

APPROVED

DATE: 8-27-08
[Signature]

MOTION

August 27, 2008

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

Case No. PU-06-421

I move the Commission adopt the Fifth Supplemental Order in TransCanada Keystone Pipeline, LP's application to construct and operate a 218-mile, 30-inch crude oil pipeline in Cavalier to Sargent Counties, North Dakota, granting TransCanada's request for additional temporary workspace at forested areas, Case No. PU-06-421.

PJF

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

FIFTH SUPPLEMENTAL ORDER

August 27, 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.

The Commission's July 2, 2008 Fourth Supplemental Order granted Second Amended Certificate of Corridor Compatibility Number 101 and Fourth Amended Route Permit 111 for an increase from 50 feet clearing up to 65 feet clearing at certain shelterbelt crossings along the route.

On July 30, 2008 Keystone filed a motion requesting approval of additional work space at six forested stream crossings and at one forested road crossing. The July 25, 2008 affidavit of Loys A Gray III stated that additional temporary work space is necessary to install the pipeline safely and with the least environmental impact to the

streams. 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 will 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 the forested crossings.

The proposal for additional work space at the six forested stream crossings and at one forested road crossing 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.

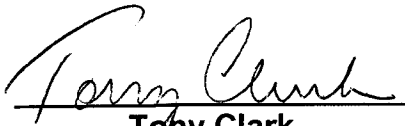
Order

The Commission orders:

1. TransCanada Keystone Pipeline, LP's July 30, 2008 request for additional work space at the six forested stream crossings and at one forested road crossing is granted. Trees shall be protected to the extent possible and Keystone Pipeline construction shall, if practicable, avoid trees at the forested 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; the June 19, 2008 Third Supplemental Order, and the July 2, 2008 Fourth Supplemental Order.
4. TransCanada Keystone Pipeline, LP is issued Third Amended Certificate of Corridor Compatibility Number 101 and Fifth Amended Route Permit Number 111.

5. Third Amended Certificate of Corridor Compatibility Number 101 and Fifth 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

STATE OF NORTH DAKOTA

Third Amended Certificate of Corridor Compatibility Number 101

This is to certify that the North Dakota Public Service 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; is amended by the Commission's July 2, 2008 Order for additional tree clearing; and is amended by the Commission's August 27, 2008 Order for additional work space at forested stream/road crossings; all in Case No PU-06-421.

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

Bismarck, North Dakota, August 27, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner

STATE OF NORTH DAKOTA

Fifth Amended Route Permit Number 111

This is to certify that the North Dakota Public Service 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; is amended by the Commission's July 2, 2008 Order for additional tree clearing; and is amended by the Commission's August 27, 2008 Order for additional work space at forested stream/road crossings; all in Case No PU-06-421.

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

Bismarck, North Dakota, August 27, 2008.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


Commissioner