

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-06-421

FOURTH SUPPLEMENTAL ORDER

July 2, 2008

On February 21, 2008, the Commission issued Findings of Fact, Conclusions of Law and Order (Order) granting to TransCanada Keystone Pipeline, LP (Keystone) Certificate of Corridor Compatibility No. 101 and Route Permit No. 111 for a 218 mile, 30-inch crude oil pipeline (Keystone Pipeline) in Cavalier, Pembina, Walsh, Nelson, Steele, Barnes, Ransom, and Sargent Counties of North Dakota.

The Commission's May 23, 2008 First Supplemental Order granted First Amended Route Permit Number 111 for a route between mileposts 168 and 170 also known as the Sheyenne River crossing area, for a number of route refinements, and for five conditional route refinements.

The Commission's May 30, 2008 Second Supplemental Order granted First Amended Certificate of Corridor Compatibility Number 101 and Second Amended Route Permit Number 111 for tree clearing plans, additional construction work space plans, stream crossing plans, Keystone's Tree and Shrub Sampling Plan for Native Growth Areas, and a conditional route refinement known as the Novak-Sticha reroute.

The Commission's June 19, 2008 Third Supplemental Order granted Third Amended Route Permit 111 for a conditional route refinement known as the Capp reroute.

On June 26, 2008, Keystone filed a motion requesting approval of additional work space in certain shelter belts along the route beyond the 50 feet currently allowed by the Commission's February 21, 2008 Order. The June 24, 2008 affidavit of Loys A Gray III stated that additional right-of-way width is require at shelter belts to facilitate the use of mechanized welding. Keystone is requesting approval of up to 15 feet additional work space at all shelter belt crossings, an increase from 50 feet clearing up to 65 feet

clearing. Gray states that the additional temporary work space is necessary to install the pipeline safely and with the least environmental impact to the land. Gray states that Keystone will replace the trees removed from the additional temporary work space at a ratio of five trees replaced for each tree removed instead of the two trees replaced for each tree removed as required by the Tree and Shrub Mitigation Plan in this proceeding.

The issue to be considered is whether the granting of additional work space produce minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota?

Trees must be protected to the extent possible and Keystone Pipeline construction must, if practicable, avoid trees at all shelterbelt crossings.

The proposal for additional work space at shelterbelts is compatible with the environmental preservation and the efficient use of resources and will result in minimal adverse effects on the environment, natural resources, and upon the welfare of the citizens of North Dakota while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

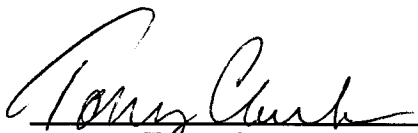
Order

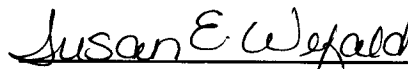
The Commission orders:

1. TransCanada Keystone Pipeline, LP's June 26, 2008 request for an increase from 50 feet clearing up to 65 feet clearing at all shelterbelt crossings is granted. Trees shall be protected to the extent possible and Keystone Pipeline construction shall, if practicable, avoid trees at shelterbelt crossings.
2. TransCanada Keystone Pipeline, LP shall replace the trees removed from the additional temporary work space at a ratio of five trees replaced for each tree removed.
3. This Order is supplemental to the Commission's February 21, 2008 Findings of Fact, Conclusions of Law and Order; the May 23, 2008 First Supplemental Order; the May 30, 2008 Second Supplemental Order; and the June 19, 2008 Third Supplemental Order.
4. TransCanada Keystone Pipeline, LP is issued Second Amended Certificate of Corridor Compatibility Number 101 and Fourth Amended Route Permit Number 111.

5. Second Amended Certificate of Corridor Compatibility Number 101 and Fourth Amended Route Permit Number 111 are effective for the life of the pipeline, but are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.

PUBLIC SERVICE COMMISSION


Tony Clark
Commissioner


Susan E. Wefald
President


Kevin Cramer
Commissioner

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

**Second Amended
Certificate of Corridor Compatibility Number 101**

This is to certify that the Commission has designated a transmission facility corridor for TransCanada Keystone Pipeline, LP to construct and operate a 218-mile, 30-inch crude oil pipeline with associated facilities and pipeline interconnections in Cavalier to Sargent Counties, North Dakota.

The transmission facility corridor is designated by the Commission's February 21, 2008 Order; is amended by the Commission's May 30, 2008 Order; and is amended by the Commission's July 2, 2008 Order for additional tree clearing; all in Case No PU-06-421.

This certificate is subject to the conditions and limitations in that order.

Bismarck, North Dakota, July 2, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



Commissioner

STATE OF NORTH DAKOTA

Fourth Amended Route Permit Number 111

This is to certify that the Commission has designated a transmission facility route for TransCanada Keystone Pipeline, LP to construct and operate a 218-mile, 30-inch crude oil pipeline with associated facilities and pipeline interconnections in Cavalier to Sargent Counties, North Dakota.

The transmission facility route is designated by the Commission's February 21, 2008 Order; is amended by the Commission's May 23, 2008 Order for route refinements; is amended by the Commission's May 30, 2008 Order for a conditional route refinement; is amended by the Commission's June 19, 2008 Order for a conditional route refinement; and is amended by the Commission's July 2, 2008 Order for additional tree clearing; all in Case No PU-06-421.

This permit is subject to the conditions and limitations in those orders.

Bismarck, North Dakota, July 2, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner