

2009 HOUSE NATURAL RESOURCES

HB 1032

2009 HOUSE STANDING COMMITTEE MINUTES

-Bill/Resolution No. 1032

House Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: January 9, 2009

Recorder Job Number: 6755

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter opened the hearing on HB 1032.

Senator Wardner District 37 in Dickinson of the Interim Energy & Development and Transmission Committee. Deals with short and small pipe line and gathering systems around the state and removes it from the jurisdiction of the PSC. It clears up some definitions so industry can move quicker, faster and more efficiently to get things done. It has gone before 2 committees: Power of North Dakota which is made up of people from all sectors as far as the energy and the Energy Development and Transmission Committee.

Chairman Porter : Any questions Senator Wardner?

Mr. Dawson – council for the committee – testified in support of HB 1032. The bill comes from construction – that is what language in section 1 refers to and then on the top of page 2 refers to the short and small pipe lines. A small pipeline is less than 4 inches in diameter and a short pipeline is shorter than 1 mile. The language at the bottom says that gathering pipelines are exempt if defined so by federal law.

Chairman Porter: Any questions for Mr. Dawson?

Rep. Keiser: In sub section 3 page 1 if a site has been previously approved with a route that has been previously approved there is no limitations on the length of that site.

Mr. Dawson: If you are asking if the language on page 2 deletes the language on page 1 no, they are exclusive of each other. If there was a certificate of compatibility or group permit and it was for a group or site and you do something within that group or site at a later date at a later date you don't have to get another permit.

Chairman Porter: Any other questions for Mr. Dawson?

Rep. Hanson: It mentions coal and a forage pipeline – coal slurry – you can't run a coal slurry through a 4" pipeline can you?

Mr. Dawson: There are other people from the industry that are more able to answer those questions.

Chairman Porter: No other questions – thank you Mr. Dawson. Is there any other testimony in support of HB 1032?

Mr. Ron Ness: North Dakota Petroleum Council – See attachment # 1

Rep. Keiser: #1 – Why the 4" verses 5"

#2 – Does the mile limitation create potential problems in two wells – 1) $\frac{3}{4}$ of a mile; 1) 1 $\frac{1}{2}$ miles. The person working 1 $\frac{1}{2}$ miles has to get a permit and the one working $\frac{3}{4}$ miles doesn't.

Mr. Ness: 1st question -- It is standard pipe line sizes – 4; 6; 8; 10; 12; 16; it is a minimum size. If you get above 4" you are more likely to use that for transmission of products.

2nd question – The mile gathering lines in the fields the wells are not sited. The distance from the well to the processing plant to the collection site doesn't need to be sited. This is more of a plant to plant related to a natural gas situation where they have a gas processing and it is very rich gas it is the site between these two. plants. The mile is just a reasonable distance if you are doing something like that.

Rep. Drovdal: In section "b" you define what a gathering line is by the size and the length and then later in the same section you are giving your authority away of defining the gathering system by saying you are going to use the same definition as the federal government.

Mr. Ness: I will let John Morrison address that.

Chairman Porter: Ok No further questions. Mr. Morrison.

Mr. Morrison: Attorney – Definitions :

Transmission lines are subject to sitting – gathering lines are not subject to sitting. Gathering lines include a category of pipe lines. We want to define those lines and have a reasonable way for the industry to tell what is a gathering line and what is a transmission line. Federal agencies realize that as the industry changes the definitions change. This gives flexibility that as the industry changes the public service recognition will change. The question was the relationship between gathering systems and pipelines less than 4" and 1 mile. The language currently says that the subdivision which is a requirement wouldn't apply to a gathering system or any pipeline 4" or less than 1 mile. 4 1/2 " outer diameter pipe comes in what they call real pipe it can be rolled and you can transport those reels and you can either knife it in or there are machines that can pull it in. You don't have to do the trenching like you ordinarily do with pipeline installation and that is the reason. The 1 mile is arbitrary.

Chairman Porter : Questions

Rep. Keiser: What is API stand for?

Mr. Morrison: API is American Petroleum Institute.

Rep. Drovdal: A few years back they couldn't plow in 2" lines, now 4 ½ " lines, down the road maybe the technology will improve and they will plow in 6" lines and the federal will define the 6" lines, will we have to revisit or will it be automatic for ND to accept the 6" line at that time?

Mr. Morrison: If the federal law did change and make 6" or under gathering than it would be exempt under exemptions on lines 10 through 16.

Chairman Porter: Further testimony in support of 1032.

Mr. Bob Graveline: Utilities Shareholders of North Dakota – Bill has very good points but in section 1- Electric Transmission lines and gas transmission lines. It doesn't make a lot of sense to redo environmental studies if it is already have an electrical transmission line there. Our problem is that it doesn't define how wide an area this bill will include. We are trying to work out method of that would allow upgrading of electric transmission line without a full blown environmental study, or increasing the footprint size of a substation.

Chairman Porter: Questions for Mr. Graveline. Rep. DeKray

Rep. DeKray: The normal process you have to go through with the landowners easements will be the same, if you only have easements – you wouldn't automatically change the easements.

Mr. Graveline: That's correct – we are talking about here is only the sitting process the exclusionary is the important area, not the whole process. You would have to go back and negotiate with the property owner the wire rights.

Chairman Porter : Any other questions? Further testimony in support of 1032? Opposition to 1032? Nutral?

Illona A. Jeffcoat-Sacco: General council for the Public Service Commission -- See Attactment #2

Chairman Porter: Going back to Rep. Keiser's previous comments I don't think we even need to take a vote. Any questions? Rep. Keiser

Rep. Keise: It can be done with this legislation.

Chairman Porter: There is no doubt – this has already been studied and through interim committee that both the public service commission & the industry can get together and make this work. Further testimony on the neutral to not so neutral side? It will not the standard practice of this committee to even ask for neutral testimony. Basically you are here for it or against it. House Natural Resources. Mr. Kringstad

Mr. Justin Kringstad: N. D. Pipeline Authority – See Attachment #3.

Chairman Porter: Questions for Mr. Kringstad? Anyone else? We will close the hearing on 1032. Rep. Keiser: would you be so kind as to stear this in the right direction for us?

Rep. Keiser: I would be happy to.

Chairman Porter: If anyone has any concerns or comments run them through Rep. Keiser on this particular bill. With that we're done till next Thursday morning at 9 A.M.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1032

House Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 1-15-09

Recorder Job Number: 7110

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Rep. Keiser – Introduced Illona Jeffcoat-Sacco

Illona - See attachment # 1; #2; #3.

Chairman Porter - Any questions on those revisions? Rep. Hofstad

Rep. Hofstad – In the situation where there is an area and it becomes a siting issue again is it

the entire project that comes up for siting or is it just that specific area of avoidance or exclusion that comes up for siting so a company can go to work on other areas knowing that they are either going to go around or through or something on that order?

Illona – Today it would be the whole line.

Chairman Porter - Any other questions on this first part?

Rep. Keiser – This deals with construction, if you have construction by definition you have to go in for approval from the PSC.

Allana – These exceptions do offer quite a large area of options for the company where they don't have to have siting permits.

Rep. Keiser – Putting up transmission lines has quite a different impact depending on whether they are put up in the center verses on the edge of the easement. The center is the center line of the easement.

Allana – Whatever the width, within the corridor which is very wide – 6 miles wide – the width isn't such an issue.

Chairman Porter - Any questions? Rep. Keiser

Rep. Keiser – If you have construction you have to get approval.

Allana – Exception offer -- ????

Rep. Keiser – The center line is the center line of the easement.

Bob Gravlin- The land owner can't build within 100' of the right of way. Any width changes of the right a way MUST be negotiated with the landowner.

Rep. Keiser – ND produces a lot of power and if we are going to want to eventually has to upgrade these corridors.

Chairman Porter - We will not take action on any of these amendments today, not everybody that was here at the time of the hearing has had a chance to see these yet. We are going to wait till everybody has a chance to see them. If there is any questions for Mr. Gravlin?

Allana – See attachments

Chairman Porter - One is not exclusionary to the other?

Allana – No

Chairman Porter - If it is under a mile it is under a mile and nothing else applies.

Allana – If it is 25 miles or .25 inches external diameter it is cable plowed in doesn't go.

Continues explaining attachments.

Chairman Porter - Questions?

Ron Ness – Has 2 issues – first change is - Section B area 3 – If you have something in an avoidance area – a very small area – in the current law you have to go back in and go through the siting process again for the entire project. It would you just have to site the area of the avoidance it would make a lot more sense.

Second change is Page 2 line 5 – is if in the future technology changes and you are able to knife in a line bigger than 4.5” you wouldn’t be able to do it. Don’t have a limit to it.

Chairman Porter - Questions

Rep. Keiser – Technology definitely is changing. 4.5” is standard, but what if you could someday trench in a 6” or 7” pipe? A question is what kind of damage could occur if there were a problem?

Mr. Ness – The issue going from the current language in the bill to the knifed in only – I don’t know how the technology works underneath road access ways or those places with an issue where you have to do some digging, clearly there’s a significant change from the original bill to this one.

Rep. Nottestad – When it comes to intersections couldn’t the wording bored in or drilled in be put in there?

Mr. Ness – Yes

Chairman Porter - Questions Adjourned

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1032

House Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 1-23-09

Recorder Job Number: 7674

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter - We'll open the hearing on HB 1032. Start with the proposed amendments prepared by the Public Service Commission.

Illana Jeffcoat-Sacco – PSC – See attachment #1. What you see is very much like what you saw before except now it is a Hog House Amendment. It is still very complicated because the definitions lots of subparts now, but it is done as a hog house amendment rather than an amendment to the bill.

Rep. Keiser – In “c” where the wires aren't on the center line the rule still applies.

Illana – yes

Chairman Porter - On “c” the way it is worded it shouldn't be a width of 700' on 350' on either side of the center line – is that what Mr. Walstad is saying?

Illana – That is a good idea, we hadn't thought of that option.

Chairman Porter - We know the maximum is 700' so if we say a width of 350' on both sides of the center line so it is clear it is a 700' of the total.

Illana – Yes, we can make that change.

Rep. Kelsh – I think you just said it – 350' on each side of the center line.

Illana – see attachment #1. Questions

Rep. Keiser – I don't have any questions – I'm ready for a vote.

Chairman Porter - Questions? Rep. Keiser

Rep. Keiser – I move the adoption of the amendments as presented with the following further amendment on page 1 – a-1-c- it would read a width of 350' on either side of the center line.

Chairman Porter - 2nd – Rep. DeKray Any other discussion? All in favor YEA opposed 0 motion carries.

Rep. Keiser – I move a do pass on as amended on HB 1032.

Chairman Porter - We have a do pass as amended on HB 1032 from Rep. Keiser a 2nd from Rep. DeKray any discussion? We will call the roll on a do pass on HB 1032.

Yes 12 No 0 Absent 1 Carrier Rep. Keiser

VR
1/29/09
log2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1032

Page 1, after line 6, replace the remainder of the bill with:

- "3. "Construction" includes any clearing of land, excavation, or other action that would affect the environment of the site after April 9, 1975, but does not include activities ~~incident~~:
- a. Conducted wholly within the geographic location for which a utility has previously obtained a certificate or permit under this chapter or on which a facility was constructed before April 9, 1975, if:
 - (1) The activities are within the boundaries of:
 - (a) A previously issued certificate or permit;
 - (b) For an energy conversion facility constructed before April 9, 1975, the geographic location on which the facility was built; or
 - (c) For a transmission facility constructed before April 9, 1975, a width of three hundred fifty feet [106.68 meters] on either side of the centerline;
 - (2) Except as provided in subdivision b, the activities do not affect any known exclusion or avoidance area; and
 - (3) Before conducting any activities, the utility certifies in writing to the commission that the activities will not affect any known exclusion or avoidance area and the utility will comply with all applicable conditions and protections in siting laws and rules and commission orders previously issued for any part of the facility.
 - b. Otherwise qualifying for exclusion under subdivision a, except that the activities are expected to affect a known avoidance area and the utility before conducting any activities:
 - (1) Certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws and rules and commission orders previously issued for any part of the facility;
 - (2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific avoidance area expected to be impacted and the reasons why impact cannot be avoided; and
 - (3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no

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reasonable alternative to the expected impact. If the commission does not approve impacting the avoidance area, the utility must obtain siting authority under this chapter for the affected portion of the site or route. If the commission fails to act on the notification required by this subdivision within thirty days of the utility's filing the notification, the impact to the avoidance area is deemed approved.

c. Incident to preliminary engineering or environmental studies.

12. "Transmission facility" means any of the following:

a. An electric transmission line and associated facilities with a design in excess of one hundred fifteen kilovolts. "Transmission facility" does not include a:

(1) A temporary transmission line loop that is:

(+1) (a) Connected and adjacent to an existing transmission facility that was sited under this chapter;

(+2) (b) Within the corridor of the sited facility and does not cross known exclusion or avoidance areas; and

(+3) (c) Less in place for less than one year; or

(2) A transmission line that is less than one mile [1.61 kilometers] long; and

(4) In place for less than one year.

b. A gas or liquid transmission line and associated facilities designed for or capable of transporting coal, gas, liquid hydrocarbons, liquid hydrocarbon products, or carbon dioxide. This subdivision does not apply to an:

(1) An oil or gas pipeline gathering system;

(2) A pipeline with an outside diameter of four and one-half inches [11.43 centimeters] or less that will be not trenched and will be plowed in with a power mechanism having a vertical knife or horizontally directionally drilled, and its associated facilities; or

(3) A pipeline that is less than one mile [1.61 kilometers] long.

For purposes of this chapter, a gathering system includes the pipelines and associated facilities used to collect oil from the lease site to the first pipeline storage site where pressure is increased for further transport, or pipelines and associated facilities used to collect gas from the well to the gas processing facility at which end-use consumer-quality gas is produced, with or without the addition of odorant.

c. A liquid transmission line and associated facilities designed for or capable of transporting water from or to an energy conversion facility."

Renumber accordingly

Date: 1-23-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1032

House Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ As Amended

Motion Made By Keiser Seconded By DeKrey

| Representatives | Yes | No | Representatives | Yes | No |
|------------------------|-----|----|-----------------|-----|----|
| Chairman Porter | ✓ | | Rep Hanson | | |
| Vice Chairman Damschen | ✓ | | Rep Hunsakor | ✓ | |
| Rep Clark | ✓ | | Rep Kelsh | ✓ | |
| Rep DeKrey | ✓ | | Rep Myxter | ✓ | |
| Rep Drovdal | ✓ | | Rep Pinkerton | ✓ | |
| Rep Hofstad | ✓ | | | | |
| Rep Keiser | ✓ | | | | |
| Rep Nottestad | ✓ | | | | |
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Total (Yes) 12 No 0

Absent 1

Floor Assignment Keiser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1032: Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1032 was placed on the Sixth order on the calendar.

Page 1, after line 6, replace the remainder of the bill with:

"3. "Construction" includes any clearing of land, excavation, or other action that would affect the environment of the site after April 9, 1975, but does not include activities ~~incident~~:

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(1) The activities are within the boundaries of:

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b. Otherwise qualifying for exclusion under subdivision a, except that the activities are expected to affect a known avoidance area and the utility before conducting any activities:

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(a) The activities will not affect any known exclusion area; and

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(2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific avoidance area expected to be impacted and the reasons why impact cannot be avoided; and

- (3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no reasonable alternative to the expected impact. If the commission does not approve impacting the avoidance area, the utility must obtain siting authority under this chapter for the affected portion of the site or route. If the commission fails to act on the notification required by this subdivision within thirty days of the utility's filing the notification, the impact to the avoidance area is deemed approved.

c. Incident to preliminary engineering or environmental studies.

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- a. An electric transmission line and associated facilities with a design in excess of one hundred fifteen kilovolts. "Transmission facility" does not include a:

(1) A temporary transmission line loop that is:

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(3) A pipeline that is less than one mile [1.61 kilometers] long.

For purposes of this chapter, a gathering system includes the pipelines and associated facilities used to collect oil from the lease site to the first pipeline storage site where pressure is increased for further transport, or pipelines and associated facilities used to collect gas from the well to the gas processing facility at which end-use consumer-quality gas is produced, with or without the addition of odorant.

- c. A liquid transmission line and associated facilities designed for or capable of transporting water from or to an energy conversion facility."

Renumber accordingly

2009 SENATE NATURAL RESOURCES

HB 1032

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1032

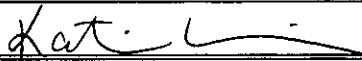
Senate Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: March 6, 2009

Recorder Job Number: 10393

Committee Clerk Signature



Minutes:

Senator Lyson opens the hearing on HB 1032, relating to the energy conversion and transmission facility siting definitions.

Representative George Keiser This bill came to the natural resources on the House side.

The Public Service Commission had tremendous problems with the original bill. As a result we put together a subcommittee with a task force consisting of members of the industries that were impacted as well the PSC and came up with this hog house amendment which is now the bill. This entire issue deals with the transmission facility siting. We have not been completely clear in our century code as to what should happen relative to sitings or changes that impact a siting that has already been approved. The original bill only addressed electrical transmission. The representatives from the liquid and gas transmission industries quickly came forward and wanted to be included in the discussion and development of this policy. This bill addresses construction. One part for electrical and one part for liquid and gas transmission. This bill simply tells them what they must do if construction is occurring within a previously permitted geographic location and the company wishes to make a change in the electrical or liquid and gas transmission. The Public Service Commission said they have two issues relative to siting that we have concern with. They are either known exclusion or avoidance areas. So if there is

a known exclusion or avoidance area and the utility still wants to go into the preapproved siting location they then have to notify the PSC in writing. If they cannot avoid impacting a known exclusion or avoidance area they also have to inform the commission in advance that they will disrupt one of these areas. The commission has to give them permission in writing to perceive through the exclusion or avoidance area. The other limitation is when the companies involved make these requests for the preapproved siting locations they would not like to have significant delays so we added if the PSC does not respond within 30 days then the impact of the area is deemed approved. We have a lot of time, delays and money associated with this because we simply have not clearly addressed this policy issue. We have worked with all the industries and agencies involved to come up with the hog house bill.

Senator Triplett Is it your understanding that the language regarding the avoidance area applies to both types of transmission facilities?

Representative Keiser yes absolutely.

Tim Dawson, Legislative Council, spoke in a neutral position to the bill. I am here because I staffed the energy development and transmission committee. The bill is introduced exempted from construction and hence from siting jurisdiction of the PSC construction within the footprint of a previously sited facility. That is where the new protections come in with the engrossed version. Also the bill as introduced exempting from siting gathering pipelines or small or short pipelines. Gathering pipelines were defined as such by federal law. Small pipelines were less than 4 inches and short pipelines were less than a mile. The bill you have before you has the safe guards in it that Representative Keiser spoke about. In addition it has changed the definition on page 3 lines 9-12 of a small pipeline. That has been changed from a 4 inch inside diameter to an outside diameter of 4 ½ inches, but includes the protection of being knifed in

instead of trenched in. In addition the short pipeline remains the same. The exception for gathering pipelines as defined by federal law has been removed.

Ron Ness, President of the North Dakota Petroleum Council, spoke in favor of the bill (see attached testimony #1).

Bob Graveline, Utilities Shareholders of North Dakota, we were very deeply involved in the process of working through this bill. We think this is a good idea and a wonderful bill. We support the bill and urge a do pass.

Justin Kringstad, Director of the North Dakota Pipeline Authority, spoke in a neutral position to the bill (see attached testimony #2).

Senator Triplett What makes something a gathering system as opposed to something else?

Justin Kringstad essentially the big grey area was on the gas gathering side. This bill clarifies that any pipeline up to a gas processing facility is considered gas gathering. The language added on line 18 of page 3 clarifies what is a gas processing which in turn clarifies what is a gas gathering pipeline system.

Senator Lyson closed the hearing on HB 1032.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1032

Senate Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 4/2/09

Recorder Job Number: 11669

Committee Clerk Signature



Minutes: **Senator Lyson, Chairman**

Committee work

The committee discusses that there were no amendments brought in for this bill.

Senator Triplett says she would like to make a phone call to follow up some information.

Senator Lyson says they will leave this bill and come back to it in the afternoon committee work.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1032

Senate Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: April 2, 2009

Recorder Job Number: 11697

Committee Clerk Signature

Jody Hauge

Minutes:

Committee Work

Senator Lyson asked if there was any more discussion being none, he asked for a motion.

Senator Erbele moved a Do Pass.

Senator Schneider seconded.

Roll call vote: 7-0-0

Senator Erbele will carry the bill.

Date: 4/2/09

Roll Call Vote #: _____

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate _____ Natural Resources _____ Committee

☐ Check here for Conference Committee

Bill #: 1032

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Amendment

Motion Made By Sen Erbele Seconded By Sen. Schneider

| Senators | Yes | No | Senators | Yes | No |
|---------------------------------------|-----|----|----------------------------|-----|----|
| Senator Stanley W. Lyson, Chairman | ✓ | | Senator Jim Pomeroy | ✓ | |
| Senator David Hogue, Vice Chairman | ✓ | | Senator Mac Schneider | ✓ | |
| Senator Robert S. Erbele | ✓ | | Senator Constance Triplett | ✓ | |
| Senator Layton W. Freborg | ✓ | | | | |
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Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Erbele

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
April 2, 2009 4:34 p.m.

Module No: SR-56-6060
Carrier: Erbele
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1032, as engrossed: Natural Resources Committee (Sen. Lyson, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1032 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1032



North Dakota Petroleum Council

Ron Ness
President

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House Bill 1032

House Natural Resources Committee

January 9, 2009

Chairman Porter and Members of the Committee. My name is Ron Ness. I am the President of the North Dakota Petroleum Council. The North Dakota Petroleum Council represents 160 companies involved in all aspects of the oil and gas industry and has been representing the industry since 1952.

OIL INDUSTRY FACTS:

JANUARY 2007

ND 9th largest oil producing state
ND produces 113,000 barrels of oil per day
There are 42 rigs drilling new wells
More than 3,600 producing oil wells

JANUARY 2009

4th
204,000 barrels per day
76 drilling rigs
4,200 producing wells

The question asked in the 2007 Legislature was "What can be done to not only maintain this incredible economic growth but expand our state's oil production to 150,000 or 200,000 barrels of oil per day?" The question before the 2009 legislature should be "How we maintain this incredible economic growth and keep this Bakken Play rolling. And what can be done to get our oil & gas to market, so that ND receives true value for its valuable commodities?" Last session this Committee and the legislature went to work and passed several bills that incentivized pipeline infrastructure, created the Pipeline Authority to facilitate pipeline construction, and passed a Bakken tax incentive. These efforts were successful, the Bakken Play has taken-off and new pipeline have been built or are under construction with assistance from the Pipeline Authority, however, oil and gas production is growing at such a rapid pace, more pipeline capacity is needed. The Empower Commission and the Interim Energy Committee over the past 18 months have studied these issues and developed recommendations HB 1032 is one of the key recommendations relating to oil and gas development that came through the Empower Committee and the Interim Energy Committee. I call this bill the "Pipeline Footprint Bill". The concept is this: If the Public Service

Commission has already permitted and sited a specific area for a pipeline, why should future work within that same area need the same level of scrutiny adds months to the timeline of a project. For example, in recent years, a pipeline company wants upgrade the capacity of the pipeline. They own the property and plan to increase the pump size and increase the pressure of the line in order to move more oil or gas. They are required to go through the entire siting process on that same footprint. This is a waste of valuable staff resources and time for both the company and the Public Service Commission, not to mention it's costing everyone money in the delay of the pipeline expansion. The U.S. Forest Service and Bureau of Land Management have adopted this concept in recent years for operations on federal lands, they call them "Categorical Exclusions". In the absence of any extraordinary circumstances the federal agencies recognize the area has already been evaluated, why waste resources permitting this same piece of ground a second time when there are so many other projects where analysis is needed where new impacts need to be studied.

Section b includes small diameter pipelines or pipelines as one-mile or length in the definition of gathering lines which exempt from the siting process. These small lines general have little environmental impact since many can be knifed into the ground or cover short distances. The second change in section b. clarifies what is a gathering system by using the same definition as the federal government.

Industry is working diligently to address the problems related to exporting North Dakota oil and natural gas. The Petroleum Council, industry, and state officials have been investigating every possible alternative to address this issue. Each company is looking at their situation and seeking solutions. HB 1032 will not solve this problem alone but is one of the many identified steps that present some potential solutions. We want to work with the Public Service Commission and Pipeline Authority to ensure this bill addresses the issues both for industry and the regulators. We understand the bill might need some work and we stand ready to accomplish that goal. This is a critical piece of legislation for our industry and we urge your support for the bill.

#2
House Bill 1032

Presented by: Illona A. Jeffcoat-Sacco
General Counsel
Public Service Commission

Before: House Natural Resources Committee
Honorable Todd K. Porter, Chairman

Date: 9 January 2009

TESTIMONY

Mr. Chairman and committee members, I am Illona A. Jeffcoat-Sacco, General Counsel for the Public Service Commission. The Commission asked me to appear today to share some of our thoughts about House Bill 1032.

The Commission's goals are aligned with what we believe are the two general purposes of the bill: to improve efficiency in constructing needed energy infrastructure upgrades and improvements, and to clearly distinguish jurisdictional and nonjurisdictional pipelines. However, we are concerned that the bill does not accomplish these purposes.

The Commission recognizes that the language proposed in Section 1 could substantially reduce the cost and time associated with expanding or upgrading energy infrastructure in North Dakota. The Commission supports this objective. However, the Commission hopes that in furthering the objective we do not threaten the state's environmental integrity or orderly energy infrastructure development.

The language on page one, lines nine and 10, is less problematic than the language on page one, lines 11 and 12, but both scenarios require some

additional statutory protections. New construction within the same footprint as that previously authorized under the Siting Act should still comply with all siting conditions imposed by law, rule or commission order. We believe the statute should require any operator intending to construct under this provision to certify ongoing compliance with our siting laws, rules and applicable orders.

Projects constructed before April 9, 1975 are currently exempt from the Siting Act, and the language on page one, lines 11 and 12 would make new construction on such a grandfathered site also exempt. The Commission finds this an unacceptable extension of the grandfathering provisions of the original law and a substantial threat to the state's environment and the integrity of our energy development. Under this proposal, an operator of a coal or gas fired power plant built before April 9, 1975 could build a nuclear power plant on that same location ***without any siting oversight!***

The Commission also recognizes the benefits of drafting a clear and easy to apply definition for jurisdictional pipelines. Due to the increased energy development activity in North Dakota, the Commission has recently faced jurisdictional questions under the Siting Act and we expect more. It may be time for revisions to the act, including a clearer, and if necessary, more precise definition of jurisdictional facilities. However, the language on page two of the bill does not accomplish this objective and causes us concern for several reasons.

The diameter and length of a pipeline have no relationship to the relevance of the Siting Act's protections. Also, if pipelines that are one mile or

less in length are exempt, the law will treat pipelines of that length differently than transmission lines of the same length, without a rational basis for doing so.

The bill's further attempt to define exempt gathering lines by referencing federal rules, laws and agency decisions does not clarify the definition of an exempt gathering line or simplify a jurisdictional determination on the matter. Rather, the proposed language may make the issue more confusing and make jurisdictional determinations more lengthy and costly.

It is usually not the best practice to use the rules or laws of other jurisdictions to define terms in North Dakota law, even though it is sometimes unavoidable. It is especially problematic for a statute to refer to other rules without referencing the specific rule that should apply. Without such a reference the definition is vague and subject to varying interpretations and applications. Likewise, referencing these specific federal laws does not help clarify the definition or simplify analysis, because the laws referenced are subject to substantial interpretation through ongoing rulemaking and case decisions. Finally, referencing decisions of a federal agency to define gathering lines further complicates and confuses the definition, because that agency is continually refining its definition of gathering lines based on the facts of each case.

The bill's language will simply not accomplish the purposes for which it was proposed, and the certainty and efficiency that both we and the operators hope to effect will not result. While the Commission and other stakeholders are working toward the same goal, more time is needed to come up with workable language. This may take a longer time than the legislative session allows. We

request an opportunity to work with interested parties toward an improved bill, and if that cannot be accomplished in the time allowed during the session, we recommend that the Siting Act be the subject of an interim study.

This concludes my testimony. I will be happy to answer any questions you may have.

Attachment 1
1-15-09
Draft Version 1

January 15, 3:00 PM
IJS

PREPARED BY ILLONA JEFFCOAT-SACCO, PSC
January __, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1032

Page 1, line 8, remove the overstrike over "activities" and insert immediately thereafter ":",

Page 1, replace lines 9 through 12 with:

- "a. Conducted wholly within the geographic location for which a utility has previously obtained a certificate of site compatibility or route permit under this chapter or on which a facility was constructed before April 9, 1975, if:
 - (1) The activities are within the boundaries of any previously issued certificate or permit or, with respect to a facility constructed before April 9, 1975, are on land on which construction occurred prior to April 9, 1975;
 - (2) Except as provided in subdivision b, the activities do not affect any known exclusion or avoidance area; and
 - (3) Prior to conducting any activities, the utility certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion or avoidance area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; or
- b. Expected to affect a known avoidance area, if, prior to conducting any activities, the utility:
 - (1) Certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; and
 - (2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific avoidance area expected to be impacted and the reasons why impact cannot be avoided; and

(3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no reasonable alternative to the expected impact.

If the commission fails to act on the notification required by this subdivision within 30 days of filing the notification, the impact to the avoidance area is deemed approved; or

Page 1, line 13, overstrike "incident" and insert immediately thereafter "c. Incident"

Page 1, line 16, overstrike "a" and insert immediately thereafter ":(1) A"

Page 1, line 18, overstrike "(1)" and insert immediately thereafter "(a)"

Page 1, line 20, overstrike "(2)" and insert immediately thereafter "(b)"

Page 1, line 21, after ";" insert "and"

Page 1, line 22, overstrike "(3)" and insert immediately thereafter "(c) In place for less than one year; or (2)" and overstrike ";; and" and insert immediately thereafter ";

Page 1, remove line 23

Page 2, line 3, overstrike "an" and insert immediately thereafter ":(1) An"

Page 2, line 4, replace "or any" with ":(2) A" and remove "and associated facilities"

Page 2, line 5, replace "inside" with "outside", after "four" insert "and one-half", replace "10.16" with "11.43" and replace "or a length of" with "that will be plowed in with a power mechanism having a vertical knife and not trenched, and its associated facilities; or (3) A pipeline that is less than"

Page 2, line 6, replace "or less" with "long"

Page 2, line 9, remove "gas" and remove the overstrike over "used to collect gas"

Page 2, line 10, remove the overstrike over "from the well to the gas processing facility" and replace "that are included within the" with "and gas processing facility means a facility at which end-use consumer-quality gas is produced, with or without the addition of odorant."

Page 2, remove lines 11 through 16

Renumber accordingly

Draft Version 2

January 15, 3:00 PM
BG

PREPARED BY ILLONA JEFFCOAT-SACCO, PSC
January __, 2009

Attachment
2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1032

Page 1, line 8, remove the overstrike over "activities" and insert immediately thereafter "·"

Page 1, replace lines 9 through 12 with:

- "a. Conducted wholly within the geographic location for which a utility has previously obtained a certificate of site compatibility or route permit under this chapter or on which a facility was constructed before April 9, 1975, if:
 - (1) Are within the boundaries of any previously issued certificate or, with respect to a facility constructed before April 9, 1975, are on land on which construction occurred prior to April 9, 1975; or are within five times the right of way width, on either side of the center line of the route designed in the permit.
 - (2) Except as provided in subdivision b, the activities do not affect any known exclusion or avoidance area; and
 - (3) Prior to conducting any activities, the utility certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion or avoidance area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; or
- b. Expected to affect a known avoidance area, if, prior to conducting any activities, the utility:
 - (1) Certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; and
 - (2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific

- avoidance area expected to be impacted and the reasons why impact cannot be avoided; and
- (3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no reasonable alternative to the expected impact.
- If the commission fails to act on the notification required by this subdivision within 30 days of filing the notification, the impact to the avoidance area is deemed approved; or

Page 1, line 13, overstrike "incident" and insert immediately thereafter "c. Incident"

Page 1, line 16, overstrike "a" and insert immediately thereafter ":(1) A"

Page 1, line 18, overstrike "(1)" and insert immediately thereafter "(a)"

Page 1, line 20, overstrike "(2)" and insert immediately thereafter "(b)"

Page 1, line 21, after ";" insert "and"

Page 1, line 22, overstrike "(3)" and insert immediately thereafter "(c) In place for less than one year; or (2)" and overstrike "; and" and insert immediately thereafter "."

Page 1, remove line 23

Page 2, line 3, overstrike "an" and insert immediately thereafter ":(1) A"

Page 2, line 4, replace "or any" with ":(2) A" and remove "and associated facilities"

Page 2, line 5, replace "inside" with "outside", after "four" insert "and one-half", replace "10.16" with "11.43" and replace "or a length of" with "that will be plowed in with a power mechanism having a vertical knife and not trenched, and its associated facilities; or (3) A pipeline that is less than"

Page 2, line 6, replace "or less" with "long"

Page 2, line 9, remove "gas" and remove the overstrike over "used to collect gas"

Page 2, line 10, remove the overstrike over "~~from the well to the gas processing facility~~" and replace "that are included within the" with "and gas processing facility means a facility at which end-use consumer-quality gas is produced, with or without the addition of odorant."

Page 2, remove lines 11 through 16

Renumber accordingly

Draft Version 3

January 15, 3:00 PM
PF

PREPARED BY ILLONA JEFFCOAT-SACCO, PSC
January __, 2009

Attachment
#3

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1032

Page 1, line 8, remove the overstrike over "activities" and insert immediately thereafter ":

Page 1, replace lines 9 through 12 with:

- "a. Conducted wholly within the geographic location for which a utility has previously obtained a certificate of site compatibility or route permit under this chapter or on which a facility was constructed before April 9, 1975, if:
 - (1) The activities are within the boundaries of any previously issued certificate or, with respect to a facility constructed before April 9, 1975, are on land on which construction occurred prior to April 9, 1975; or are within the following widths, centered on the centerline of the transmission line, for route permits issued before August 1, 2009 and facilities constructed before April 9, 1975:
 - i. Through windbreaks, shelterbelts and wooded areas, 50 feet
 - ii. Through all other areas:
 - 1. 75 feet for a gas liquid transmission line
 - 2. 100 feet for a 230 kV electric transmission line
 - 3. 150 feet for a 345 kV electric transmission line
 - (2) Except as provided in subdivision b, the activities do not affect any known exclusion or avoidance area; and
 - (3) Prior to conducting any activities, the utility certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion or avoidance area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; or
- b. Expected to affect a known avoidance area, if, prior to conducting any activities, the utility:

- (1) Certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws, rules and commission orders; and
 - (2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific avoidance area expected to be impacted and the reasons why impact cannot be avoided; and
 - (3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no reasonable alternative to the expected impact.
- If the commission fails to act on the notification required by this subdivision within 30 days of filing the notification, the impact to the avoidance area is deemed approved; or"

Page 1, line 13, overstrike "incident" and insert immediately thereafter "c. Incident"

Page 1, line 16, overstrike "a" and insert immediately thereafter ";(1) A"

Page 1, line 18, overstrike "(1)" and insert immediately thereafter "(a)"

Page 1, line 20, overstrike "(2)" and insert immediately thereafter "(b)"

Page 1, line 21, after ";" insert "and"

Page 1, line 22, overstrike "(3)" and insert immediately thereafter "(c) _____ In place for less than one year; or (2)" and overstrike "; and" and insert immediately thereafter "._"

Page 1, remove line 23

Page 2, line 3, overstrike "an" and insert immediately thereafter ";(1) An"

Page 2, line 4, replace "or any" with ";(2) A" and remove "and associated facilities"

Page 2, line 5, replace "inside" with "outside", after "four" insert "and one-half", replace "10.16" with "11.43" and replace "or a length of" with "that will be plowed in with a power mechanism having a vertical knife and not trenched, and its associated facilities; or (3) A pipeline that is less than"

Page 2, line 6, replace "or less" with "long"

Page 2, line 9, remove "gas" and remove the overstrike over "used to collect gas"

Page 2, line 10, remove the overstrike over "from the well to the gas processing facility" and replace "that are included within the" with "and gas processing facility means a facility at which end-use consumer-quality gas is produced, with or without the addition of odorant."

Page 2, remove lines 11 through 16

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1032

Page 1, after line 6, replace the remainder of the bill with:

3. "Construction" includes any clearing of land, excavation, or other action that would affect the environment of the site after April 9, 1975, but does not include activities:
 - a. Conducted wholly within the geographic location for which a utility has previously obtained a certificate or permit under this chapter or on which a facility was constructed before April 9, 1975, if:
 - (1) The activities are within the boundaries of:
 - (a) A previously issued certificate or permit,
or;
 - (b) For an energy conversion facility constructed before April 9, 1975, the geographic location on which the facility was built, or;
 - (c) For a transmission facility constructed before April 9, 1975, a width of 350 feet on both sides of the centerline.
 - (2) Except as provided in subdivision b, the activities do not affect any known exclusion or avoidance area; and
 - (3) Prior to conducting any activities, the utility certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion or avoidance area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws and rules, and commission orders previously issued for any part of the facility,
or;
 - b. Otherwise qualifying for exclusion under subdivision a, but expected to affect a known avoidance area, if, prior to conducting any activities, the utility:
 - (1) Certifies in writing to the commission that:
 - (a) The activities will not affect any known exclusion area; and
 - (b) The utility will comply with all applicable conditions and protections in siting laws

and rules, and commission orders previously issued for any part of the facility, and;

- (2) Notifies the commission in writing that the activities are expected to impact an avoidance area and provides information on the specific avoidance area expected to be impacted and the reasons why impact cannot be avoided; and
- (3) Receives the commission's written approval for the impact to the avoidance area, based on a determination that there is no reasonable alternative to the expected impact.

If the commission does not approve impacting the avoidance area, the utility shall obtain siting authority under this chapter for the affected portion of the site or route. If the commission fails to act on the notification required by this subdivision within 30 days of the utility's filing the notification, the impact to the avoidance area is deemed approved; or

c. incident Incident to preliminary engineering or environmental studies.

12. "Transmission facility" means any of the following:

a. An electric transmission line and associated facilities with a design in excess of one hundred fifteen kilovolts.

"Transmission facility" does not include a:

- (1) A temporary transmission line loop that is:
 - ~~(1)(a)~~ Connected and adjacent to an existing transmission facility that was sited under this chapter;
 - ~~(2)(b)~~ Within the corridor of the sited facility and does not cross known exclusion or avoidance areas; and
 - ~~(3)(c)~~ In place for less than one year; or
- (2) A transmission line that is Less less than one mile [1.61 kilometers] long;
- ~~(4) In place for less than one year.~~

b. A gas or liquid transmission line and associated facilities designed for or capable of transporting coal, gas, liquid hydrocarbons, liquid hydrocarbon products, or carbon dioxide. This subdivision does not apply to an:

- (1) An oil or gas pipeline gathering system;
- (2) A pipeline with an outside diameter of four and one-half inches [11.43 centimeters] or less that will be not trenched and will be plowed in with a power mechanism having a vertical knife or horizontally directionally drilled, and its associated facilities; or

(3) A pipeline that is less than one mile [1.61 kilometers] long.

For purposes of this chapter, a gathering system includes the pipelines and associated facilities used to collect oil from the lease site to the first pipeline storage site where pressure is increased for further transport, or pipelines and associated facilities used to collect gas from the well to the gas processing facility, and gas processing facility means a facility at which end-use consumer-quality gas is produced, with or without the addition of odorant.

- c. A liquid transmission line and associated facilities designed for or capable of transporting water from or to an energy conversion facility.

Renumber accordingly

3

NATURAL RESOURCES COMMITTEE

HB 1032

Friday, January 9, 2009

Bismarck, North Dakota

Justin J. Kringstad, Director
North Dakota Pipeline Authority

General

- North Dakota Industrial Commission has not taken a position on this bill.
- The Industrial Commission acting as the Pipeline Authority is not a regulatory agency and was created in 2007 "for the purpose of diversifying and expanding the North Dakota economy by facilitating development of pipeline facilities to support the production, transportation, and utilization of North Dakota energy-related commodities..."
N.D.C.C. § 54-17.7-03

Proposed Definition Changes in subsection 3 of section 49-22-03

- Upcoming pipeline and gas processing projects could be brought online more quickly by definition changes proposed in subsection 3 of section 49-22-03. Some examples include:
 - Hess Tioga Gas Plant
 - Reversal of Enbridge's Interconnecting Link
 - Looping of existing transmission pipelines
 - Upgrades to existing pump/compressor stations
- Definition changes proposed in subsection 3 of section 49-22-03 support the following EmPower North Dakota policy recommendation:

Streamline the permitting process for upgrading petroleum and natural gas pipelines to eliminate the need for completing a permitting or siting process on an upgrade when the footprint of infrastructure doesn't change.

Proposed Definition Changes in subsection 12 of section 49-22-03

- Pipe specifications of four inch pipe could have an inside diameter of greater or less than four inches (Pg. 2 Line 5). To include all schedules of four inch pipe in legislation, the accurate wording would read "outside diameter of four and one half inches (11.43 centimeters) or less..."
- The proposed changes regarding gathering pipeline systems could provide the following benefits to industry regulators:
 - Introduce a level of uniformity between State and Federal policy.
 - Offer a growing and established body of law to aid in policy administration.

WALL THICKNESS

Seamless and Welded Steel Pipe

| Nominal Pipe Size | NOMINAL WALL THICKNESS FOR | | | | | | | | | | | | | |
|-------------------------|----------------------------|--------------|--------------|--------------|----------------|--------------|--------------|----------------------|--------------|---------------|---------------|---------------|---------------|--------------|
| | Sched. 5 | Sched. 10 | Sched. 20 | Sched. 30 | Stand- ard* | Sched. 40 | Sched. 60 | Extra Strong † | Sched. 80 | Sched. 100 | Sched. 120 | Sched. 140 | Sched. 160 | XX Strong |
| 1/8" | | 0.049 | | 0.057 | 0.068 | 0.068 | | 0.095 | 0.095 | | | | 0.124 | 0.190 |
| 1/4" | | 0.065 | | 0.073 | 0.088 | 0.088 | | 0.119 | 0.119 | | | | 0.145 | 0.238 |
| 3/8" | | 0.065 | | 0.073 | 0.091 | 0.091 | | 0.126 | 0.126 | | | | 0.158 | 0.252 |
| 1/2" | 0.065 | 0.083 | | 0.095 | 0.109 | 0.109 | | 0.147 | 0.147 | | | | 0.188 | 0.294 |
| 3/4" | 0.065 | 0.083 | | 0.095 | 0.113 | 0.113 | | 0.154 | 0.154 | | | | 0.219 | 0.308 |
| 1" | 0.065 | 0.109 | | 0.114 | 0.133 | 0.133 | | 0.179 | 0.179 | | | | 0.250 | 0.358 |
| 1 1/4" | 0.065 | 0.109 | | 0.117 | 0.140 | 0.140 | | 0.191 | 0.191 | | | | 0.250 | 0.382 |
| 1 1/2" | 0.065 | 0.109 | | 0.125 | 0.145 | 0.145 | | 0.200 | 0.200 | | | | 0.281 | 0.400 |
| 2" | 0.065 | 0.109 | | 0.125 | 0.154 | 0.154 | | 0.218 | 0.218 | | | | 0.344 | 0.436 |
| 2 1/2" | 0.083 | 0.120 | | 0.188 | 0.203 | 0.203 | | 0.276 | 0.276 | | | | 0.375 | 0.552 |
| 3" | 0.083 | 0.120 | | 0.188 | 0.216 | 0.216 | | 0.300 | 0.300 | | | | 0.438 | 0.600 |
| 3 1/2" | 0.083 | 0.120 | | 0.188 | 0.226 | 0.226 | | 0.318 | 0.318 | | | | 0.531 | 0.636 |
| 4" | 0.083 | 0.120 | | 0.188 | 0.237 | 0.237 | | 0.337 | 0.337 | | 0.438 | | 0.531 | 0.674 |
| 5" | 0.109 | 0.134 | | | 0.258 | 0.258 | | 0.375 | 0.375 | | 0.500 | | 0.625 | 0.750 |
| 6" | 0.109 | 0.134 | | | 0.280 | 0.280 | | 0.432 | 0.432 | | 0.562 | | 0.719 | 0.864 |
| 8" | 0.109 | 0.148 | 0.250 | 0.277 | 0.322 | 0.322 | 0.406 | 0.500 | 0.500 | 0.594 | 0.719 | 0.812 | 0.906 | 0.875 |
| 10" | 0.134 | 0.165 | 0.250 | 0.307 | 0.365 | 0.365 | 0.500 | 0.500 | 0.594 | 0.719 | 0.844 | 1.000 | 1.125 | 1.000 |
| 12" | 0.156 | 0.180 | 0.250 | 0.330 | 0.375 | 0.406 | 0.562 | 0.500 | 0.688 | 0.844 | 1.000 | 1.125 | 1.312 | 1.000 |
| 14" | 0.156 | △0.250 | 0.312 | 0.375 | 0.375 | 0.438 | 0.594 | 0.500 | 0.750 | 0.938 | 1.094 | 1.250 | 1.406 | |
| 16" | 0.165 | △0.250 | 0.312 | 0.375 | 0.375 | 0.500 | 0.656 | 0.500 | 0.844 | 1.031 | 1.219 | 1.438 | 1.594 | |
| 18" | 0.165 | △0.250 | 0.312 | 0.438 | 0.375 | 0.562 | 0.750 | 0.500 | 0.938 | 1.156 | 1.375 | 1.562 | 1.781 | |
| 20" | 0.188 | △0.250 | 0.375 | 0.500 | 0.375 | 0.594 | 0.812 | 0.500 | 1.031 | 1.281 | 1.500 | 1.750 | 1.969 | |
| 22" | 0.188 | △0.250 | 0.375 | 0.500 | 0.375 | | 0.875 | 0.500 | 1.125 | 1.375 | 1.625 | 1.875 | 2.125 | |
| 24" | 0.218 | 0.250 | 0.375 | 0.562 | 0.375 | 0.688 | 0.969 | 0.500 | 1.219 | 1.531 | 1.812 | 2.062 | 2.344 | |
| 26" | | 0.312 | 0.500 | | 0.375 | | | 0.500 | | | | | | |
| 30" | 0.250 | 0.312 | 0.500 | 0.625 | 0.375 | | | 0.500 | | | | | | |
| 34" | | 0.312 | 0.500 | 0.625 | 0.375 | 0.688 | | 0.500 | | | | | | |
| 36" | | 0.312 | 0.500 | 0.625 | 0.375 | 0.750 | | 0.500 | | | | | | |
| 42" | | | | | 0.375 | | | 0.500 | | | | | | |
| 48" | | | | | 0.375 | | | 0.500 | | | | | | |

All dimensions are given in inches and are in accordance with ASME B36.10 or ANSI/ASME B36.19 as applicable.

The decimal thickness listed for the pipe sizes represent their nominal or average wall dimensions.

* For nominal sizes through 10", Standard Weight thicknesses are identical to Schedule 40 thicknesses.

† For nominal sizes through 8", Extra Strong thicknesses are identical to Schedule 80 thicknesses.

△ These do not conform to ANSI/ASME B36.19.

BORE CHART (I.D. OF PIPE)

| Pipe Size | O.D. | Sched. 5 | Sched. 10 | Sched. 20 | Sched. 30 | Sched. 40 | Sched. 60 | Sched. 80 | Sched. 100 | Sched. 120 | Sched. 140 | Sched. 160 | Std. * | XS | XXS |
|--------------|--------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|-----------|--------|--------|
| 1/8" | 0.405 | | 0.307 | | 0.291 | 0.269 | | 0.215 | | | | 0.157 | 0.269 | 0.215 | 0.025 |
| 1/4" | 0.540 | | 0.410 | | 0.394 | 0.364 | | 0.302 | | | | 0.250 | 0.364 | 0.302 | 0.064 |
| 3/8" | 0.675 | | 0.545 | | 0.529 | 0.493 | | 0.423 | | | | 0.359 | 0.493 | 0.423 | 0.171 |
| 1/2" | 0.840 | 0.710 | 0.674 | | 0.650 | 0.622 | | 0.546 | | | | 0.464 | 0.622 | 0.546 | 0.252 |
| 3/4" | 1.050 | 0.920 | 0.884 | | 0.860 | 0.824 | | 0.742 | | | | 0.612 | 0.824 | 0.742 | 0.434 |
| 1" | 1.315 | 1.185 | 1.097 | | 1.087 | 1.049 | | 0.957 | | | | 0.815 | 1.049 | 0.957 | 0.599 |
| 1 1/4" | 1.660 | 1.530 | 1.442 | | 1.426 | 1.380 | | 1.278 | | | | 1.160 | 1.380 | 1.278 | 0.896 |
| 1 1/2" | 1.900 | 1.770 | 1.682 | | 1.650 | 1.610 | | 1.500 | | | | 1.338 | 1.610 | 1.500 | 1.100 |
| 2" | 2.375 | 2.245 | 2.157 | | 2.125 | 2.067 | | 1.939 | | | | 1.687 | 2.067 | 1.939 | 1.503 |
| 2 1/2" | 2.875 | 2.709 | 2.635 | | 2.499 | 2.469 | | 2.323 | | | | 2.125 | 2.469 | 2.323 | 1.771 |
| 3" | 3.500 | 3.334 | 3.260 | | 3.124 | 3.068 | | 2.900 | | | | 2.624 | 3.068 | 2.900 | 2.300 |
| 3 1/2" | 4.000 | 3.834 | 3.760 | | 3.624 | 3.548 | | 3.364 | | | | | 3.548 | 3.364 | 2.728 |
| 4" | 4.500 | 4.334 | 4.260 | | 4.124 | 4.026 | | 3.826 | | 3.624 | | 3.438 | 4.026 | 3.826 | 3.152 |
| 5" | 5.563 | 5.345 | 5.295 | | | 5.047 | | 4.813 | | 4.563 | | 4.313 | 5.047 | 4.813 | 4.063 |
| 6" | 6.625 | 6.407 | 6.357 | | | 6.065 | | 5.761 | | 5.501 | | 5.187 | 6.065 | 5.761 | 4.897 |
| 8" | 8.625 | 8.407 | 8.329 | 8.125 | 8.071 | 7.981 | 7.813 | 7.625 | 7.437 | 7.187 | 7.001 | 6.813 | 7.981 | 7.625 | 6.875 |
| 10" | 10.750 | 10.482 | 10.420 | 10.250 | 10.136 | 10.020 | 9.750 | 9.562 | 9.312 | 9.062 | 8.750 | 8.500 | 10.020 | 9.750 | 8.750 |
| 12" | 12.750 | 12.438 | 12.390 | 12.250 | 12.090 | 11.938 | 11.626 | 11.374 | 11.062 | 10.750 | 10.500 | 10.126 | 12.000 | 11.750 | 10.750 |
| 14" | 14.000 | 13.688 | 13.500 | 13.376 | 13.250 | 13.124 | 12.812 | 12.500 | 12.124 | 11.812 | 11.500 | 11.188 | 13.250 | 13.000 | |
| 16" | 16.000 | 15.670 | 15.500 | 15.376 | 15.250 | 15.000 | 14.688 | 14.312 | 13.938 | 13.562 | 13.124 | 12.812 | 15.250 | 15.000 | |
| 18" | 18.000 | 17.670 | 17.500 | 17.376 | 17.124 | 16.876 | 16.500 | 16.124 | 15.688 | 15.250 | 14.876 | 14.438 | 17.250 | 17.000 | |
| 20" | 20.000 | 19.624 | 19.500 | 19.250 | 19.000 | 18.812 | 18.376 | 17.938 | 17.438 | 17.000 | 16.500 | 16.062 | 19.250 | 19.000 | |
| 24" | 24.000 | 23.564 | 23.500 | 23.250 | 22.876 | 22.624 | 22.062 | 21.562 | 20.938 | 20.376 | 19.876 | 19.312 | 23.250 | 23.000 | |
| 30" | 30.000 | 29.500 | 29.376 | 29.000 | 28.750 | | | | | | | | 29.250 | 29.000 | |

To be used as a guide only. Above data was compiled from existing standards.



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Attachment 1
HB 1032

House Bill 1032

Senate Natural Resources Committee

March 6, 2009

Chairman Lyson and Members of the Committee, my name is Ron Ness. I am the President of the North Dakota Petroleum Council. The North Dakota Petroleum Council represents 160 companies involved in all aspects of the oil and gas industry and has been representing the industry since 1952.

Last session, this Committee and the Legislature passed several bills that incentivized pipeline infrastructure, created the Pipeline Authority to facilitate pipeline construction, passed the Bakken tax incentive, and created the Empower Commission. These efforts were successful. The Bakken Play has taken off and several new pipelines have been built or are under construction with assistance from the Pipeline Authority. However, oil and gas production is growing at such a rapid pace, more pipeline capacity is needed. Over the past 18 months, the Empower Commission and the Interim Energy Committee have studied these issues and developed recommendations. HB-1032 is one of the key recommendations relating to oil and gas development that came through these two committees. I call this bill the "Pipeline Footprint Bill." The concept is this: If the Public Service Commission has already permitted and sited a specific area for a pipeline, why should future work within that same area need the same level of scrutiny that adds months to the timeline of a project. For example, under current law, if a pipeline company wanted to upgrade the capacity of the pipeline, even if they own the property and plan to increase the pump size and increase the pressure of the line in order to move more oil or gas, they are required to go through the entire siting process even though it was done on that same footprint. This is a waste of valuable staff resources and time for both the company and the Public Service Commission, not to mention costing everyone money and delaying the pipeline

expansion. The U.S. Forest Service and Bureau of Land Management have adopted this concept in recent years for operations on federal lands. They call them "Categorical Exclusions." In the absence of any extraordinary circumstances, the federal agencies recognize the area has already been evaluated. Why waste resources permitting this same piece of ground a second time when there are so many other projects where analysis is needed and where new impacts need to be studied.

Section b includes small diameter pipelines, or pipelines one mile in length, in the definition of gathering lines which are exempt from the siting process. These small lines generally have little environmental impact since many can be knifed into the ground or cover short distances. The second change in section b clarifies what a gathering system is by using the same definition as the federal government.

Industry is working diligently to address the problems related to exporting North Dakota oil and natural gas. The Petroleum Council, industry, and state officials have been investigating every possible alternative to address this issue. Each company is looking at their situation and seeking solutions. HB-1032 will not solve this problem alone, but is one of the many identified steps that present some potential solutions.

We have been able to work with the Public Service Commission and Pipeline Authority to ensure this bill addresses the issues for both industry and the regulators. This is a critical piece of legislation for our industry and we urge your support for the bill.

NATURAL RESOURCES COMMITTEE

HB 1032

Friday, March 6, 2009

Bismarck, North Dakota

Justin J. Kringstad, Director
North Dakota Pipeline Authority

General

- North Dakota Industrial Commission has taken a neutral position on this bill.
- The Industrial Commission acting as the Pipeline Authority is not a regulatory agency and was created in 2007 "for the purpose of diversifying and expanding the North Dakota economy by facilitating development of pipeline facilities to support the production, transportation, and utilization of North Dakota energy-related commodities..."
N.D.C.C. § 54-17.7-03

Proposed Definition Changes in subsection 3 of section 49-22-03

- Upcoming pipeline and gas processing projects could be brought online more quickly by definition changes proposed in subsection 3 of section 49-22-03. Some examples may include:
 - Expansions of existing gas plants
 - Reversal of Enbridge's Interconnecting Link
 - Looping of existing transmission pipelines
 - Upgrades to existing pump/compressor stations
- Definition changes proposed in subsection 3 of section 49-22-03 support the following EmPower North Dakota policy recommendation:

Streamline the permitting process for upgrading petroleum and natural gas pipelines to eliminate the need for completing a permitting or siting process on an upgrade when the footprint of infrastructure doesn't change.

Proposed Definition Changes in subsection 12 of section 49-22-03

- The proposed definition changes regarding gas gathering pipeline systems will provide consistent criteria for regulators to aid in jurisdictional determination cases.
- The proposed clarification of gas gathering systems aligns with the Federal Energy Regulatory Commission's January 9, 2009 order in Pecan Pipeline's Docket CP08-475-000.