

NORTH DAKOTA PUBLIC SERVICE COMMISSION
INFORMAL HEARING
May 13, 2008

TransCanada Keystone Pipeline, LP
30-Inch Crude Oil Pipeline/Cavalier to Sargent
Counties
Siting Application

RECEIVED Case No. PU-06-421

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PUBLIC SERVICE COMMISSION

SHEYENNE RIVER VALLEY PROPOSAL:

On April 21, 2008 TransCanada filed for approval of the pipeline route between mileposts 168 and 170 which includes the Sheyenne River valley crossing (docket #414). At the time of the Commission's order granting a route, TransCanada was proposing to open cut the north embankment of the Sheyenne River valley and horizontal direction drill under the Sheyenne River and the south embankment of the valley. TransCanada's current proposal is for a revised route on the north and south valley embankments that will allow open cut and avoid all of the trees and shrubs that can be seen from the highway. TransCanada will still HDD under the Sheyenne River. The landowners in the specific area have been consulted and they are in support of the revised route.

TransCanada indicates that, due geotechnical conditions, an HDD of the south embankment has a higher than normal probability of failure and the difference in elevation increases the potential that drilling mud could be released through fissures in the soils to the surface of the ground or into the Sheyenne River. TransCanada indicates that geotechnical conditions of the north embankment are also not very conducive to HDD. TransCanada is arranging for cultural resource surveys.

STAFF RECOMMENDATION: Open cuts on the north and south embankments of the Sheyenne River valley will leave a scar for at least two years, but that scar will be less daunting than a scar created by clear cuts through trees.

TransCanada has provided a copy of the filing to the agencies listed under North Dakota Administrative Code § 69-06-01-05 (but not those listed under § 69-06-01-02). However, that notification did not provide a deadline for comment by those agencies to the Commission. Staff recommends that TransCanada email the agencies, similar to the notification that the Commission required of Belle Fourche in PU-07-596.

5 PENDING ROUTE REFINEMENTS: ‘

On April 29, 2008 TransCanada filed for approval of the five pipeline route changes (docket #419). The route refinements are being proposed in an attempt to voluntarily acquire pipeline easements from specific landowners. TransCanada indicates these route refinements are conditioned upon obtaining a voluntary easement from the landowners. TransCanada states the five proposed route refinements are within the approved 1-mile corridor.

The Letkeman reroute requires a voluntary easement from adjacent landowner Goschke. TransCanada is conducting civil and cultural resource surveys on the proposed Kratochvil reroute. The Holm reroute requires an amendment of the voluntary easement obtained from a landowner to the north, and voluntary easements from landowners Ramona Klein and Richard Starke to the south.

STAFF RECOMMENDATION: TransCanada has provided a copy of the filing to the agencies listed under North Dakota Administrative Code § 69-06-01-05 (but not those listed under § 69-06-01-02). However, that notification did not provide a deadline for comment by those agencies to the Commission. Staff recommends that TransCanada email the agencies, similar to the notification that the Commission required of Belle Fourche in PU-07-596.

PJF