

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Tesoro Great Plains Gathering and Marketing LLC
6-inch Renewable Diesel Pipeline
Siting Temporary Approval**

Case No. PU-22-328

ORDER

July 27, 2022

Preliminary Statement

On July 22, 2022, Tesoro Great Plains Gathering and Marketing LLC (Tesoro or Tesoro Great Plains) filed with the Commission, an application for temporary operation of facilities and facility modifications of an approximately 2.4-mile pipeline to allow transport of renewable diesel.

Discussion

Effective July 1, 2022, Tesoro purchased from affiliate, Tesoro High Plains Pipeline Company LLC, an approximately 2.4 mile long, six-inch diameter, pipeline located in Township 139 North, Range 97 West across Section 15: N1/2; Section 14: NW1/4; and Section 11: S1/2 in Stark County, North Dakota (the "pipeline"). The purchased pipeline was not in operation and had been purged and filled with nitrogen. The pipeline originates at parent company Marathon Petroleum Corporation's Dickinson Renewable Fuels Facility and terminates at the Tesoro Great Plains Patterson Rail Terminal. Tesoro proposes to utilize the pipeline to transport renewable diesel directly from the Dickinson Renewable Fuels Facility to the Patterson Rail Terminal for transloading into rail cars for further delivery to U.S. markets.

Tesoro requests the Commission issue temporary approval to permit the operation of the facilities as proposed. The pipeline does not require the construction of a new pipeline and requires only minor activities. The pipeline is located entirely on land owned by Tesoro and Tesoro affiliates. Tesoro Great Plains will modify an existing meter skid at the Dickinson Renewable Fuels Facility to include heat trace and insulation, controls, communication, and the installation of electrical equipment. Similar equipment will also be installed at the Patterson Rail Terminal and activities will include the removal of an above-ground valve. An existing concrete pad will be utilized at the terminal for the relocation and installation of a new meter skid which will connect the existing electrical controls and conduit. There will be minimal earth disturbance.

Tesoro Great Plains will run multiple cleaning/brush pigs through the line and subsequently dry the line using foam pigs. Activities will be completed in compliance with applicable state and federal regulations. Once the line is dry, renewable diesel will be

pumped into the line from the Dickinson Renewable Fuels Facility. Tesoro Great Plains will own the pipeline and affiliate Tesoro Logistics Operations LLC will operate the line pursuant to a contractual agreement. The pipeline will be subject to oversight by the Pipeline and Hazardous Materials Safety Administration (PHMSA) and be incorporated into the MPLX Northern Great Plains Pipeline Onshore. The pipeline will be monitored via a SCADA system.

Tesoro submits that the pipeline's operation supports efficient operations at the Dickinson Renewable Fuels Facility while reducing existing rail traffic at the crossings located at 115th Avenue SW and 116th Avenue SW. The pipeline's operation facilitates timely and efficient delivery of renewable diesel to the U.S. markets. Furthermore, Tesoro submits that temporary approval will reduce emissions associated with current rail locomotive switching and reduce existing rail crossing traffic at public crossings.

Tesoro's July 21, 2022, filing includes a certification provided by Darren Snow, Operations Director for the North West Area, that states the activities will have no adverse impacts upon the welfare of the citizens of North Dakota or the environment.

Tesoro currently is retaining an environmental consultant to evaluate and study the pipeline and draft a siting application pursuant to the applicable laws and regulations. Tesoro is requesting an expedited request to allow for testing operations in early August.

Based upon the application for temporary operation, minimal anticipated adverse impacts, and the benefits cited to facilitate timely and efficient delivery of renewable diesel to market, to reduce emissions associated with current rail switching, and to reduce associated rail traffic, the Commission finds there is good cause for temporary operation until there is an opportunity for the Commission to review the project under the requirements of the Siting Act.

Having considered this matter, the Commission issues the following:

Order

The Commission orders:

1. Tesoro shall file a siting application for the Pipeline on or before August 1, 2023.
2. Tesoro's application for temporary approval of the operation of facilities and facility modifications of the 6-inch Renewable Diesel Pipeline in Stark County, North Dakota is APPROVED.
3. Unless revoked or suspended, the temporary approval of the operation of facilities

and facility modifications terminates upon issuance of a corridor certificate and route permit.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak
Chair


Sheri Haugen-Hoffart
Commissioner