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July 20, 2016

VIA ELECTRONIC DELIVERY

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, N.W.
Washington, DC 20423

RE: *Dyno Nobel, Inc. and Dyno Nobel Louisiana Ammonia, LLC v. NuStar Pipeline Operating Company, L.P.*, Docket No. NOR 42147: NuStar Pipeline Operating Company, L.P. Answer to the Complaint - Revised

Dear Ms. Brown:

NuStar Pipeline Operating Partnership, L.P. (“NuStar”) hereby files a Revised Answer to the Complaint of Dyno Nobel, Inc. and Dyno Nobel Louisiana Ammonia, LLC, with the Surface Transportation Board (“Board”) in the above captioned proceeding on July 20, 2016. Due to an administrative oversight, the originally filed Answer did not include a verification. In addition, NuStar has made minor revisions to the caption, as well as Paragraphs 12, 13, 20, 23, and 26.

If there are any questions regarding this filing, please feel free to contact the undersigned directly, either by telephone (202) 661-6950 or by e-mail: cbarr@postschell.com.

Very truly yours,

/s/

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**UNITED STATES OF AMERICA
BEFORE THE
SURFACE TRANSPORTATION BOARD**

Dyno Nobel, Inc. and)	
Dyno Nobel Louisiana Ammonia, LLC,)	
Complainant)	Docket No. NOR 42147
)	
v.)	
)	
NuStar Pipeline Operating Partnership, L.P.)	
Defendant)	

**NUSTAR PIPELINE OPERATING PARTNERSHIP, L.P.
REVISED ANSWER TO THE COMPLAINT**

Pursuant to 49 C.F.R. § 1111.4 of the Surface Transportation Board’s (“Board”) Rules of Practice, NuStar Pipeline Operating Partnership, L.P. (“NuStar”) answers the Unreasonable Practice Complaint (“Complaint”) of Dyno Nobel, Inc. and Dyno Nobel Louisiana Ammonia, LLC (individually and collectively, “Dyno” or “Complainant”) as follows:

Introduction

On June 30, 2016, Complainant filed its Complaint with the Board, alleging an unreasonable practice under 49 U.S.C. §§ 15901(b) and 15904. The Complaint presents numerous claims regarding negotiations between NuStar and Dyno, and regarding NuStar’s requirement that Dyno pay for the cost of restoring service on the Fortier Lateral linking Dyno’s Waggaman, Louisiana plant (“Waggaman”) to NuStar’s pipeline system – although the Complaint lacks any citations to judicial, Board or Interstate Commerce Commission (“ICC”) precedents, lacks supporting documents, and lacks a verified statement to support the allegations.

The Complaint’s central premise is that NuStar had a common carrier obligation to serve the Waggaman plant, and thus that Dyno should not be held to its contractual agreements to pay the full costs of restoring the idled line that connects its new Waggaman plant to the NuStar

system. Dyno maintains this claim despite the fact that Dyno's Waggaman plant was not previously connected to NuStar's mainline facilities and that Waggaman had not received service since the 1990's, and despite the fact that NuStar did not hold itself out to provide service to the Waggaman plant prior to the filing of a new tariff effective in 2016, after the Fortier Lateral was restored to service. However, even from the allegations made in the Complaint, it is readily apparent that NuStar did not have a duty to provide service to the Complainant at the time that Complainant agreed to pay for the cost of reactivating the Fortier Lateral. Further, Complainant does not provide any basis, as a matter of fact or law, supporting the conclusion that such a duty exists. Without a duty to provide service, NuStar cannot have been engaged in an unreasonable practice to require the reimbursement, and thus the Complaint fails to state a claim upon which relief can be granted by the Board. In any event, the Complainant has provided no evidence, expert affidavit, or even a signed verification to support the Complaint or any of its allegations.

Filed concurrently with this Answer, NuStar submits its Motion to Dismiss addressing the failure to state a claim within the specific jurisdiction of this Board ("Motion"). Because the Complaint fails to establish claims upon which relief can be granted, this Complaint is not appropriate for determination by the Board. The only dispute discernible in the Complaint – that NuStar allegedly should have provided reactivation of the Fortier Lateral more quickly, or at a lesser cost, arguably would arise, if at all, in contract and property law, and not under the Interstate Commerce Commission Termination Act ("ICCTA"), or under the precedents of the Interstate Commerce Act ("ICA") recognized by the Board. Therefore, these are matters for a court of general jurisdiction. In its accompanying Motion, NuStar requests that the Board dismiss the Complaint.

RESPONSE

1. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 1 and therefore denies it.

2. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 2 and therefore denies it.

3. NuStar admits that it is a Delaware limited partnership with its primary place of business in San Antonio, Texas. NuStar admits that it operates a 2,000 mile anhydrous ammonia pipeline, the AA Pipeline, located in Louisiana, Arkansas, Missouri, Illinois, Indiana, Iowa and Nebraska. NuStar admits that it is the successor to Kaneb Pipeline Partners, L.P. (“Kaneb”), and admits that Kaneb acquired the pipeline from Koch Pipeline Company, L.P.

4. NuStar admits that it is a common carrier pipeline engaged in the transportation of anhydrous ammonia between states on its AA Pipeline. NuStar, however, denies that all of its facilities or any inactive or decommissioned lateral pipelines are subject to common carrier obligations. NuStar admits that its interstate common carrier services are subject to the Board’s jurisdiction over interstate common carrier rates, classifications, rules and reasonable practices under the ICCTA. NuStar denies that the Board’s jurisdiction extends to contractual arrangements for facilities-related work undertaken prior to the commencement of service on common carrier facilities to Waggaman.

5. NuStar lacks information to form a good faith belief regarding the truth of the matters asserted in the first two sentences in Paragraph 5 and therefore denies them. NuStar admits that there are pipelines in the Gulf Coast region that provide transportation of natural gas.

6. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 6 and therefore denies it.

7. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 7 and therefore denies it.

8. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 8 and therefore denies it.

9. NuStar lacks information sufficient to form a good faith belief regarding the truth of the matters asserted Paragraph 9 and therefore denies it.

10. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 10 and therefore denies it. NuStar believes that the “lateral Fortier Branch” facility identified in Paragraph 10 may be intended to mean the Fortier Lateral, which does, as of February 2016, offer a common carrier connection to the mainline of NuStar’s AA Pipeline.

11. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 11 and therefore denies it. However, it is NuStar’s understanding that the Waggaman plant has access to rail, truck and barge transportation in addition to the newly completed connection to the AA Pipeline via the Fortier Lateral.

12. NuStar denies the allegations in Paragraph 12. The Fortier Lateral was idled by Koch Pipeline sometime in the 1990s. Nustar’s predecessor owner of the AA Pipeline removed Waggaman from its Board tariff, thus withdrawing its holding out of common carrier service on the Fortier Lateral. In addition, prior to 2002, the Fortier Lateral was purged of anhydrous ammonia, filled with nitrogen (an inert gas typically injected into idled lines to preserve their viability for potential future use), valved off, and placed in an idled status. From that time until reactivation in February 2016, NuStar did not offer to provide transportation on the Fortier Lateral, nor could it have done so. In negotiations with Dyno in 2012-2014, NuStar did advise

Dyno that it could commence service on the Fortier Lateral to Waggaman, but only after taking all necessary steps to reactivate the line segment. However, NuStar had no statutory or common carrier duty to reactive the Fortier Lateral or to offer transportation service from Waggaman.

Effective February 1, 2016, in its S.T.B. No. 19 tariff, NuStar added Waggaman as an origin for its interstate common carrier service, and commenced holding itself out to provide transportation from Waggaman. In March 2016, NuStar transported a limited shipment of anhydrous ammonia from Waggaman (the product had been barged to the Waggaman plant, not produced there). NuStar has not transported any product since that time. Because the Fortier Lateral had been idled, could not be used for transportation without significant investment and was out of use for more than a decade, NuStar neither offered to provide transportation from Waggaman nor could it have provided any transportation upon request. The Complaint fails to allege, much less establish, facts or legal theory showing that NuStar had a duty to provide service from Waggaman under the ICCTA or any other authority. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in the second and third sentences of Paragraph 12 and therefore denies it.

13. NuStar denies the allegations in Paragraph 13. NuStar admits that in 2012, Dyno approached NuStar regarding reactivation of the Fortier Lateral and commencement of common carrier service from Waggaman. During the period 2012 to 2014, NuStar and Dyno met and communicated regarding the cost and schedule for the reactivation of the Fortier Lateral and the commencement of service. From the beginning of those discussions, NuStar maintained that Dyno needed to reimburse NuStar for all of the costs associated with reactivation of the Fortier Lateral, and Dyno at all times agreed that it would reimburse NuStar for those costs. NuStar provided an initial estimate of the costs of reactivating the lateral in 2012, primarily reflecting

physical and engineering requirements. NuStar also did state to Dyno that it would be able to reactive the lateral and provide service, and met Dyno's demand that the reactivation be completed by May 1, 2015. NuStar met this deadline, which ultimately meant that NuStar's Fortier Lateral was ready to provide service more than a year before Dyno completed work on its Waggaman plant.

14. NuStar denies the allegations in Paragraph 14. As discussed below, NuStar became aware of its loss of easements – “servitudes” under Louisiana law – in early 2014, and promptly informed Dyno. Reacquiring easement rights to retain and operate the pipeline required NuStar to spend more money and to take additional time to implement the reactivation, but NuStar was always in a position to restore service, and it ultimately completed the process in accordance with Dyno's schedule. Regarding the allegation that NuStar “never abandoned” the Fortier Lateral, that it represented that the line “was available to meet Dyno's needs,” NuStar denies these claims. First, as noted above in the answer to Paragraph 12, many years before Dyno's request in 2012, the tariffs for service on the AA Pipeline were revised to remove the pipeline's offer to transport anhydrous ammonia from Waggaman, and that offer was not reinstated in the tariff for the AA Pipeline until February 2016. Second, service on the Fortier Lateral from Waggaman was impossible for more than 15 years prior to 2016, because the line was idled, physically valved off from the AA Pipeline, filled with nitrogen and unconnected to any source of product to transport. Third, prior to recommencing service, NuStar had to take a number of physical steps without which service would have been impossible, including: installation of a diagnostic tool launcher at Waggaman; installation of new SCADA equipment (for electronic monitoring and operation from NuStar's control room); reconfiguration of the interconnection of the Fortier Lateral with the AA Pipeline mainline near Taft to allow the direct

flow of product northward; hydrotesting the line for PHMSA compliance; and some other more minor steps. Without these engineering/physical restoration investments and steps, service would have been impossible, even had there been a shipper willing and able to tender anhydrous ammonia at Waggaman (which there was not). Consequently, the claim that NuStar “never abandoned the Fortier Branch or its obligations to maintain the pipeline” lacks any foundation in fact or law. NuStar did not abandon the lateral, but did idle the line, filled it with nitrogen, and ceased to offer the service, and took other steps which, collectively, made it impossible to offer the service. Further, given the significant passage of time, significant investment was required to reactivate the line. NuStar had no obligation as a common carrier to maintain the lateral, and no duty as to potential shippers under common law or under the ICCTA.

15. NuStar denies the allegations in Paragraph 15. NuStar admits that it met with Dyno in 2012, and that it provided a preliminary estimate of the costs of reactivating the line of approximately \$1 million, plus or minus, which consisted primarily of the engineering/physical restoration steps described in the Answer to Paragraph 14. NuStar also provided preliminary projections of the length of time likely to be required for reactivation of the Fortier Lateral.

16. NuStar is without information as to the allegations in Paragraph 16, and therefore denies the allegations in Paragraph 16.

17. NuStar admits that in February 2014, in its negotiations with the Complainant regarding the potential to establish service for the Waggaman Plant, it notified the Complainant that it had become aware of the need to re-establish the right-of-way for the Fortier Lateral. NuStar denies the Complainant’s characterization of these discussions. The third sentence characterizes a Louisiana statute. NuStar states that the statute speaks for itself, but notes that

the Complaint does not attempt to dispute the loss of NuStar's right of way authority due to the cited statutory provision.

18. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in the first sentence of Paragraph 18 and therefore denies it. However, NuStar admits that it was aware that the Fortier Lateral has not been used since the 1990s. As to the second sentence, NuStar denies the relevance of the claim that the Fortier Lateral had not been "abandoned," because as described above, the line had been idled, could not be used for transportation service, and the former transportation service from Waggaman had been discontinued by NuStar's predecessor. Regarding the allegation as to PHMSA, NuStar admits that it maintained the line in accordance with the requirements of PHMSA for pipelines, found at 49 C.F.R. Part 195, because PHMSA's regulations apply to idled pipelines as well as active pipelines, and by remaining in compliance with Part 195 NuStar was providing for an easier return to service if required in the future. NuStar denies that this preventative maintenance provides any basis for concluding that the line was kept ready for service or otherwise imposed any common carrier obligations on NuStar.

19. Paragraph 19 contains legal conclusions or analysis to which no response is required. However, while NuStar admits that it has a right of way department, it denies the other allegations in Paragraph 19.

20. NuStar denies that its communications to Dyno regarding the reactivation of the Fortier Lateral were "untimely," or "sudden" and denies to the best of its knowledge that the schedule of completion of the reactivation of the Fortier Lateral had any disruptive effect on the Waggaman plant. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 20 and therefore denies it. As noted above, despite the additional

steps needed to secure easement rights, the Fortier Lateral was in all material respects ready for service in May 2015, more than a year before the Waggaman plant is now projected to provide anhydrous ammonia production. Moreover, NuStar transported a test shipment (not produced by the Waggaman plant, but barged in), in March of 2016.

21. NuStar denies the characterization of the negotiations between NuStar and the Complainant. NuStar admits that in March 2014, it provided estimates of the cost of re-acquiring easement rights in light of Louisiana law, that it engaged a law firm and contractor, and that its estimates ranged from approximately \$4.5 to \$7.2 million to re-acquire right of way from the landowners. NuStar admits that Dyno was responsible for paying for the right of way costs prior to commencement of service, but asserts that Dyno had, from the outset of negotiations, agreed to bear the costs of reactivation. The fact that the costs increased during the development of the project did not change Dyno's acceptance of its obligations from the outset of the process in 2012. NuStar further states that Dyno's agreement to pay these costs was established in contracts subject to the state laws of Louisiana, and the costs are directly related to the acquisition of property rights in the state of Louisiana.

22. Paragraph 22 contains legal conclusions or analysis, to which no response is required, but NuStar also denies certain of the embedded factual claims. NuStar, however, admits that NuStar and Dyno mutually agreed to enter into contracts prior to the commencement of service which required the Complainant to pay for the costs associated with re-establishing the right-of-way, as these costs were necessary in order for NuStar to establish service to the Complainant's facilities at Waggaman. NuStar specifically denies that the need for payments to landowners for renewed property rights to operate the Fortier Lateral was the result of its "neglect," or that the need to acquire the easement rights "should not have existed," given that

the statute provided that “servitudes” (easements) would be lost if the pipeline were not used for 10 years, and since the shut-down of the prior plant in Waggaman, and idling of the line, no shipper had been provided service on the Fortier Lateral for more than 15 years. The allegation that this loss of easement rights is due to NuStar’s “neglect” is groundless. NuStar further denies that its requirement for a contribution to aid restoration of service was an “unreasonable practice,” given that as discussed above, NuStar had no obligation to provide service to Waggaman, and denies the last sentence in the paragraph. NuStar notes that the requirement that Dyno pay for the right of way costs was not a sudden imposition on Dyno stemming from NuStar’s determination that its easements needed to be required. Before undertaking any steps to reactivate the Fortier Lateral, NuStar had required, and Dyno agreed, that Dyno should pay the costs of reactivation. The fact that the costs of reactivation proved higher than those in the preliminary estimate was a change in the monetary size of Dyno’s obligations, but not a change in the overall obligation from the commencement of the project that Dyno would pay the costs of reactivation. Similarly, NuStar denies that Dyno was “forced” to bear a cost “that was not Dyno’s responsibility or fault.” Fault is not a relevant concept for these costs, and it was indeed Dyno’s responsibility to pay for the full costs of restoring the Fortier Lateral to service. NuStar had no obligation to restore service and commence offering transportation from Waggaman, and the costs of doing so, which were incurred solely because of Dyno’s request for and desire for the commencement of service from Waggaman.

23. NuStar lacks information to form a good faith belief regarding the truth of the facts asserted in Paragraph 23 and therefore denies them, and repeats and incorporates by reference the response to Paragraph 22, particularly as to the allegations of “unreasonable demand” and that Dyno was “forced” to pay the costs, and that Dyno faced detriments and risks

and “negating the value of investment in the plant.” Regarding the claims that the production of the plant was at risk, NuStar notes once again that transportation from the Waggaman plant is now scheduled for later in July or in early August 2016.

24. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 24 and therefore denies it. NuStar, however, admits that it entered into a contractual agreements prior to the commencement of service which required the Complainant to pay for the costs associated with re-establishing the right-of-way, as these costs (among others) were necessary in order for NuStar to establish service to the Complainant’s facilities. NuStar specifically denies that the contribution in aid of construction by Dyno was “[u]nder duress” – Dyno had agreed to pay the costs of restoring service on the idled Fortier Lateral, an action that NuStar was under no obligation to undertake, and Dyno’s decision to pay such costs does not constitute “duress” merely because the costs rose during the course of the project. NuStar admits that Dyno paid approximately \$10 million to NuStar in connection with the contracts between the parties to permit the reactivation of the Fortier Lateral.

25. NuStar denies the Complainant’s characterization of Dyno’s role in the reactivation of the Fortier Lateral. NuStar, however, admits that it re-established the right-of-way and took other steps, described above, to allow initiation of service on the Fortier Lateral for this new point of interconnection on the AA Pipeline.

26. Paragraph 26 contains legal conclusions or analysis, to which no response is required. NuStar denies the characterization of the negotiations of the construction agreement between NuStar and the Complainant in the second sentence of Paragraph 26 and denies that the payments were not part of the rates and terms that the Complainant and NuStar agreed upon, as the amounts were reflected in the agreement between the parties. As noted above, Dyno had

agreed to pay the costs of restoring service on the Fortier Lateral, and Dyno's agreement to do so was separate from discussions of the rates and terms for the service once it would be provided by NuStar. NuStar denies the unsupported claim in the third sentence of Paragraph 26 that the Complainant was required to pay "additional costs for attorneys and other experts." NuStar denies the unsupported claim in the fourth sentence of Paragraph 26 that NuStar could have restored the right-of-way faster and at a lower cost, "had it acted more efficiently." NuStar established a system for review by Dyno of the costs being incurred both for the physical changes to the pipeline and appurtenant engineering, *etc.* costs, and for right of way costs. While work was ongoing, NuStar held very frequent meetings with a representative of Dyno to discuss the costs of restoration work. NuStar denies that the cost could have been "substantially less" than \$10 million, given Dyno's role in overseeing and monitoring the costs, and in light of Dyno's timeline for completion.

27. Paragraph 27 contains legal conclusions or analysis, to which no response is required. NuStar admits that as part of its contracts with NuStar, Dyno specifically reserved its rights "as a common carrier pipeline shipper" under the reimbursement arrangements with NuStar and that NuStar did not waive its rights as a common carrier pipeline shipper. NuStar denies that Dyno's rights as a common carrier pipeline shipper grant it any basis for filing a Complaint before the Board or asserting the grounds for relief in this Complaint.

28. Paragraph 28 contains legal conclusions or analysis, to which no response is required. However, NuStar denies the allegations that NuStar's conclusions regarding the termination of the servitudes were "premature" or "without adequate justification." The Complainant provides no basis for this claim, and fails to explain or justify its assertion. NuStar concluded that the right-of-ways had to be re-established under Louisiana law. The termination

of service on the Fortier Lateral, the idling and physical deactivation, and lack of any service of these facilities for over 15 years required NuStar to re-acquire the easements which previously allowed NuStar to own, operate, and maintain the pipeline across private lands in Louisiana. *See* La. Civil Code Art. 753, Prescription for non-use (“[a] predial servitude is extinguished by nonuse for ten years”); *see also Ashland Oil Co. v Palo Alto, Inc.*, 615, So 2d 971(La. Ct. App. 1993).

29. NuStar denies the allegations in Paragraph 29. The Complainant acknowledges in Paragraph 34 that their dispute with NuStar, specifically the recovery of costs incurred in order to restore the right-of-way, occurred prior to any service being provided. Complainant fails to allege or support the claim that common carrier service obligations attach prior to the commencement of service to an origin not connected to the common carrier’s system. Further, NuStar, like any common carrier, cannot be compelled to furnish transportation when it is not actually engaged in transportation between the requested points. *See Lucking v. Detroit & C. Navigation Co.*, 273 F. 577, 582-583 (D. Mich. 1921). From the 1990s until 2016, the Fortier Lateral had ceased operation and was idled and incapable of providing service; NuStar had no obligation to restore service on the lateral under the ICCTA or at common law. Further, prior to publishing a revised tariff effective in February 2016, NuStar did not hold itself out to offer any service in the area. NuStar had no common carrier obligations to Dyno with respect to renewal of service on the Fortier Lateral.

30. Paragraph 30 consists of legal argument to which no response is required, but NuStar denies that its actions created any risks, or that the costs of restoring service resulted from “the adverse consequences of its own creation and failure.” For the reasons stated above, all of the steps involved in the restoration of service – engineering/physical plant related steps

and re-acquisition of right of way – were necessary to restore service, and the loss of easements due to inactive status of the Fortier Lateral stemmed, inter alia, from the closing in the 1990s of the only source of anhydrous ammonia into the lateral; hence NuStar denies specifically that the idling of the line and consequent loss of easement rights under Louisiana law were due to *NuStar's* actions.

31. Paragraph 31 consists of legal argument to which no response is required. However, as noted in responses above, because a common carrier cannot be compelled to furnish transportation when it is not actually engaged in transportation between the requested points or holding itself out to do so, NuStar cannot be in violation of any common carrier obligations with respect to the abandoned Fortier Lateral prior to the commencement of service.

32. NuStar lacks information to form a good faith belief regarding the truth of the matter asserted in Paragraph 32 and therefore denies it. However, NuStar was and remains an interstate common carrier – but one whose system did not extend to Waggaman at the time the parties commenced discussions of the resumption of service. NuStar is without information and belief as to Dyno's reliance on its rates, but denies that NuStar violated any statutory or common carrier obligations with respect to the rates that it proposed to Dyno. NuStar specifically denies that the agreements with Dyno to compensate NuStar for the costs that NuStar incurred to restore service to Waggaman, which NuStar was not required to do, constitutes an unreasonable practice.

33. Paragraph 33 consists of legal conclusion or analysis, to which no response is required. However, as noted above in response to Paragraphs 29 and 31, NuStar had no obligations to restore the Fortier Lateral and provide transportation from Waggaman, and

therefore the ‘unreasonable practice’ standard cannot attach to Dyno’s agreement to pay the costs of restoring facilities needed to provide service to Waggaman.

34. NuStar denies the matter asserted in Paragraph 34. The Complainant acknowledges that its dispute with NuStar, specifically the recovery of costs incurred in order to restore the right-of-way, occurred prior to any service being provided, and for the reasons stated above, NuStar had no obligation to restore the Fortier Lateral and commence a new service from Waggaman. Furthermore, although the Complainant vaguely references an “established policy” against collecting costs for restoring service, the Complainant provides no citations to any Board policy in support of its claims.

35. Paragraph 35 consists of legal conclusion or analysis, to which no response is required.

AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim upon which relief can be granted.
2. To the extent that the Complaint alleges that NuStar made incorrect representations to Dyno, or that NuStar’s actions somehow improperly increased the costs to Dyno resulting from its contracts with NuStar, those claims are contract claims that should be raised in a civil court of competent jurisdiction.

NuStar addresses these affirmative defenses in greater detail in the motion to dismiss being filed concurrently with this Answer.

REQUESTED RELIEF

WHEREFORE, in consideration of the above and foregoing, NuStar respectfully requests that the Board:

1. Dismiss the Complaint in its entirety with prejudice, for the reasons provided above and in the accompanying Motion;
2. Award NuStar its costs and fees incurred in defense of this action; and
3. Grant NuStar such additional relief as it deems proper.

Respectfully submitted,

By: _____ /s/

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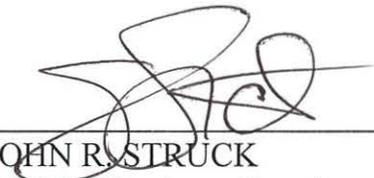
Counsel for NuStar Pipeline Operating Partnership, L.P.

Dated: July 20, 2016

VERIFICATION

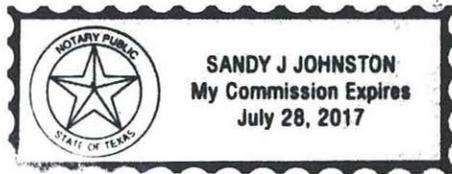
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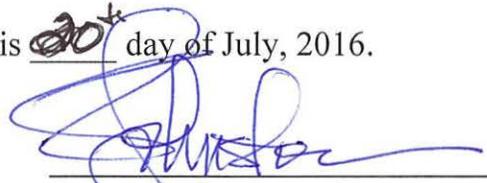
I, JOHN R. STRUCK, being duly sworn, depose and state that I have read the foregoing Answer, know the contents thereof, and that the facts stated therein are true and correct to the best of my knowledge, information and belief.



JOHN R. STRUCK
Director Business Development

Subscribed and sworn to before me this 20th day of July, 2016.





Notary Public, State of Texas