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March 31, 2009

DUANE H. SCHURMAN
ATTORNEY AT LAW
PO BOX 678
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US MAIL AND FACSIMILE
(701)549-3647

Re: TransCanada Keystone Pipeline
Our File No. 11815

Dear Attorney Schurman:

This letter is in response to your recent letter dated March 10, 2009 and the specific items referred to in your December 4, 2008 letter that you submitted on behalf of James Belanus. I will try to address and respond to each of the individual concerns that were mentioned in the separately numbered paragraphs within your letter as outlined hereafter.

1. The removal and stacking of the trees was apparently not completed and was first brought to the attention of a Keystone representative in mid November 2008. The representative of Keystone told Mr. Belanus that he would see what could be done about having the trees cut and stacked at the location of his choice. However, at that point there was not much that could be done about the grinding of the branches and stumps into fine material instead of the chips of wood. If there are any additional trees that need to be cut and stacked on the Belanus property Keystone will arrange for that to be completed when they return to complete restoration and clean up in the spring of 2009.
2. There were new poles that were added as a safety precaution so that equipment could navigate under them without incident. The location of at least one of the new poles may impede Mr. Belanus's farm equipment. Accordingly Mr. Belanus was informed that Keystone would work on getting the poles relocated and any excess poles removed from the property. The poles will be relocated after Keystone returns to complete restoration and clean up in the spring of 2009 and there will need to be a coordinated effort with the local power company when that work is done.
3. There was indeed a failed bore that occurred at the location described by Mr. Belanus within the right of way easement. Mr. Belanus was informed about the situation and consulted regarding the pipe. The pipe was filled with grout and sealed. This was witnessed by members of the UEI management team. The inspectors



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Response to 3-10-09 Landowner Letter & List of
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TransCanada Keystone Pipeline, LP

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oversaw the grouting of the pipe. In addition, the contractor has the receipts for the delivery of the grout. Mr. Belanus did not mention any concern when consulted and has not indicated what damages and compensation, if any, he is requesting for the pipe that he calls "an inconvenience".

4. Mr. Belanus was informed that since there was snow cover and the ground was frozen, that there would be no further restoration work nor clean up attempted until the spring of 2009. At that point, Mr. Belanus stated in response that no one would be allowed on his property in the spring of 2009. There are locations on his property that requires to be re-leveled and additional restoration and cleanup work performed mostly due to all the inclement weather. Keystone is aware that the clean up will most likely require additional weed control. Mr. Belanus was informed that Keystone would restore his property just as he wanted and as required when Keystone returns in the spring of 2009 as long as Mr. Belanus allows reasonable access to the property to perform that work.

5. The over head jumper needs to be raised and widened. Mr. Belanus was informed that Keystone would get it taken care of and put back to his satisfaction. This work will be completed by Keystone in the spring of 2009.

6. Keystone is not aware that there were gates left open nor gaps left open at any time on the Belanus property. As far as crop damage compensation, Mr. Belanus was informed that he would have to discuss this matter with the land department. Mr. Belanus was told that his concern would be passed on to the land office, which was done and that he could contact them to discuss those details regarding any claim for crop damage. Without waiting for Mr. Belanus, on December 2, 2008, a land agent was sent to meet with Mr. Belanus regarding tree replacement. During the meeting Mr. Belanus agreed to do the tree replacement. Mr. Belanus was also told that the trees would be planted in the spring of 2009. Keystone did agree that he should have some input as to the type of trees that are planted. At the same meeting, the land agent approached Mr. Belanus on the crop settlement. Mr. Belanus told the land agent that he believed that there was approximately 50 acres of damage on the two tracts which he owns and leases. The specific tracts are ML-ND-CV-0001.0000 (9.4 acres) and ML-ND-CV-0010.0000 (7.5 acres) which is significantly less than the 50 acres as was alleged. Mr. Belanus was notified that the amount of damage claimed seemed excessive and that he would need to substantiate the damages. Keystone will continue to strive toward a resolution regarding Mr. Belanus crop damage claims, but he must understand that Keystone is relying upon him to substantiate the amount acres that were truly damaged. Also, there was some confusion about the policy for the compensation level which has changed to first year damages of 100 %, second year damages of 100% (instead of 75%) and third year damages of 50% for a total of 250% rather than 225%. Accordingly, Keystone remains willing and committed to work with land owners such as Mr. Belanus in determining the appropriate amount for crop damages based on his documented production and the area affected.

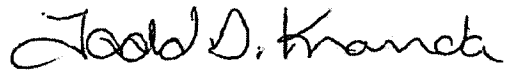
7. There was observed a limited amount of small gravel located on the tillable pasture adjacent to the pipe line right of way. In response, Mr. Belanus was notified that it would be taken care as soon as conditions permit.

8. Mr. Belanus was informed that the contractor installed the marker and test station where the specification dictated. This matter will be reviewed and discussed again to determine if any adjustment is necessary. The review of the request for relocation of the marker is complicated because it includes a test station at that location.

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If you have any additional questions regarding any of these concerns, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Todd D. Kranda". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

Todd D. Kranda

TK:ls