

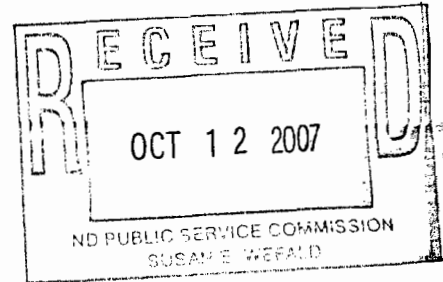


NORTH DAKOTA FOREST SERVICE

"To care for, protect and improve forest and natural resources to enhance the quality of life for present and future generations."

October 10, 2007

Susan E. Wefald, President
North Dakota Public Service Commission
State Capitol
600 East Boulevard
Bismarck, ND 58505-0480



Reference: Keystone Pipeline Comments

Dear Commissioner Wefald:

We are writing to submit comments on the proposed Keystone Pipeline project. The Office of the State Forester does not have an official position on the proposal. Unfortunately, we have received feedback from landowners indicating our agency supports and/or endorses the project. For the record, we do not endorse the project nor have we extended our support to any aspect of the Keystone pipeline proposal.

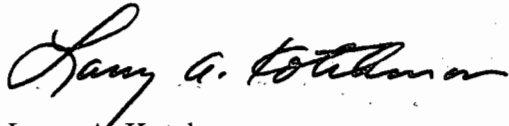
The State Forester's role and function in such matters is to provide technical assistance to the Public Service Commission, landowners, utility representatives and other entities requesting forestry and natural resource information and services. Thus far, we have worked closely with private landowners and utility representatives on inquiries relating to forest resource mitigation measures, forestland inventory techniques and valuation needs. In addition, we have conducted joint field surveys with Keystone representatives to discuss easement requirements and identify mitigation measures for the proposed corridor across the 430-acre Tetrault Woods State Forest near Walhalla. The Keystone representatives have been very receptive to our request to directionally drill under the forest and the Pembina River to avoid surface disturbances. We have told Keystone that any further consideration of their state forest easement request by the State Forester is subject to prior approval of the pipeline corridor by the Public Service Commission.

We continue to point out potential environmental concerns and forest resource mitigation needs with the proposed Keystone Pipeline project. From our viewpoint, the foremost environmental needs include protecting water quality, especially ground water aquifers near the pipeline corridor, and minimizing the loss of native forests, farmstead and field windbreaks and other agroforestry plantings. With less than two (2.0) percent of North Dakota's total land area being

forested, protection of this unique natural resource is imperative. In addition, the proposed pipeline corridor will impact the aesthetic qualities and tourism opportunities associated with the scenic Pembina River and Sheyenne River Valleys. We urge the Public Service Commission to continue its careful assessment of these environmental, social and economic impacts.

Thank you for this opportunity to comment on the proposed Keystone Pipeline. We greatly appreciate the follow-up telephone conversation with your staff on October 9th regarding our input. Please do not hesitate to contact my office if you have further forestry related questions.

Sincerely,

A handwritten signature in cursive script that reads "Larry A. Kotchman". The signature is written in black ink and is positioned above the printed name and title.

Larry A. Kotchman
State Forester