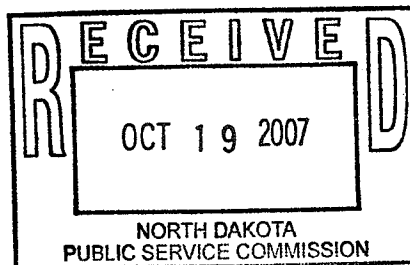




Michael A. Dwyer  
Executive Vice President  
701-223-4615  
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PO Box 2254 • Bismarck, ND 58502-2254

October 18, 2007



Illona Jeffcoat-Sacco  
Executive Director  
Public Service Commission  
600 E Blvd Apt 408  
Bismarck, ND 58505-0480

RE: TransCanada Keystone Pipeline Project  
PSC Case #PU-06-421

Dear Ms. Jeffcoat-Sacco:

On behalf of the North Dakota Water Users Association, this letter is to express our concern about the TransCanada Keystone Pipeline Project.


First, we recognize that your record in the routing of this proposed pipeline is closed. We did not become fully aware of the project or the hearing process until this fall, and our board of directors met on October 4, 2007, to discuss this matter. However, we believe there are some water supply issues that should be considered in this matter. We do believe the PSC has the discretion to reopen the record, and we request that the PSC do so to consider issues relating to safeguards in the routing and construction of the TransCanada Keystone Pipeline Project, in the context of water supply issues for eastern North Dakota.

It is our further understanding that certain pipeline design standards have been waived for this project. Considering the type of product that is proposed to be transported by this pipeline, and its current proposed routing along and across the Sheyenne River at critical locations, we believe further analysis and study is warranted before approval of this project.

As you know, a large segment of North Dakota's population lives in the eastern tier of counties in our state, and with the rapid growth in industry, manufacturing, business sector, and population, an additional water supply is necessary to provide for the long-term stability and opportunity in eastern North Dakota. For a half century North Dakota has been endeavoring to provide a water supply to eastern North Dakota from the Missouri River. The conveyance system for this water supply includes the Sheyenne River and Lake Ashtabula. Lake Ashtabula on the Sheyenne River is both a flood control

and water supply reservoir, and Grand Forks, Fargo, and other communities have water rights in the waters stored behind the Baldhill Dam. The potential disruption or damage of the water supply for eastern North Dakota must be taken very seriously for both current and future generations. We are concerned that the proposed routing of the pipeline, the safeguards and protective measures in the design of the pipeline, and mitigation measures in the event of a pipeline failure, have been insufficiently addressed by TransCanada in order to protect the current and long-term water supply of eastern North Dakota. Thank you for your consideration of these comments.

Sincerely,

Handwritten signature of Ken Royse in black ink, appearing as 'K R' with 'KEN ROYSE' written below it.

Ken Royse

President

North Dakota Water Users Association

cc: Board of Directors  
Governor John Hoeven