

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

IN THE MATTER OF THE COMBINED  
APPLICATION OF PLAINS PIPELINE, L.P.,  
FOR A CERTIFICATE OF CORRIDOR  
COMPATIBILITY AND ROUTE PERMIT  
FOR THE HIGHWAY 1804 PIPELINE RE-  
ROUTE NORTH PROJECT IN WILLIAMS  
COUNTY, AND REQUEST FOR WAIVER OF  
PROCEDURES AND TIME SCHEDULES

CASE NO. PU-15-\_\_\_\_\_

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**Application of Plains Pipeline, L.P., 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 a 10-inch crude oil pipeline, approximately 8.5 miles in length, known as the Highway 1804 Pipeline Re-Route North Project to be located in Williams County, North Dakota (the "Project"), Plains Pipeline, L.P. ("Plains") submits to the North Dakota Public Service Commission ("Commission") this application for a waiver or reduction of procedures and time schedules set forth in Chapter 49-22 of the North Dakota Century Code ("Siting Act") and Article 69-06 of the North Dakota Administrative Code ("Siting Rules"). Plains requests that 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. Plains' request includes, but is not limited to:

1. That the Commission waive, pursuant to North Dakota Century Code Sections 49-22-07.2 and 49-22-13, and North Dakota Administrative Code Section 69-06-01-02 and Chapter 69-06-06, the provisions of North Dakota Century Code Sections 49-22-08, 49-22-08.1, and 49-22-13, and North Dakota Administrative Code Section 69-06-01-02 insofar as they require the separate filing of applications for

a Certificate of Corridor Compatibility (“Corridor Certificate”) and a Route Permit, separate notices of such applications, separate hearings on such applications, and certain time schedules as set forth in said statutes and rules.

2. That the Commission allow for consolidation of the applications for a Corridor Certificate and a Route Permit, and allow for a consolidated notice of publication.
3. That the Commission hold a single consolidated hearing on this waiver request and its Consolidated Application.

Consistent with the Commission’s Energy and Transmission Facility Siting Guidelines (“Commission’s Guidelines”), Plains provides the following information in support of its waiver requests:

**A. Description of Proposed Project.**

1. **Type:** The Project will require installation of an underground steel pipeline that will transport crude oil. Additional surface structures are not anticipated for the Project.
2. **Product:** The Project will transport crude oil.
3. **Size and Design:** The proposed Project will have a maximum operating temperature of 100 degrees Fahrenheit and a maximum operating pressure (“MOP”) of 1,440 pounds per square inch gauge (“psig”). The proposed Project will have a maximum throughput rate of 40,000 barrels per day (“bpd”). The proposed Project will typically operate at 1,440 psig and will have a normal throughput rate of 15,000 bpd. The steel pipeline used for the Project will meet United States Department of Transportation regulations, specifically the design criteria outlined in 49 CFR Part 195, Subpart C. The Project will be constructed, operated, and maintained in accordance with 49 CFR Part 195.

4. **Location:** The total length of the Project is approximately 8.5 miles located in Williams County, North Dakota. The Project is associated with the Highway 1804 Re-Route South Project which will be filed with the PSC under a Siting Exclusion Certification. The Project will replace the northern portion of the existing Fort Buford to Highway 1804 6-inch Pipeline that originates at the McCreary Junction Block Valve and extends northeast to terminate at the Side Hill Junction Block Valve. The Project will result in a transmission pipeline originating at the Highway 1804 Re-Route South Tie-in and terminate at the Side Hill Junction Block Valve. Maps of the proposed Project are provided in the Consolidated Application, submitted herewith.

5. **Geographic Service Area:** As noted above, the Project is located in Williams County and will connect the Highway 1804 Re-Route South Tie-in to the Side Hill Junction Block Valve. The immediate area served by the Project will be western North Dakota; however, the crude oil will ultimately be distributed throughout the United States.

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

- July 2015 — Plains files with the Commission a consolidated application for a Corridor Certificate and Route Permit.
- November 2015 — The Commission issues a Corridor Certificate and Route Permit for the Project.
- Fourth Quarter 2015 — Plains will begin construction of the Project. Construction is anticipated to last approximately three months.
- Restoration will commence immediately following construction of the Project.

7. **Future Plans:** At this time, Plains has no specific plans for additions to or modifications of the Project.

## **B. Need for the Project.**

The development of hydrocarbon production in the Williston Basin has increased significantly in recent years due to advancements in deep horizontal directional drilling techniques and subsequent oil extraction in the Bakken and Three Forks shale formations. The total recoverable amount of Bakken and Three Forks oil reserves are subject to interpretation and speculation. Studies conducted by the North Dakota Department of Mineral Resources (“NDDMR”)<sup>1</sup> and the U.S. Geological Survey<sup>2</sup> in 2008 and 2010 indicate that 4.0 to 6.3 billion barrels of recoverable reserves are available in North Dakota’s Bakken and Three Forks formations. Information from the NDDMR indicates that oil production has increased dramatically from March of 2007 to March of 2013, with a percentage increase of approximately 564 percent.<sup>3</sup>

The Project is needed to update and upgrade the existing Fort Buford to Highway 1804 6-inch Pipeline to address the transportation of growing volumes of crude oil from the Bakken Formation to numerous refining centers across the United States. Additionally, the Project would increase the distance between the pipeline and Lake Trenton, as well as the town of Trenton. With the constraints to the existing transportation infrastructure in the Project area, construction of the Project will provide firm, reliable transport of 15,000 bpd of crude oil from

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<sup>1</sup> Bohrer, M., Fried, S., Helms, L., Hicks, B., Juenker, B., McCusker, D., Anderson, F., LeFever, J., Murphy, E., and Nordeng, S., North Dakota Department of Mineral Resources, State of North Dakota Bakken Resources Study Project 23 (2008).

<sup>2</sup> United State Geological Survey, Assessment of Undiscovered Oil Resources in the Devonian-Mississippian Bakken Formation, Williston Basin Province, Montana and North Dakota, 2008, <http://pubs.usgs.gov/fs/2008/3021/> (last visited Dec. 15, 2014).

<sup>3</sup> North Dakota Department of Mineral Resources, North Dakota Monthly Oil Production Statistics, <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf> (last visited Jan. 15, 2015).

the Highway 1804 Re-Route South Tie-in to the Side Hill Junction Block Valve for distribution to refineries across the United States.

For additional analysis of the need for the Project, including a discussion of alternatives evaluated, please see Sections 3 and 4 of the Certificate of Corridor Compatibility portion of Plains' Consolidated Application, which accompanies this waiver application.

**C. Cost.**

Plains estimates that it will cost approximately \$7 million to develop the Project.

**D. Waiver Request.**

Plains requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Project. As noted above, the Project is needed to update and upgrade the existing Fort Buford to Highway 1804 6-inch Pipeline to address the transportation of growing volumes of crude oil from the Bakken Formation to numerous refining centers across the United States. Without the waivers of time schedules and procedures requested, completion of the Project will be delayed and the Project will not be able to satisfy the immediate need for a safer, more efficient means of transporting crude oil to facilities that have access to major markets.

Section 49-22-07.2 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 such length, design, location, or purpose that it will produce minimal adverse effects." Based upon the investigation and analysis set forth in Plains' Consolidated Application, granting the waivers requested is appropriate because the proposed facility will produce minimal adverse effects due to its length (only approximately 8.5 miles), its design (an underground, small-diameter

pipeline), its location (located in rural Williams County and avoiding Exclusion and Avoidance Areas), and its purpose (underground pipeline transportation of crude oil).

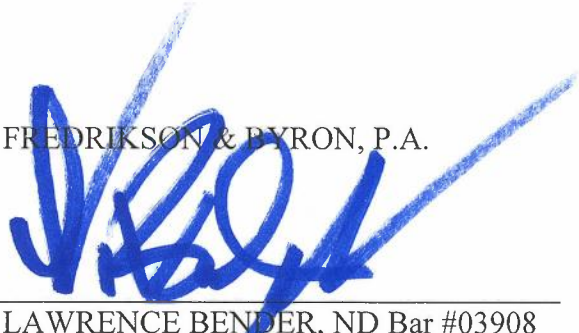
In determining whether the proposed facility will result in adverse impacts on the environment, Plains evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules, and the Commission's Guidelines. More specifically, Plains evaluated the impacts of the Project considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22-09 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 4 and 5 of the Route Application portion of Plains' Consolidated Application. Based upon Plains' siting criteria evaluation, and the factors set forth in the Guidelines, the Project will have minimal adverse effects.

Accordingly, Plains respectfully requests that the Commission grant the requested waivers and render an expeditious decision.

Dated this 30th day of July, 2015.

FREDRIKSON & BYRON, P.A.

By



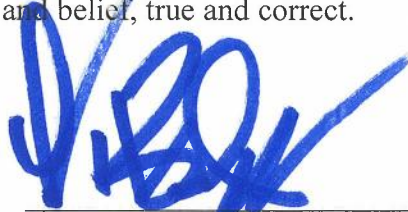
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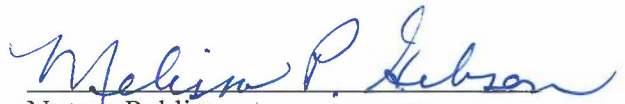
STATE OF NORTH DAKOTA   )  
  ) ss.  
COUNTY OF BURLEIGH       )

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

That he is one of the attorneys for 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.

  
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LAWRENCE BENDER

Subscribed and sworn to before me this 30th day of July, 2015.



Notary Public

My Commission Expires:

