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ND PUBLIC SERVICE COMMISSION
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October 3, 2006

Keystone Pipeline Project
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Ms. Illona Jeffcoat-Sacco
Director
ND Public Service Commission, Public Utilities Div
600 E Boulevard Ave Dept 408
Bismarck, ND 58505-0602

Re: Upcoming Regulatory Meetings Regarding Keystone

Dear Ms. Illona Jeffcoat-Sacco:

In February 2005, TransCanada Pipelines announced plans to build a 1,830-mile, 30-inch diameter pipeline to transport crude oil from Alberta, Canada to Wood River and Patoka, Illinois. Early in 2006, an additional 291-mile connection to Cushing, Oklahoma was proposed to help meet shipper needs. The project, known as the Keystone Pipeline, would link a reliable North American oil supply to rising U.S. demand for energy.

In our ongoing effort to keep you informed about the progress we are making on the Keystone Pipeline Project, I wanted to provide you with the following information about upcoming regulatory activities.

Earlier this year, we filed an application with the U.S. Department of State (DOS), which has taken on the role of lead agency under the National Environmental Policy Act. As part of the federal regulatory review process, the DOS is preparing to issue a public notice announcing scoping meetings to seek comments on potential environmental impacts as part of the preparation of an Environmental Impact Statement.

It is anticipated the meetings will be held in October or November 2006 and the DOS will advertise the location and dates of these meetings in local newspapers. Once available, we will publish the scoping meeting information on our Keystone project web site at www.transcanada.com/keystone.

Stakeholders seeking information or answers to questions are always welcome to contact the Keystone project team. We remain committed to providing information and responding to any questions you may have.

We appreciate the valuable feedback we have received to date from landowners, public officials, agencies and community leaders. With the assistance of those who continue to provide us with feedback, our proposal can respond to market demand while minimizing impact on landowners and the environment.

More information regarding the Keystone project is available at www.transcanada.com/keystone. If you have questions, please do not hesitate to contact us at 866-717-7473.

Best regards,

Dean Cowling
Project Director
Keystone Pipeline