

## CAVALIER RURAL ELECTRIC COOPERATIVE, INC.

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July 24, 2007

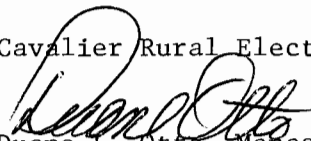
North Dakota Public Service Commission

Cavalier Rural Electric Cooperative, Inc. (CAVALIER) 1111 Ninth Ave., Langdon ND 58249-0749 supports the KEYSTONE Pipeline Project for these reasons:

1. The Fargo Forum newspaper dated Saturday July 21, 2007 states: "Some landowners, the Dakota Resource Council and others who fear the line could leak or who believe construction and maintenance will disrupt wildlife, aquifers and two of the state's most scenic, wooded area, the Pembina Gorge and the Sheyenne River valley near Fort Ranson Park". Actually, the pipeline will be located east of the Pembina Gorge.
2. This pipeline delivering Canadian crude oil will reduce our dependence upon mideast and South American oil.
3. It is our understanding that aircraft will fly the route of the pipeline every two weeks to observe any leaks, digging activities by others near the pipeline and any condition that may be detrimental to the pipeline.
4. The Keystone Pipeline will provide tax revenue to the State of North Dakota, counties and townships in the route of the pipeline. Estimated to be about \$5.4 million annually plus more in the counties where it will have five pumping stations.
5. "CAVALIER" would like to provide electric service to pumping station No. fifteen located less than one mile from Cavalier County with transmission services provided by Minnkota Power Cooperative, Inc. of Grand Forks.
6. "CAVALIER" urges construction of this Keystone Pipeline Project.

Yours truly

Cavalier Rural Electric Cooperative, Inc.

  
Duane L. Otto, Manager



# Valley City, Park River to host pipeline hearings

## TransCanada oil may run through eastern N.D.

By Janell Cole  
State Capitol Bureau

BISMARCK — North Dakotans can attend and testify at public hearings Monday and Tuesday in Valley City and Park River on whether a large crude oil pipeline should pass through the eastern part of the state and what its route would be. The formal hearings are expected to last a half-day each.

The project is the TransCanada Keystone Pipeline, which would be built north-to-south roughly from Walhalla to near Oakes, bringing crude from Alberta, Canada, to Illinois refineries.

### About the pipeline

#### How long is this pipeline, and where is it going?

The first phase is 1,845 miles from Hardisty, Alberta, across southern Saskatchewan and part of southern Manitoba, then south through eastern North Dakota, South Dakota and Nebraska, and finally east through Missouri and Illinois to refineries at Patoka and Wood River, Ill.

The North Dakota section is 218 miles.

The second phase will send a branch 294 miles south to Cushing, Okla.

#### How big is it?

The pipe will be 30 inches in diameter and is to be covered by at least 4 feet of soil in all agricultural lands.

#### When will it be built?

Starting in May 2008 in North Dakota. The Alberta-to-Illinois section will be operational in 2009 and the Kansas and Oklahoma branch will begin operating in 2010.

#### How much oil will it carry?

Initially, the line from Alberta to Illinois will carry 435,000 barrels per day. When the second phase is finished extending to Cushing, Okla., it will carry 590,000 per day.

#### What North Dakota counties are affected?

Cavalier, Pembina, Walsh,

### Service commission's hearing schedule

The Public Service Commission's hearings on the TransCanada Keystone Pipeline route:

#### Monday

► 9 a.m.: Hearing on whether to grant a certificate of public convenience and necessity; Valley City Auditorium, 320 Central Ave. S.

► 1 p.m.: Hearing on the siting (route) of the pipeline; Valley City Auditorium, 320 Central Ave. S.

#### Tuesday

► 1 p.m.: Hearing on the siting (route) of the pipeline; Park River City Hall Auditorium,

504 Briggs Ave. S.

The events are public, formal hearings. An administrative law judge will preside. Lawyers will question witnesses and all witnesses are sworn in and subject to perjury laws.

The hearings are each expected to last a half-day.

#### On the Web:

► Detailed map of proposed North Dakota route:  
[www.transcanada.com/keystone/maps/north\\_dakota.pdf](http://www.transcanada.com/keystone/maps/north_dakota.pdf)

► [www.psc.state.nd.us](http://www.psc.state.nd.us)

**Public Service Commission**  
phone: (701) 328-2400

Nelson, Steele, Barnes, Ransom and Sargent.

#### How many landowners are affected, and what happens to them?

The company is buying 50-foot-wide easements from about 600 North Dakota landowners and will buy outright the acreage it needs for five pumping stations. It will also pay for any damages during construction — for instance, if crops are ruined.

#### Why this route?

In part because TransCanada is converting a 537-mile section of an existing Canadian natural gas pipeline into part of this pipeline.

TransCanada said it chose its route to reflect market, engineering and construction efficiencies and enables it to extend it later to other key markets.

#### What field supplies the crude?

The oil is from the tar sands field around Fort McMurray, Alberta, where it is dug like coal and heated into a partially refined thick crude.

#### How much does it cost?

The entire line is a \$2 billion project and the North Dakota segment is \$250 million.

#### What is TransCanada?

TransCanada Corp. was incorporated in Canada in

2003 as a natural gas transmission and power generation company. It is traded on the New York Stock Exchange as TRP.

#### Who is opposed to the line, and why?

Some landowners, the Dakota Resource Council and others who fear the line could leak or who believe construction and maintenance will disrupt wildlife, aquifers and two of the state's most scenic, wooded areas, the Pembina Gorge and the Sheyenne River valley near Fort Ransom Park.

Opponents also object to helping develop more tar sands oil because extracting it has meant the cutting down of Canadian forests and because much energy is expended heating it to remove it from the ground and pipe it.

#### What benefit will North Dakota see during the construction?

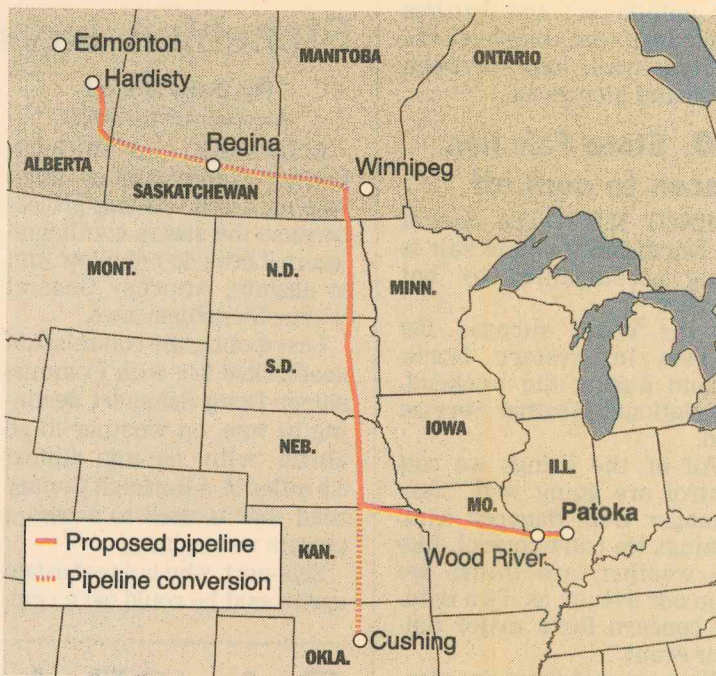
Restaurants, gas stations, motels and other businesses between Walhalla and Ludden could see an increase in business as the crews build the line. Area construction workers may get some of the work, a company vice president said.

#### What benefits will North Dakota get after construction?

The company will pay an

### Keystone pipeline in the works

TransCanada is proposing to build a 1,760 mile pipeline system from Alberta, Canada, to Illinois that would cross through eastern North Dakota.



estimated \$5.4 million in property taxes on the line annually once it is finished, plus more in the counties where it will place five pumping stations. It is not yet known what each individual county will collect.

Also, when the Canadian crude has a new route to refineries, that should take pressure off the pipelines that now take Canadian oil from

Alberta to Colorado refineries. If that pressure is eased, there could be more capacity in western pipelines for North Dakota crude. Some of the state's crude had to be sold at a discount in recent years because a pipeline bottleneck made it less marketable.

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