



**NEWS RELEASE**  
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**Commission Approves Permit for Conversion of Existing Pipeline into a Transmission Line  
*Order Includes Requirement for Waivers from those Residing within 500 Feet***

BISMARCK, ND – The North Dakota Public Service Commission (PSC) today approved, with conditions, a siting permit for Hiland Crude, LLC, to convert an existing crude oil gathering pipeline into a transmission line. The approximately 197-mile long existing pipeline spans three counties: Williams, McKenzie and Mountrail. Hiland Crude plans to add storage tanks and pumping facilities to the existing line, which will then convert the gathering pipeline system into a transmission line.

The order issued today contains a requirement that Hiland obtain waivers from the owners of five residences that are located within 500 feet of the pipeline, or move the pipeline route. North Dakota Century Code requires that transmission pipelines placed within 500 feet of a residence should be avoided, unless the owner of the residence signs a waiver or the company shows that there is no other reasonable alternative. For this project, it was determined there were 20 rural residences within 500 feet of the existing pipeline; all but five have signed waivers. During the public hearing, Hiland testified that they have not explored alternative routes; therefore, the Commission found Hiland failed to show no other reasonable alternative existed.

“The Commission is receiving more applications from companies seeking to convert gathering lines to transmission lines shortly after construction,” Commissioner Julie Fedorchak said. “This is a legitimate way to maximize the capacity of existing infrastructure. However, companies need to plan ahead for this likelihood and, when appropriate, build pipelines to comply with the North Dakota requirements of transmission lines, especially when it comes to setbacks from residences and other exclusion and avoidance areas.”

The Commission held a public hearing on the project June 17 in Williston during which community leaders and citizens were able to learn more about the proposed project and offer public comment for consideration.

“Our permitting process is focused on environmental review, not construction standards, which are controlled by federal regulations. During the public hearing, I asked numerous questions about what standards were used during the construction of the gathering lines,” said Commissioner Brian Kalk. “The Commission verified that the pipeline was built to meet the federal code of regulations for hazardous liquids pipelines Part 195. Essentially, this line was built to meet the construction standards of a transmission line.”

The pipeline will be used to transport crude oil from smaller gathering systems and truck facilities to existing rail and pipeline network destinations connecting to multiple shipping points for out-of-state sale. Estimated cost of the project is \$55.3 million. The pipeline will have a maximum capacity of 65,000 barrels per day.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate certain business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or [www.psc.nd.gov](http://www.psc.nd.gov).

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