BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Application of North Dakota Pipeline Company LLC for a Pipeline Routing Permit for the Sandpiper Pipeline Project in Minnesota	ISSUE DATE: August 25, 2014 DOCKET NO. PL-6668/PPL-13-474
In the Matter of the Application of North Dakota Pipeline Company LLC for a Certificate of Need for the Sandpiper Pipeline Project	DOCKET NO. PL-6668/CN-13-473 ORDER ACCEPTING ALTERNATIVE ROUTE AND SYSTEM ALTERNATIVES FOR EVIDENTIARY DEVELOPMENT, REQUIRING NOTICE, AND SETTING PROCEDURES

PROCEDURAL HISTORY

On November 8, 2013, North Dakota Pipeline Company LLC (the Company) filed two applications with the Commission: the first for a Certificate of Need (CON)[1] and the second for a pipeline routing permit to construct the Sandpiper Pipeline Project (the Project), a new 612-mile pipeline to transport crude oil from its Beaver Lodge Station south of Tioga, North Dakota to a Company affiliate terminal in Superior, Wisconsin. In connection with the route permit application, the Company also submitted an environmental information report for the Project.

On January 31, 2014, the Commission issued a Notice of Application Acceptance and Public Information (Scoping) Meetings. The public was invited to submit comments on potential human and environmental impacts and to suggest alternative pipeline routes to be considered in the comparative environmental analysis to be prepared by the Energy Environmental Review and Analysis unit (EERA) of the Minnesota Department of Commerce.

On February 11, 2014, the Commission issued an order finding the route permit application complete and referring the application to the Office of Administrative Hearings for contested case proceedings.[2]

---

[1] In the Matter of the Application of North Dakota Pipeline Company LLC for a Certificate of Need for the Sandpiper Pipeline Project in Minnesota, Docket No. PL-6668/CN-13-473.

[2] The Order authorized the EERA to 1) facilitate the development of route proposals beyond those proposed by the Company; 2) to prepare an analysis of alternative route proposals on the basis of their harm to the environment; and 3) take other procedural steps to enable an evaluation of the Company's proposed pipeline route.

Between March 3 and 13, 2014, the EERA conducted seven public information meetings in six counties along the Company's proposed route.[3] [4] By May 30, 2014, the route proposal deadline, numerous route permit alignment modifications and alternative route proposals had been received. Over 1,000 comments from some 940 commenters and organizations were submitted.

On July 17, 2014, EERA filed its comments and recommendations summarizing the alternative route designation process, and identifying some 54 route alternatives and eight system alternatives it had considered.[5] EERA recommended that 53 route alternatives be further considered in the contested case procedures.[6]

On August 7, 2014, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

I. Summary of Action Taken

In this Order, the Commission takes the following steps in the route permitting process for the Sandpiper Pipeline Project:

- Accepts the 53 route alternatives recommended by EERA in its comments and recommendations and system alternative SA-03 proposed by the Minnesota Pollution Control Agency, as modified by the EERA, and forwards them to the administrative law judge for consideration at the contested case hearings;
- Accepts the seven expanded route width areas recommended by EERA, with the clarification of the expanded route width for Carlton County 2 requested by the Company;
- Requires the Company to prepare a pipeline safety report, to compile landowners' mailing information on the 53 route alternatives and system alternative SA-03, and to assist with the increased landowner notification necessitated by the Commission's actions in this matter; and

[3] Meetings were held in Crookston in Polk County (March 3, 2014); McIntosh in Polk County (March 4, 2014); Clearbrook in Clearwater County (March 4, 2014); Park Rapids in Hubbard County (March 12, 2014); Pine River in Cass County (March12, 2014); McGregor in Aitkin County (March 13, 2014); and Carlton in Carlton County (March 13, 2014).

[4] The Project crosses eight counties in Minnesota. Because the counties are sparingly populated, the Commission varied its rule requiring that a public information meeting be held in each county through which a proposed route is expected to pass, and allowed the EERA to hold meetings near, and conveniently spaced along, the proposed route.

[5] As it has in previous Commission dockets, the EERA defined a "route" alternative as a deviation from the Company's proposed route to address a concern or issue and that met the stated purpose and need of the proposed project with no apparent major engineering or environmental issues. The EERA defined what it identified as a "system" alternative as a pipeline route that is generally separate or independent of the pipeline route proposed by the Company, and that does not connect to the specified Project endpoints (the North Dakota border to Clearbrook and Clearbrook to Superior, Wisconsin).

[6] The EERA's comments discuss 54 route alternatives, but excluded one alternative -- RA-31 – from consideration on grounds that two other alternatives adequately addressed similar concerns.

- Requests additional comments on whether consideration should be given in the certificate of need docket to the eight system alternatives identified in this proceeding, and, if so how to incorporate that consideration into the certificate of need docket and/or route permit proceedings or both in this matter.

II. The Proposed Project

As noted above, the proposed Sandpiper Pipeline would transport crude oil 612 miles from Beaver Lodge Station south of Tioga, North Dakota, to terminals in Clearbrook, Minnesota, and Superior, Wisconsin. Approximately 299 miles of the new pipeline would be located in Minnesota.

As proposed, a 24-inch diameter pipeline with a capacity of 225,000 barrels per day would enter Minnesota approximately two miles south of Grand Forks, North Dakota. It would follow Enbridge Energy Partners' existing pipeline right-of-way for 75 miles to Clearbrook Minnesota. There, the Company proposes to build a new terminal and other facilities.

After Clearbrook, the pipeline would expand to a diameter of 30 inches and a capacity of 375,000 barrels per day, and extend for another 224 miles. It would generally follow the existing Minnesota Pipeline Company right-of-way south to Hubbard, Minnesota. From Hubbard the route would proceed east traversing undeveloped area and follow portions of existing rights-of-way for electric transmission lines and railroads. Finally, the pipeline would cross the Minnesota-Wisconsin border approximately five miles east-southeast of Wrenshall, Minnesota.

This route would pass through Polk, Red Lake, Clearwater, Hubbard, Cass, Crow Wing, Aitkin, and Carlton counties, and would require the acquisition of 25 to 50 feet of new right-of-way, plus an additional 40 to 70 feet of temporary right-of-way.

III. Issue to be Decided in this Order

In this Order, the Commission must decide what routes and/or system alternatives will be considered in the contested case hearing in the route permit proceeding, which is being conducted in conjunction with the Certificate of Need proceeding.

IV. The Public Comment Process

The EERA reviewed approximately 1,090 comments by 940 individual commenters and organizations submitted in response to the January 31, 2014 Commission notice. The comment period closed on May 30, 2014.

Comments were submitted orally and in writing at public meetings, and by mail, e-mail, and fax.[7] The commenters included representatives of the following groups:

[7] At the Commission hearing on this matter, the Commission also allowed public comments.

Tribal

Honor the Earth
Mawinzo AsiniGaazo Berry Pickers
The Minnesota Chippewa Tribe
White Earth Reservation Tribal Council

State Agencies and Elected Representatives

Minnesota Department of Transportation
Minnesota Department of Natural Resources
Minnesota Pollution Control Agency
Minnesota Representative Steve Green, District 2B

Local Units of Government

Hubbard County
Polk County
The townships of Arago, Badora, Clover, Lake Emma, Todd and Wrenshall

Organization and Business Comments

Association of Cass County Lakes
Big Sandy Lake Association
Carlton County Land Stewards
Detroit Lakes Chamber of Commerce
EOG Resources
Friends of the Headwaters
Hubbard County COLA
Kennecott Exploration Company
Long Lake Association
Minnesota Backcountry Hunters and Anglers
Minnesota Coalition of Lake Associations
Minnesota League of Woman Voters
Minnesota Trout Unlimited
Palmer Lake Organization
Park Rapids League of Woman Voters
Pine River Watershed Alliance
RE/MAX First Choice
The Climate Crisis Coalition of the Twin Cities
Tidal Energy Marketing
Trout Unlimited
Northwestern Minnesota
University of Minnesota Northwest Research and Outreach Center
White Fish Area Property Owners Association

Citizen Comments

Numerous written comments were received from citizens.

The Company also submitted comments.

There were many comments submitted. Some were very detailed. Most comments fell into the following broad categories:

- General opposition
- General support
- Support for the positive economic impact of the proposed line
- Concerns regarding impacts to water, wildlife, and trees and forests
- General environmental concerns
- General agricultural concerns, as well as concerns for soils, organic and sustainable farming, and wild rice cultivation
- Concerns regarding tribal and cultural resource
- Concerns regarding property values and landowner rights
- Preferences for one or more alternative routes

V. The Department's Review and Recommendation

After consideration of the comments received in this proceeding, EERA initially identified some 62 alternative proposals for consideration. After further evaluation, the EERA designated 8 of the 62 alternative proposals as system alternatives and 54 as route alternatives.[8]

On July 17, 2014, EERA filed comments and recommendations concerning the alternative route designation process for the proposed Project. EERA's comments set out a detailed description of the steps taken to satisfy the requirements of the pipeline route permit process, the methodology used in determining the alternatives recommended for consideration at hearing and evaluation in the comparative environmental analysis, and a document entitled the Sandpiper Alternative Routes Summary Report, which provides a description, discussion, and detailed maps of the 54 identified route systems alternatives and eight system alternatives considered.

A. Route Alternatives

EERA stated that the Company had offered 23 of the 54 route alternatives to address individual landowner concerns, agency concerns, engineering constraints, or constructability issues. The Minnesota Department of Natural Resources and the Minnesota Pollution Control Agency also offered suggestions for routing options, including following Enbridge's mainline corridor that contains up to seven pipelines, the Great Lakes Natural Gas Pipeline, Highway 2, and the Soo Line Railroad right-of-way.[9]

---

[8] See note 6, infra.

[9] Other route alternatives were submitted by the public and/or other commenters.

EERA recommended that 53 of the 54 route alternatives be carried forward for further evaluation in the comparative environmental analysis and in the contested case hearings.[10] Those route alternatives are identified in the EERA's July 17, 2014 Sandpiper Alternative Routes Summary Report.

B. Route Width

The EERA also noted that in general, a width of 500 feet is recommended for use in analyzing proposed and alternate routes in the comparative environmental analysis. However, in this docket, there are several areas where a wider width would be beneficial to its analysis due to existing conditions or the presence of multiple route alternatives in close proximity to each other. The EERA identified the following areas where a wider width is requested:

Carlton County 1
Eight route alternatives (RA-42 to RA-49) were suggested in an area surrounding several existing pipelines, Highway 61, and Interstate-35 in Carlton County. The EERA requested a width ranging from 2,500 feet to 6,500 feet to allow for flexibility in using different parts of the route alternatives to develop a route that minimizes impacts.

Carlton County 2
Carlton County 2 is a smaller area adjacent to Carlton County 1 and encompasses three route alternatives (RA-50, 51, and 52) that deviate slightly from the proposed route. The EERA requested a width of 1,500 feet to 2,500 feet to allow for analysis of these alternatives.

Aitkin County
Four route alternatives (RA-33 to RA-36) were suggested in Aitkin County along Highway 65. The EERA requested a width of 1,500 feet to 4,700 feet to allow for flexibility in comparing the alternatives and developing a route that minimizes impacts.

Spire Valley Aquatic Management area
The Department of Natural Resources requested that a wider width be analyzed in this area (RA-20) to find routes to avoid and minimize potential impacts to the Spire Valley fish hatchery, due to construction activities. The width recommended for this area is 3,000 feet.

Crow Wing Chain Wildlife Management Area (Crow Wing WMA)
The Department of Natural Resources expressed concerns regarding the crossing of the Crow Wing Chain WMA (RA-16) because of deed restrictions associated with gifted properties from the Nature Conservancy to the State. Enbridge provided a route alternative in late June to avoid the WMA. A width of 9,400 feet is recommended, which would provide flexibility in further developing a route in the area of the WMA.

LaSalle Creek
Two similar route alternatives (RA-09 and 10) were suggested to minimize impacts to Big LaSalle Lake and LaSalle Creek. A 6,500 foot width is recommended to allow for flexibility to avoid impacts to Big LaSalle Lake and LaSalle Creek.

---

[10] EERA did not recommend that further evaluation be given to one route alternative identified (RA-31), stating that two other alternatives proffered by the same landowner adequately addressed similar concerns.

Northern Pipelines
Numerous commenters, including the Department of Natural Resources and Minnesota Pollution Control, expressed interest in analyzing existing pipeline corridors (Enbridge and Great Lakes) that run generally along Highway 2 from Clearbrook to Superior (RA-7 and 8). A width of 500 feet to 6,500 feet would allow flexibility in following the existing pipelines, railroad, and/or Highway 2 and is based on the proximity of the existing infrastructure to each other.

C. System Alternatives

Finally, EERA identified eight system alternatives proposed, as summarized below:

SA-01. SA-01, as offered by Robert and Karen Lindesmith, calls for the pipeline upon entering Minnesota to proceed in a northeasterly direction to enter Canada, without a clear connection to terminals in either Clearbrook or Superior.

SA-02. SA-02 was offered by Sharon Natzel, Long Lake Area Association, as a system alternative to avoid impacting ground water resources and the lakes area of northern Minnesota. SA-02 is approximately 340 miles in length and attempts to follow existing road rights-of-way and areas without extensive water resources.

SA-03. SA-03 was suggested by the Minnesota Pollution Control Agency (PCA) as a system alternative to avoid the lakes areas crossed by the Company's preferred route and to provide for a new terminal in the Crookston area, so as to provide for greater routing flexibility for future pipeline projects.

As proposed, this system alternative would follow the existing 24-inch Viking natural gas pipeline southward to Clay County, then southeast across the counties of Becker, Ottertail, Wadena, Todd, Morrison, Benton, Milles Lacs, and Isanti before proceeding northward generally following either an 8-inch Magellan petroleum products pipeline or a Northern Natural Gas Pipeline, in proximity to I-35 through the counties of Chisago, Pine, and Carlton before connecting with one of the proposed Sandpiper route alternatives in Carlton County. SA-03 as proposed is approximately 360 miles long.

SA-04. System alternative SA-04, suggested by Friends of the Headwaters, is proposed to follow the existing Alliance Pipeline, a natural gas pipeline, with an outside diameter of approximately 42-inches, built in 2000, which traverses North and South Dakota, Minnesota, Iowa, and Illinois and is approximately 1,050 miles in length. SA-04 does not connect with terminals in Clearbrook or Superior. This alternative was proposed to avoid the lakes areas traversed by the Company Sandpiper proposed route.[11]

[11] The Alliance Pipeline route crosses the Minnesota counties of Traverse, Stevens, Swift, Chippewa, Kandiyohi, Renville, Sibley, Nicollet, Blue Earth, Waseca, Freeborn and Mower, crossing primarily agricultural land in Minnesota. The Alliance Pipeline was permitted by the Federal Energy Regulatory Commission (FERC).

SA-05. SA-05, also suggested by Friends of the Headwaters, if it were to connect to Superior would be approximately 1,100 miles in length. As with SA-04, it also follows a gas pipeline, the Northern Border Natural Gas Pipeline, which cuts across southwestern Minnesota, through the counties of Lincoln, Lyon, Murray, Cottonwood, Jackson, and Martin. SA-05 does not connect with the terminals in Clearbrook or Superior.

SA-06. SA-06, also suggested by Friends of the Headwaters, would follow Minnesota Highway 9 south, until it intersects an existing Magellan products pipeline, approximately 8 to 12 inches in diameter. Then it would follow south and east to a point where it intersects with the existing 24-inch MinnCan crude oil pipeline. It would then follow the MinnCan route to the refineries, then continue north along the I-35 corridor in proximity to the 8-inch Magellan products pipeline and Northern Natural Gas Pipeline until it intersects with other Sandpiper route alternatives.

As a part of this proposal it was also suggested that the pipeline route could follow an existing 8-inch Magellan products pipeline east into Wisconsin until it intersects the existing Enbridge right-of-way at which point a pipeline could be built to carry the oil up to Superior or down to Chicago.

SA-07. SA-07, also suggested by Friends of the Headwaters, appears to be a combination of two different system alternatives: first, a combination of SA-07 and SA-06, and second as a combination of SA-07 and SA-08. SA-07 does not connect with the terminal in Clearbrook.[12]

SA-08. As proposed by Honor the Earth, SA-08 would be located adjacent to or within the right-of-way of I-29 and I-94. SA-08 does not connect to terminals in Clearbrook or Superior.

According to the EERA, the system alternatives do not meet the stated purpose and need of the proposed project because they do not connect with one or both of the route endpoints. Accordingly, the EERA considered these alternatives as entirely different projects than that proposed by the Company. EERA discussed each of the eight system alternatives identified in its July 17, 2014 Alternative Routes Summary Report, but did not recommend that these options be forwarded for consideration at the route permit contested case proceeding.

---

[12] SA-07 and SA-06 when combined to form SA-07 would follow I-29 in North Dakota to Fargo, then follow the same corridor east and southeast adjacent to I-94, then follow an existing Magellan Product pipeline south and east to a point where it intersects the MinnCan 24-inch crude oil pipeline and follow it to Minnesota's two refineries. At those points it is suggested that the pipeline can proceed northward to the Duluth area by following I-35 or the existing Magellan product and Northern Natural Gas pipelines to a point where it intersects with other Sandpiper route alternatives and then proceed to the Superior terminal.

The other system alternative would combine SA-07 and SA-08, by following SA-08 (I-94) and extending it through the Twin Cities along the freeway or existing Magellan product pipeline to 1) a point where it intersects I-35 and two other pipelines (Magellan and Northern Natural Gas) that proceed northward as described above, or 2) follow an existing Magellan Product pipeline east into Wisconsin until it intersects the existing Enbridge right-of-way at which point a pipeline could be built to carry the oil back up to Superior or down to Chicago.

EERA, did, however, identify two of the eight system alternatives (SA-02 and SA-03) that could potentially be modified to include appropriate connections to the Clearbrook facility, which could make these system alternatives potentially viable route alternatives. SA-02 was proposed by a member of the public, Sharon Natzel, from the Long Lake Area Association. SA-03 was proposed by the Minnesota Pollution Control Agency.

SA-02 as modified would follow the Company's proposed route from the North Dakota border to Clearbrook. With the addition of a new route segment to run north from Clearbrook to join with SA-02, this alternative would provide a northern alternative route into Superior, Wisconsin. SA-03 as modified would follow the Company's proposed route from the North Dakota border to Clearbrook, and from Clearbrook south following NDCP's proposed route to Hubbard. From there, the route would continue south to join with SA-03 to provide a southern alternative route into Superior.

VI. The Company's Response

The Company did not support further consideration of any of the eight system alternatives identified in this proceeding, arguing that they did not meet the stated need and purpose of the project as identified. The Company also specifically argued against inclusion of either SA-02 or SA-03 as modified for further consideration in this matter. The Company asserted, among other things, that each system alternative modification would result in a longer, more circuitous route, would have additional impacts on new counties and landowners, would create the need for additional pump stations, and would engender substantial delay in the administrative proceedings.

VII. Commission Analysis and Action Regarding Proposed Alternative Route and System Alternatives

A. Route Alternatives

Review of the pipeline routing permit application is taking place in the current docket under Minn. Stat. § 216G.02 and the Pipeline Route Selection Procedures in Minn. R. Parts 7852.0800 to 7852.1900.

Minn. R. 7852.1400 states:

> The commission *shall accept* for consideration at the public hearing the routes and route segments proposed by the applicant and *may accept* for public hearing any other route or route segment it considers appropriate for further consideration. No route shall be considered at the public hearing unless accepted by the commission before notice of the hearing. Routes accepted shall be identified by the commission in accordance with part 7852.1600. *A proposer of a route or route segment that the commission has accepted for consideration at the hearing shall make an affirmative presentation of facts on the merits of the route proposal at the public hearing*. (Emphasis added).

In this matter, the Commission concurs that all of the 53 route alternatives recommended by the EERA to be referred to the administrative law judge for consideration merit consideration. Accordingly, the Commission accepts these route alternatives and will forward them to the administrative law judge for consideration at the contested case proceeding.

B. Expanded Route Widths

The Commission also accepts expanding the seven route width areas recommended by the EERA, with the clarification of the expanded route width for Carlton County 2 requested by the Company in a letter filed August 6, 2014, and discussed at the hearing. The Company stated that it had recently identified that the route width of 1,500 to 2,500 feet recommended by the EERA would not encompass the entire area of land being discussed with the landowner who proposed RA-51 and RA-52, and requested that the Commission clarify that the expanded route width in this area be expanded slightly farther as shown in its attached Figure 5 to the Company's August 6, 2014 letter.[13]

The Department stated its support for the expanded route width for the seven areas originally identified as well as the increased width expansion proposed by the Company for RA-52 . No party voiced opposition to the proposed expansion of the route width for these seven areas, and the Commission accepts them as reasonable.

C. System Alternatives

After consideration of the record, and the comments submitted at the Commission hearing, the Commission will also at this time forward system alternative SA-03, proposed by the Minnesota Pollution Control Agency and modified by the EERA, to the administrative law judge for consideration at the contested case hearing in this proceeding. As modified, SA-03 appears to provide an alternative southern route from Clearbrook into Superior that bypasses the lakes and wetland areas identified as problematic by the various agency and public commenters in this proceeding, while also adding to the length of the route.[14] For these reasons, the Commission finds that further consideration of SA-03 as modified in the contested case proceeding is not unreasonable.

Public opposition to the proposed route and the route alternatives in this proceeding has to date been high, with a significant majority of those offering comments in the docket urging the Commission to include system alternatives for further consideration in this matter in lieu of the routes proposed by the Company, in an effort to reduce environmental and public health risks.

The Minnesota Pollution Control Agency asserted that "limiting the alternatives to route options alone at this state would unnecessarily narrow the scope of project options to reduce the environmental and public health risks." The agency also recommended that the Commission incorporate SA-03 as originally proposed (without the connector segments recommended as modifications by the EERA) into the ongoing certificate of need proceeding for further consideration.

After consideration of the written and oral record in this proceeding, the Commission will take the following actions to further evaluate these issues. The Commission will issue a notice requesting additional comments concerning the further review of the eight system alternative options identified

---

[13] This would affect an area slightly outside and south of the area originally proposed by the Company.

[14] SA-03 as modified is estimated at 360 miles in length, as opposed to the proposed route alternative, which is 299 miles in length.

in the Department of Commerce Alternative Routes Summary Report issued July 17, 2014. The Commission requests that the comments submitted address the question of how these options should be considered in the certificate of need process and whether they ought to be treated as route alternatives, system alternatives, or both.

The Commission also requests the Executive Secretary to prepare a notice announcing the date of the Commission meeting at which time these matters will be discussed and the scope of the determinations to be made on that date.

D. Other Action Taken

1. Generic pipeline route permit template

The Commission will also approve, as it has in recent pipeline routing matter, the issuance of a generic pipeline route permit template developed by Commission staff and attached as Attachment A to the Commission's briefing papers in this matter.

At the hearing on this matter, Friends of the Headwaters objected to the Commission taking action to issue a generic permit template. Friends of the Headwaters asserted that the 1) route permit template was not properly noticed for the Commission meeting, and 2) use of the template at this early stage of the proceeding would give the impression to the public that the Commission staff has predetermined that this proceeding will result in the issuance of a permit.

The Commission disagrees. First, adequate notice was given for purposes of discussion and action at the Commission meeting. Second, the Commission has on several prior route permit matters filed a generic pipeline route permit template to give interested parties and governmental agencies an early opportunity to review ~~the~~ standard permit language and provide suggestions of additional language and/or special conditions specific to the proposed project. The Commission will do so again in this proceeding.

2. Notice to landowners

Further, to assist in providing notice of the Commission's actions in this matter, the Commission will require the Company to promptly 1) supply to Commission staff the mailing addresses for all landowners located on the Company's proposed route and any alternative route or route segment accepted for hearing by the Commission; 2) send the staff-approved notice of alternative routes to the comprehensive landowner mailing list; and 3) assist with publication of the staff-approved notice in the appropriate newspapers.

All potentially affected landowners (those on the 53 route alternatives and the eight system alternatives) will, accordingly, receive notice of the proceedings as expanded herein and have the opportunity to participate in the public hearing and evidentiary stages of the route permit and certificate of need proceedings.

3. Pipeline safety report request

Finally, Commission staff recommended that the Company be required to prepare a pipeline safety report that discusses issues related to pipeline safety for submission into the record in this

proceeding. Friends of the Headwaters objected to the Commission taking action with regard to the proposed report, asserting that 1) the issue was not properly noticed for the Commission meeting, and 2) arguing that it is inappropriate for a regulated entity to provide its opinion about what pipeline safety law requires when there has been no process or proceeding to determine such obligations.

Again, the Commission believes that adequate notice of possible Commission action as to this proposal was provided through its notice and the briefing papers filed. The Commission believes requiring the Company to prepare a report responsive to the questions posed regarding pipeline safety as providing a starting point for further conversation and consideration by the parties during the course of this proceeding. Accordingly, the Commission will require the Company to prepare a report that responds to the questions outlined in Attachment 1 to this Order, related to pipeline safety, which shall be addressed as part of its direct testimony by a sponsoring witness and as a separate document for issuance into the record.

ORDER

1. The Commission hereby accepts the 53 route alternatives recommended by EERA in its July 17, 2014 comments and recommendations (Sandpiper Alternative Routes Summary Report) and system alternative SA-03 as modified by the EERA and forwards them to the administrative law judge for consideration at the contested case hearing.

2. The Commission hereby accepts the seven expanded route width areas recommended by EERA with the clarification of the expanded route width for Carlton County 2 requested by the Company at the hearing as set forth herein.

3. The Commission hereby approves the issuance of the generic pipeline route permit template attached as Attachment A to Commission staff's briefing papers in this matter into the record.

4. The Company shall prepare a pipeline safety report in this matter that responds to the questions listed in Attachment 1 to this Order, which shall be addressed as part of its direct testimony by a sponsoring witness and as a separate document for issuance into the record.

5. The Company shall promptly:

   A. supply to Commission staff the mailing addresses for all landowners located on the Company's proposed route and any alternative route or route segment accepted for hearing by the Commission;

   B. send the staff-approved notice of alternative routes to the comprehensive landowner mailing list; and

   C. assist with publication of the staff-approved notice in the appropriate newspapers.

6. The Commission will accept, within 14 days of the date of the Commission's meeting (or, August 21, 2014), additional comments concerning further review of the eight system options identified in the Department of Commerce Alternative Routes Summary Report issued July 17, 2014. The comments should address the question of how these options should be considered in the certificate of need process and whether they ought to be treated as route alternatives or system alternatives or both. The Commission requests the Executive Secretary to prepare a notice announcing the date of the Commission meeting at which these matters will be discussed and the scope of the determinations to be made on that date.

7. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

- Explain why the Company proposed to place the new pipeline where it has. Describe the costs and benefits of the placement of a pipeline along multiple existing pipelines or within a pipeline "green field" area.

- List the areas along the proposed Sandpiper Pipeline Project that are considered High Consequence Areas.

- Has an integrity management plan been developed for the proposed Sandpiper Pipeline Project? Where can examples of existing integrity management plans be found?

- What is the life expectancy of a typical crude oil pipeline? Is there any difference for a pipeline that carries diluent?

- Describe the state and federal pipeline inspection processes. Explain what if any oversight is required after the pipeline has been constructed and is in operation and identify the government entities responsible for such oversight.

- What steps are taken when erosion has exposed the pipeline in upland areas or where pipelines cross surface flows? Are exposed pipelines at increased risk of being damaged or rupturing due to human or naturally occurring events in such areas?

- Is there a prescribed or required pipeline replacement timetable for existing pipelines? What is their age and condition, and anticipated timeframe for replacement?

- What mechanisms or practices are in place for leak prevention, detection and control? Describe the response plans in the event of a leak (breach) or spill? Who reviews such plans? Are they available for public review?

- What is the process to determine proper locations for shut-off valves along a pipeline route? Is there an operational limit to the number that can be located or installed along the pipeline?

- What has been learned from previous leaks and spills? What new protections have been introduced and utilized?

- Describe the process for determining the appropriate location of equipment and training of local personnel to respond to spills or leaks both during construction and during the operation of the pipeline. What is an acceptable response time?

- What measures are in place to ensure there is adequate funding to pay for response and remediation of spills and leaks? Who is liable? Who pays for such events? Are pipeline operators required to have a special fund available for emergency response and cleanup costs?

- Include as an attachment to the report, the federal regulations concerning pipeline safety.