



INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA PIPELINE AUTHORITY

Governor
Jack Dalrymple
Attorney General
Wayne Stenehjem
Agriculture Commissioner
Doug Goehring

March 3, 2014

The Honorable Cheryl LaFleur
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: North Dakota Pipeline Company LLC Docket No. OR14-21-000

Dear Acting Chairman LaFleur:

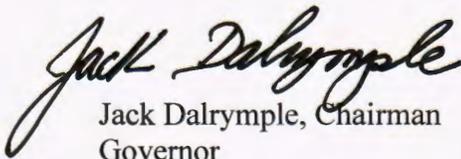
The purpose of this letter is to express our support of North Dakota Pipeline Company's proposed expansion and extension of the Enbridge North Dakota pipeline system known as the Sandpiper Project (Sandpiper). Sandpiper would increase Enbridge's ability to move 225,000 barrels of oil per day (BOPD) to key downstream markets and is a major step in increasing take away capacity for North Dakota crude oil production.

Thanks to the Bakken and Three Forks Formations, the State of North Dakota is currently the second largest producer of crude oil in the United States. North Dakota has been setting new production records nearly every month, with current oil production quickly approaching one million BOPD. Forecast modeling has shown that North Dakota's crude oil production could rise as high as 1.5 million BOPD over the next ten years. While this statistic is impressive and brings value to our state, it also brings many logistical challenges to moving this crude oil to market.

Insufficient pipeline capacity, coupled with diverse pricing markets, has resulted in increased crude oil by rail transportation out of the state. North Dakota has experienced significant price differentials for Bakken crude oil thus resulting in lower payment to royalty owners, producers and to our State. Projects like Sandpiper will provide reliable and efficient transportation access to diverse downstream markets, potentially resulting in better crude oil prices and increased revenues to all parties.

Commenting exclusively on Sandpiper's ability to enhance North Dakota crude oil transportation, the North Dakota Industrial Commission, acting as the North Dakota Pipeline Authority, respectfully recommends the timely and favorable consideration of the Sandpiper application in order to support the best interests of our state.

Sincerely,


Jack Dalrymple, Chairman
Governor


Wayne Stenehjem
Attorney General


Doug Goehring
Agriculture Commissioner