

Staff Briefing Papers

Meeting Date September 5, 2019 Agenda Item *7

Company Flint Hills Resources Pine Bend, LLC

Docket No. **IP-2/LR-19-228**

In the Matter of the Information Book for Owners and Tenants of Property along the Wescott Liquefied Petroleum Gas Pipeline Route in Dakota County, Minnesota

Issues Should the Commission approve the Information Book?

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Relevant Documents

Date

Flint Hills Resources – Notice of its proposed project	April 11, 2019
Flint Hills Resources – Initial Filing (Information Book)	June 26, 2019
Department of Commerce – Comments and Recommendations	July 18, 2019

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

I. Statement of the Issues

Should the Commission approve the Information Book provided by Flint Hills Resources Pine Bend, LLC for the Wescott Liquefied Petroleum Gas Pipeline?

II. Project Overview

Flint Hills Resources Pine Bend, LLC (Flint Hills) proposes to construct the Wescott Liquefied Petroleum Gas Pipeline (Wescott Pipeline Project) with a 4.5" outside diameter and approximately 5 miles in length in Inver Grove Heights and Rosemount, Minnesota. The pipeline would be operated at a pressure of maximum 740 psig with typical operating pressures ranging between 50 to 740 psig. The pipeline will be bi-directional, with an anticipated flowrate range of 120 to 580 barrels per day (bpd) when transferring liquefied petroleum gas between the Flint Hills' Pine Bend Refinery and Wescott Terminal.

The pipeline will connect the Flint Hills' Pine Bend Refinery, where liquefied petroleum gas is produced, to Flint Hills' Wescott Terminal, where liquefied petroleum gas will be stored. The pipeline will run in a westerly direction starting from the refinery and crossing lands used for agriculture (farmland), recreational (bike path), industrial (Flint Hills' Pine Bend Refinery and Wescott Terminal) and transportation (county road right-of-way) purposes. The pipeline will cross a storm water pond and six roads as identified in Appendix A of the Information Book.

III. Procedural History

On April 11, 2019, Flint Hills filed a notice of its proposed Wescott Pipeline Project pursuant to Minn. Stat. § 216G.03 sub. 2.

On June 26, 2019, Flint Hills filed its *Information Book for Owners and Tenants of Property along the Wescott Liquefied Petroleum Gas Pipeline Route in Dakota County, Minnesota for the project*.

On July 18, 2019, Department of Commerce, Energy Environmental Review and Analysis (EERA or the Department) staff filed comments on the content of Flint Hills' Information Book.

IV. Statutes and Rules

The Flint Hills' proposed pipeline is a hazardous liquid pipeline with a nominal diameter of less than 6" and therefore, does not require a pipeline routing permit from the Commission. However, the proposed pipeline does require Commission approval of an Information Book that will be distributed to owners and tenants of property along the route of the pipeline. Minnesota Statutes outline specific content and timing requirements and conditions associated with the Information Book process in Minn. Stat. § 216G.03 through 216G.05.

In short, the Information Book process is much less rigorous than the Commission's routing permit process and requires significantly less Commission involvement since the process is only applicable to smaller pipeline installations. Commonly, pipelines of this size are intended to serve only a few (if not a singular) customer.

The Information Book process requires the applicant complete the following prior to right-of-way acquisition or construction:

- 1) Issue a notice to the Commission and all affected county boards describing the project,
- 2) Assemble a landowner Information Book for distribution to all affected landowners¹, and
- 3) Facilitate a public meeting to be held by each affected county board.

The July 18, 2019 comments of EERA provide a thorough history and description of the Information Book process, and the associated content requirements.

V. Agency, Party, and Public Comments

Flint Hills Resources Pine Bend, LLC

On April 11, 2019, the Applicant provided a notice to the Commission and Dakota County Board of Commissioners of its proposed Wescott Pipeline Project pursuant to Minn. Stat. § 216G.03, sub. 2. Flint Hills provided a description of the route on which the pipeline is proposed to be located, the size and type of pipeline to be constructed, the type of commodities to be carried and the construction and operational characteristics of the pipeline. On June 26, 2019, the Applicant filed a draft of the Information Book per Minn. Stat. § 216G.04 that includes:

- 1) a project description, including the location and associated facilities, route features and impacts;
- 2) a pipeline construction schedule and description of the sequence of construction activities;
- 3) an explanation of right-of-way requirements, the acquisition process and rights and alternatives of landowners;
- 4) a discussion on potential damages and the developer's inability to use the eminent domain process for this project;
- 5) a summary of the pipeline construction legal requirements;
- 6) a list of other associated permit requirements; and
- 7) a description of county procedures and inspection information.

Flint Hills provided the Information Book for Commission approval. Once approved, Flint Hills has indicated they will satisfy all required elements of Minn. Stat. §216G.03, which includes distribution of the Information Books to affected landowners and a public meeting to be arranged through the Dakota County Board. Construction is anticipated to commence in fall 2019 and be completed in spring 2020.

Department of Commerce, Energy Environmental Review and Analysis

¹ The Statute allows for either the Commission, or the developer, to compile the Information Book. If the developer assembles the information book, Commission approval of the Information Book is required as in this instance.

As noted, EERA staff provided thorough comments on the Information Book for the Wescott Pipeline Project. Their comments outlined the Department's interaction and work with Flint Hills and Dakota County officials and provided an analysis of Flint Hills' compliance with Minnesota Statutes.

The Department noted that Flint Hills' representatives and EERA staff have worked together in the development of and revisions to the Information Book prior to Flint Hills' filing on June 26, 2019.² EERA staff also held discussions with representatives of Dakota County on May 13, 2019 to explain the Information Book content and procedural requirements of Minn. Stat. § 216G.

EERA staff concluded that the revised Information Book submitted by Flint Hills on June 26, 2019, meets the requirements of Minnesota Statute 216G.04 for Commission approval. EERA recommended the Information Book be modified by changing the spelling of "liquified" to "liquefied" throughout the Information Book.

The Department also stated that Dakota County is prepared to implement the public meeting requirements of Minn. Stat. § 216G.05 upon Commission approval of the Information Book.

EERA recommended that the Commission approve Flint Hills' Information Book.

VI. Staff Analysis

Staff has reviewed the Information Book and agrees with the Department that the Information Book should be approved with the edits suggested by EERA staff noted above. Staff proposes a typographical correction on page 8 ("... and the Dakota County of Commissioners" should read the word "Board" to read "... and the Dakota County Board of Commissioners").

VII. Decision Options

A. Information Book

1. Approve the Information Book as proposed.
2. Approve the Information Book and require incorporation of the corrections proposed by EERA staff and Commission staff.
3. Reject the proposed Information Book.
4. Take other action deemed appropriate.

Staff Recommendation: A2.

² Information Book, see eDockets at [20196-153880-01](https://www.dockets.org/Case/20196-153880-01).