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

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| IN THE MATTER OF THE APPLICATION OF HILAND CRUDE, LLC, D/B/A HILAND EXPRESS, FOR A CERTIFICATE OF CORRIDOR COMPATIBILITY AND ROUTE PERMIT FOR THE HILAND EXPRESS SPINE PIPELINE PROJECT IN MCKENZIE COUNTY, NORTH DAKOTA | CASE NO. PU-25-_____ |

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**Application of Hiland Crude, LLC, d/b/a Hiland Express, for Waiver or Reduction of Procedures and Time Schedules**

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In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit ("Consolidated Application") for the construction of the Hiland Express Spine Pipeline Project (the "Project"), Hiland Crude, LLC, d/b/a Hiland Express, a subsidiary of Kinder Morgan, Inc. ("Hiland"), submits to the North Dakota Public Service Commission (the "Commission") this application for a waiver or reduction of procedures and time schedules set forth in Chapter 49-22.1 of the North Dakota Century Code ("Siting Act") and Article 69-06 of the North Dakota Administrative Code ("Siting Rules"). Hiland requests the Commission waive and/or reduce procedures and time schedules required by the Siting Act and Siting Rules to accomplish the purposes as requested herein. In accordance with North Dakota Century Code Sections 49-22.1-05, 49-22.1-08 and 49-22.1-10, and North Dakota Administrative Code Section 69-06-01-02 and Chapter 69-06-06, Hiland's request includes, but is not limited to:

1. That the Commission accept the Consolidated Application for a certificate and route permit pursuant to Section 49-22.1-08 of the North Dakota Century Code and waive the provisions of North Dakota Century Code Sections 49-22.1-06, 49-22.1-07, and

49-22.1-10, and North Dakota Administrative Code Section 69-06-01-02 insofar as they require separate notices of filing of applications for a Certificate of Corridor Compatibility ("Corridor Certificate"), a Route Permit, and the application for waiver of procedures and time schedules ("Waiver Application"), separate hearings on such applications, and certain time schedules as set forth in said statutes and rules.

2. That the Commission hold a single consolidated hearing on this Waiver Application and the Consolidated Application.

3. That the Commission allow for a consolidated notice of publication with respect to the Consolidated Application and Waiver Application.

4. That the Commission waive the requirements of Section 69-06-05-01(2)(f) of the North Dakota Administrative Code insofar as this section may require a corridor width of ten percent of the corridor's length with a maximum width of six miles, reducing the required corridor width to between 300 feet and one mile for the Project.

Consistent with Section 69-06-06-01(2) of the North Dakota Administrative Code, Hiland provides the following information in support of its waiver requests:

**A. <u>Description of Proposed Project</u>**

1. **<u>Type</u>**: The proposed Project is located in McKenzie County, North Dakota and consists of construction of one (1) buried 10-inch steel natural gas liquids ("NGL") pipeline originating at the Roosevelt Gas Plant located approximately 7.5 miles south of Watford City, and terminating at the location of the Camp Creek Injection Station, a distance of approximately 28.1 miles to the north and west, where the Project will interconnect with Hiland's existing NGL pipeline infrastructure for transportation to mid-continent and Gulf Coast locations for additional processing prior to distribution to the market. Surface facilities (e.g., pump stations, valves,

launcher/receivers) related to the proposed pipeline will be located at designated points along the Project route.

2. **Product**: The Project will transport mixed natural gas liquids, or Y-grade NGLs (a mixture of ethane, propane, butanes, iso-butane mix, pentanes, and natural gasoline).

3. **Capacity and Design**: The Project will require installation of 10-inch outside diameter steel pipeline with a nominal wall thickness ranging from 0.219 inches to 0.307 inches. The maximum operating pressure for the pipeline is 1,440 pounds per square inch gauge (psig), with the normal operating conditions at 500 psig. The pipeline will be designed to operate at a maximum of 100 degrees Fahrenheit, with normal operating conditions at 60 degrees Fahrenheit. The Project will transport up to 80,000 barrels (3,360,000 gallons) of NGLs per day and will be designed, constructed, operated, and maintained in compliance with applicable portions of the U.S. Department of Transportation regulations set forth in 49 C.F.R. Part 195, *Transportation of Hazardous Liquids by Pipeline*. The pipeline will be manufactured according to American Petroleum Institute (API) 5L Specifications for seamless pipe and will meet International Organization for Standardization (ISO) 3183.

For additional analysis of the capacity, design and technology utilized for the proposed Project, please see Sections 1 and 2 of Hiland's Consolidated Application, which accompanies this Waiver Application.

4. **Location**: As explained above, the 10-inch steel NGL pipeline will originate at the location of the Roosevelt Gas Plant in Section 30, Township 149 North, Range 98 West, McKenzie County, North Dakota, approximately 7.5 miles south of Watford City, North Dakota. From the Roosevelt Gas Plant, the pipeline will travel north and west approximately 28.1 miles to Hiland's Camp Creek Injection Station in Section 2, Township 151 North, Range 101 West, McKenzie County, North Dakota, where the pipeline will interconnect with Hiland's existing

NGL pipeline infrastructure. Maps of the proposed Project and route of the pipeline are provided in Exhibit B to the Consolidated Application filed herewith.

5. **Geographical Service Area**: As noted above, the Project is located entirely in McKenzie County, North Dakota. The Project will transport NGLs processed at the existing Roosevelt Gas Plant to Hiland's existing NGL pipeline infrastructure for ongoing transportation to mid-continent and Gulf Coast locations for additional processing prior to distribution to the market.

6. **Time Schedule**: Hiland proposes to develop the Project on the following schedule:

- Obtain Corridor Certificate and Route Permit: May 2025
- Complete ROW Acquisition for the Project: February 2025 (completed)
- Commence Construction of the Project: May 2025
- Complete Construction of the Project: October 2025
- Complete Testing Operations: October 2025
- Commence Operations: October 2025

7. **Future Plans**: Hiland has no specific plans for additions to or modification of the Project at this time.

8. **Need for the Facility and Alternatives Considered**: Hiland is proposing to construct the Project in order to provide additional take-away capacity for Y-grade NGLs produced at the existing Roosevelt Gas Plant. Technological advances in drilling and completion associated with horizontal wells currently employed in the Bakken Shale and Three Forks formations of the Williston Basin have dramatically increased hydrocarbon production in the area. The increased production of oil and natural gas products continues to be constrained by the lack of available infrastructure take-away capacity in the region. Near term demands associated

with increased crude oil production may be readily addressed with the installation of tankage for temporary storage coupled with additional trucking or rail capacity to bring it to market; however, the associated natural gas production is typically lost to flaring until the required infrastructure is placed into service. The Project will incentivize additional natural gas capture infrastructure in the region by increasing NGL pipeline capacity in the Williston Basin, ensuring that the State of North Dakota's valuable natural gas resources are utilized in an orderly and timely fashion.

Hiland considered multiple alternatives for the Project, including system alternatives, transportation alternatives, and the no action alternative. Ultimately, the Project represents the only viable option taking into consideration existing infrastructure and the need for the Project. Furthermore, pipeline is the safest mode for transporting NGLs. As compared to rail and truck transportation, pipelines are the safest, most efficient, and most reliable means to transport fluids (i.e., liquids and gases), according to statistics compiled by the U.S. Department of Transportation.

For additional analysis of the need for the Project, including a discussion of alternatives evaluated, please see Section 2.2. and Section 4 of the Consolidated Application, which accompanies this Waiver Application.

9. **Cost**: The total estimated cost of the Project is $37.2 million.

## B. Waiver Request

Hiland requests that the Commission grant the waivers requested herein because these waivers are needed to prevent potentially significant delays to the Project. Without the waivers of time schedules and procedures requested, completion of Hiland's proposed Project will be

delayed, which in turn, will delay the environmental and economic benefits the Project will bring to North Dakota.

Section 49-22.1-05 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that "the proposed facility is of a length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in Hiland's Consolidated Application, granting the requested waivers is appropriate because the proposed Project will produce minimal adverse effects.

In determining whether the proposed pipeline will result in adverse impacts on the environment, Hiland evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules, and the Commission's guidelines. More specifically, Hiland evaluated the impacts of the Project and associated facilities considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22.1-09 of the North Dakota Century Code. Impacts associated with the Project, and mitigation measures that will be taken with respect to said impacts, are summarized in Sections 5, 7, 8, 9 and 10 of Hiland's Consolidated Application. Based upon Hiland's siting criteria evaluation, and the factors set forth in the Siting Rules, the Project will have minimal adverse effects.

Accordingly, Hiland respectfully requests the Commission grant the requested waivers and render an expeditious decision on Hiland's Consolidated Application.

Dated this 3rd day of March, 2025.

FREDRIKSON & BYRON, P.A.

By: _____

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STATE OF NORTH DAKOTA )
) ss.
COUNTY OF BURLEIGH )

LAWRENCE BENDER, of lawful age, being first duly sworn, on oath deposes and says:

That he is the duly elected and qualified attorney for Hiland Crude, LLC, d/b/a Hiland Express, the applicant in the foregoing application; that he executed the foregoing application for and on behalf of said applicant and as its said attorney that he has read said application and knows the contents thereof, and that the statements made and contained therein are, to the best of his knowledge and belief, true and correct.

LAWRENCE BENDER

Subscribed and sworn to before me this 3rd day of March, 2025.

ERINN REED
Notary Public
State of North Dakota
My Commission Expires December 10, 2028

Notary Public



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