

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Grayson Mill Operating, LLC
8-inch Crude Oil Pipeline-Williams & McKenzie Cty
Siting Temporary Approval**

Case No. PU-24-219

ORDER

July 8, 2024

Preliminary Statement

On May 31, 2024, Grayson Mill Operating, LLC (Grayson) filed with the Commission, an application for temporary operation of facilities and facility modifications of an approximately 14.72-mile pipeline to allow transport of crude oil.

Discussion

Effective January 2021, Grayson purchased from Equinor Energy L.P., the Aune Oil Terminal in Williams County, North Dakota, the Alexander Oil Terminal in McKenzie County, North Dakota, and an approximately 14.72-mile long, 8-inch diameter, pipeline connecting the two terminals (pipeline). The purchased pipeline was not in operation and had been purged and filled with nitrogen. Grayson proposes to utilize the pipeline to transport crude oil between the Aune and Alexander terminals in order to allow for the transport of additional volumes of crude oil to expanded markets.

Grayson 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 relatively minor activities. Grayson will install a new isolation valve on the west side of the Missouri River which will result in surface disturbance and replace the existing isolation valve on the east side of the Missouri River which will not require any surface disturbance. The crude oil will be measured both leaving the Alexander terminal and arriving at the Aune terminal via Coriolis meters. The pipeline utilizes a leak detection system.

Grayson will conduct a hydrostatic test and an internal inspection of the pipeline prior to putting into service.

Grayson submits that the pipeline's operation will provide additional markets for crude oil produced in the state while not requiring construction of a new pipeline. Use of existing infrastructure will eliminate the need for additional surface disturbance. Upgrading the existing pipeline with additional safety features will result in only minor surface impacts including activities to install the new isolation valve on the west side of

the Missouri River and upgrade the existing valve on the east side of the Missouri River. Use of the improved existing infrastructure to create additional capacity and allow for distribution of North Dakota's natural resources to additional markets without negatively impacting the environment is a positive for North Dakota.

Grayson's May 31, 2024, filing includes a certification provided by Blake Sullens, Chief Operating Officer, that states the activities will have no adverse impacts upon the welfare of the citizens of North Dakota or the environment.

Grayson has retained an environmental consultant to evaluate and study the pipeline and draft a siting application pursuant to the applicable laws and regulations.

Based upon the application for temporary operation, minimal anticipated adverse impacts, and the benefits cited to facilitate timely and efficient delivery of crude oil to market, 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.

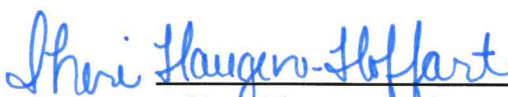
Having considered this matter, the Commission issues the following:

Order

The Commission Orders:

1. Grayson shall file a siting application for the pipeline on or before August 1, 2024.
2. Grayson's application for temporary approval of the operation of facilities and facility modifications of the 8-inch diameter crude oil pipeline in Williams and McKenzie Counties, North Dakota is APPROVED.
3. Grayson shall certify the hydrostatic test and internal line inspection of the pipeline was completed and the results indicate that the pipeline is safe to operate prior to putting the pipeline into operation.
4. 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


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Commissioner


Randy Christmann
Chair


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Commissioner