PRESS RELEASE

For Immediate Release

4/13/2015

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Today, Administrative Law Judge Eric Lipman released his recommendations on a proposed oil pipeline that would cut across some of the most pristine parts of Northern Minnesota. The recommendations are intended to assist the Public Utilities Commission on whether there is a public "need" for the Sandpiper pipeline proposed by the North Dakota Pipeline Company.

Judge Lipman recommended that the Public Utilities Commission approve Enbridge's Certificate of Need for its proposed route. If approved, the pipeline would carry 375,000 barrels per day of oil from the Bakken region of North Dakota, across northern Minnesota to Superior, Wisconsin, where it would be shipped via pipeline or rail to refineries, mostly in the lower Midwest. North Dakota Pipeline Company's parent company, Enbridge, has also publicly announced a proposal to put a second pipeline in the same pipeline corridor that would carry tar-sands oil from Canada, if the Sandpiper is approved. Both pipelines together could affect up to 10,000 acres of land during construction.

"We are disappointed with Judge Lipman's decision," said Richard Smith, president of Friends of the Headwaters. "But we are confident that the Public Utilities Commission will see that Enbridge's proposed route is not in the state's interest. It puts far too many of our natural resources at risk, when better, alternative routes are available." Friends of the Headwaters is a citizens' group organized for the purpose of protecting precious natural resources including Itasca State Park, the Mississippi River, clean lakes and trout streams, drinking water, forests and wildlife, and productive farmland from the potential impacts of the proposed Sandpiper Pipeline. It has advocated for alternative routes for the pipeline that would be less harmful to Minnesota's clean water and other natural resources.

Under Minnesota law, the Public Utilities Commission must determine whether Enbridge has proven "need" for the proposed pipeline, which includes a determination of whether the project is in the best interest of society as a whole, as well as whether there are reasonable and prudent alternative routes available. The Public Utilities Commission's rules state a preference for energy conservation and other environmentally-preferable actions before agreeing to build a large pipeline or other energy facility.

At the hearing, Judge Lipman heard evidence from Enbridge, Friends of the Headwaters, tribal governments, and others regarding whether the proposed pipeline is "needed," and whether it should be located at Enbridge's proposed location or other proposed locations that are located farther south in

the state. The Department of Natural Resources, the Minnesota Pollution Control Agency, Friends of the Headwaters and others all provided evidence that there are reasonable and prudent alternatives to the Sandpiper route. Conservation and citizen groups argued that important natural resources including naturally clear lakes, wild rice waters, lakes, rivers, streams, aquifers and popular recreational areas would all be negatively affected by Enbridge's proposed route. The Minnesota Department of Natural Resources and the Pollution Control Agency, two agencies charged with protecting Minnesota's resources and the health of its people, pointed out that Enbridge's route is the least environmentally preferable of the various routes presented.

Despite moving ahead with the decision on where to locate a pipeline, the state has not completed environmental review of any sort on the proposed pipeline, including the full environmental impact statement with opportunities for public comment required under Minnesota law. The Department of Commerce completed a mapping study of the area surrounding the proposed pipeline, but has not attempted to evaluate the potential impacts of a pipeline.

According to Friends of the Headwaters, a full environmental impact statement is vital to provide the information necessary to make the right decision about where to put an oil pipeline. "Five years ago, an Enbridge pipeline burst in Michigan, contaminating 35 miles of the Kalamazoo River. The cleanup costs are estimated at over \$1 billion, yet the river will never be restored to its original condition," said Kathryn Hoffman, attorney for Friends of the Headwaters. "This spill, and many others before and since then, should be enough to demonstrate that if we are going to have pipelines in Minnesota, they should be sited with great respect for Minnesota's lakes, rivers and the health of its people."

Judge Lipman's report will be sent to the Public Utilities Commission, which will make a final determination of need, expected in June 2015.