6-inch Naphtha Pipeline and 8-inch ATB Pipeline span a distance of approximately 5,900 feet from the storage tanks at the Dakota Prairie refinery to the Lario rail hub.

On March 31, 2020, Dakota Prairie and BOE South, LLC (“BOE”), f/k/a Lario Shipping, LLC, filed with the Commission a Joint Application for Transfer of Certificate of Corridor Compatibility Number 151 and Route Permit Numbers 162 and 163 (“Joint Application”). *See* Case No. PU-20-165, Docket No. 1. On April 15, 2020, the Commission issued a Notice of

Opportunity for Hearing on Dakota Prairie's and BOE's Joint Application with comments and requests for a hearing due by May 15, 2020. *Id.*, Docket No. 3. On June 10, 2020, the Commission entered its Order granting the request to transfer Certificate of Corridor Compatibility No. 151 and Route Permit Nos. 162 and 163 and issuing First Reissued Certificate of Corridor Compatibility No. 151 ("First Reissued Certificate") and First Reissued Route Permit Nos. 162 and 163 ("First Reissued Permits") to Dakota Prairie. *Id.*, Docket No. 15.

In the Certification Relating to Order Provisions - Transmission Facility Siting ("Certification"), incorporated by reference into the Order entered in Case No. PU-13-799, Dakota Prairie and Lario agreed to "construct and operate the transmission facility in the manner described in the Company's application," and "that it shall inform the Commission in writing of an plans to modify the transmission facility." *See* Case No. PU-13-799, Docket No. 31.

Dakota Prairie, as the sole successor in interest with respect to ownership and operation of Project, intends to cease crude oil refining operations at the Dakota Prairie refinery and produce renewable diesel fuel by refining a liquid soybean and corn oil ("Liquid Soy") product. In connection therewith, Dakota Prairie intends to transmit the renewable diesel fuel product from the Dakota Prairie refinery to the Lario rail hub, now known as the Dickinson Rail Terminal, through the existing 6-inch Naphtha Pipeline. The renewable diesel fuel will be transmitted through the existing 6-inch Naphtha Pipeline at a pressure of 204 psig, well below its maximum pressure capability of 285 psig. Dakota Prairie will receive the Liquid Soy product at the Dickinson Rail Terminal and transport it to the Dakota Prairie refinery for processing through the existing 8-inch ATB Pipeline. The Liquid Soy product will be transmitted through the existing 8-inch ATB Pipeline at a pressure of 195 psig, well below its maximum pressure capability of 285 psig. Accordingly, Dakota Prairie, being bound by the provisions of the Order and Certification, submits this application to amend the Order, First Reissued Certificate and First Reissued Permits, to allow for the transmission of renewable diesel fuel from the Dakota

Prairie refinery to the Dickinson Rail Terminal through the existing 6-inch Naphtha Pipeline and the transmission of the Liquid Soy product from the Dickinson Rail Terminal to the Dakota Prairie refinery through the existing 8-inch ATB Pipeline. The cost to transition the 6-inch Naphtha Pipeline and 8-inch ATB Pipeline for the uses detailed herein is estimated to be \$250,000.00.

Dakota Prairie requests that the Commission waive the hearing requirement in its entirety and proceed by virtue of its notice and opportunity for hearing procedure in consideration of this application. In support of this request, Dakota Prairie submits the following:


1. The existing 6-inch Naphtha Pipeline and existing 8-inch ATB Pipeline are completed and no further disturbance through additional construction activity is anticipated with respect to the planned conversion of these pipelines. Dakota Prairie will clear and clean the existing pipelines in accordance with applicable rules and regulations prior to transmission of the Liquid Soy and renewable diesel fuel products through the pipelines.
2. Dakota Prairie is merely seeking utilization of the previously constructed 6-inch Naphtha Pipeline and 8-inch ATB Pipeline for the transmission of renewable diesel fuel and Liquid Soy product, respectively, so no public opposition is anticipated given the current status of the existing 6-inch Naphtha Pipeline and existing 8-inch ATB Pipeline.
3. Other than the aforementioned clearing and cleaning, no modifications will be made to the existing 6-inch Naphtha Pipeline or existing 8-inch ATB Pipeline and the renewable diesel fuel and Liquid Soy products will be transmitted through the pipelines at pressures well below the current maximum pressure capability of each pipeline.

4. Dakota Prairie believes that the Commission has all the necessary information available in this application and the prior submissions filed in Case No. PU-13-799 in order to issue a decision, thereby making the formal hearing process unnecessary.

Based on the Order and Certification provisions, North Dakota Century Code Sections 49-22.1-06 and 49-22.1-07, and North Dakota Administrative Code Section 69-02-02-04, Dakota Prairie requests the Commission issue an amendment to the Order to allow for the transmission of renewable diesel fuel from the Dakota Prairie refinery to the Dickinson Rail Terminal through the existing 6-inch Naphtha Pipeline and the transmission of the Liquid Soy product from the Dickinson Rail Terminal to the Dakota Prairie refinery through the existing 8-inch ATB Pipeline, together with the corresponding Amended First Reissued Certificate of Corridor Compatibility No. 151 and Amended First Reissued Route Permit Nos. 162 and 163. For the reasons stated herein, Dakota Prairie requests that the Commission waive the hearing requirement in its entirety and proceed by virtue of its notice and opportunity for hearing procedure in consideration of this application.

Dated this 11th day of June, 2020.

FREDRIKSON & BYRON, P.A.

By 

LAWRENCE BENDER, ND Bar #03908
1133 College Drive, Suite 1000
Bismarck, ND 58501-1215
(701) 221-8700

Attorneys for Dakota Prairie Refining, LLC

