

Hamre, John G.

From: Hamre, John G.
Sent: Tuesday, June 19, 2012 11:42 AM
To: Hamre, John G.
Subject: FW: TransCanada Keystone - Tree Mitigation Report for 2011 - #PU-06-421
Attachments: Tree Mitigation Project Keystone Pipeline 2011 Summary.docx; Tree Mitigation Project 2011 Summary - Keystone Pipeline Cover Letter 1-19-12.pdf; Patrick Fahn.vcf

From: Todd Kranda [<mailto:kranda@kelschlaw.com>]
Sent: Friday, February 03, 2012 3:12 PM
To: Nitschke, Darrell D.; Fahn, Patrick J.
Subject: TransCanada Keystone - Tree Mitigation Report for 2011 - #PU-06-421

Darrell Nitschke and Pat Fahn –

Please find attached a copy of the January 19, 2012 letter from Larry A. Kotchman, State Forester, along with a summary report from the North Dakota Forest Service detailing the 2011 efforts in the implementation of the TransCanada Keystone / North Dakota Forest Service – North Dakota Mitigation Tree Planting Program. A commitment was made within the Tree Mitigation Program to provide this annual update to the North Dakota Public Service Commission regarding the tree planting effort.

This information is being submitted with regard to the TransCanada Keystone Pipeline proceeding, case no. PU-06-421, which included within paragraph 24 of the February 21, 2008 Order, reference to the Tree and Shrub Mitigation Specifications. Please feel free to share this information with the Commissioners or any other staff who might be interested.

If you have any questions or require anything additional please advise.

Todd D. Kranda
On behalf of TransCanada Keystone

KELSCH KELSCH RUFF & KRANDA

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750 PU-06-421 Filed: 2/3/2012 Pages: 7
Email enclosing State Forester letter and ND mitigation tree planting program summary report



NORTH DAKOTA FOREST SERVICE

"To care for, protect and improve forest and natural resources to enhance the quality of life for present and future generations."

January 19, 2012

Steve Craycroft
Environmental Compliance Manager
Keystone Pipeline Project
2700 South Post Oak Boulevard
Suite 400, Galleria Tower 1
Houston, TX 77056

Dear Mr. Craycroft,

Attached is a 2011 Annual Project Summary for the North Dakota Mitigation Tree Planting Partnership Program between the North Dakota Forest Service and TransCanada Keystone Pipeline LP. The document describes the status of the approved program to replace 69,152 trees and shrubs to comply with the North Dakota Public Service Commission mitigation requirements. An additional 15,709 trees and shrubs will be planted to offset unanticipated mortality for an overall project total of 84,861 trees and shrubs. This three-year program is being financed through an award from TransCanada Keystone Pipeline LP to the North Dakota Forest Service. The project ending date is December 31, 2013.

The program was initiated by the North Dakota Forest Service on October 1, 2010, following the receipt of the tree planting mitigation payment. An advance payment of \$608,512 was deposited in the Trees For North Dakota Trust Fund on September 3, 2010.

Excellent progress has been made in the implementation of the Mitigation Tree Planting Partnership Program in cooperation with local soil conservation districts, eligible landowners and private tree planting vendors. A total of 42,917 conservation trees have been planted on 57 sites and 23 family forest trees have been established in two communities. Thank you for the opportunity to assist TransCanada Keystone Pipeline LP with its mitigation tree planting obligations set forth by the North Dakota Public Service Commission. Please do not hesitate to contact our office if you need further assistance or information.

Sincerely,

Larry A. Kotchman
State Forester

Keystone Pipeline Tree Mitigation 2011 Annual Project Summary



**Prepared for:
Steve Craycroft
Environmental Compliance Manager
Keystone Pipeline Project
2700 South Post Oak Boulevard
Suite 400, Galleria Tower 1
Houston, TX 77056**



**Larry Kotchman, State Forester
NDSU- North Dakota Forest Service
307 First Street East
Bottineau ND 58318**

January 11, 2012

Overview

The 2011 Annual Project Summary for the North Dakota Mitigation Tree Planting Partnership Program between the North Dakota Forest Service and TransCanada Keystone Pipeline, LP describes the status of the approved program to replace trees and shrubs to comply with the North Dakota Public Service Commission mitigation requirements. This three-year program is being financed through an award from Keystone Pipeline to the North Dakota Forest Service. The project ending date is December 31, 2013.

Mitigation criteria established by the North Dakota Public Service Commission (PSC) ensures that trees and shrubs lost or destroyed during construction projects are replaced at a 2:1 ratio. For unique situations, a 5:1 ratio is mandated. As a result of the Keystone Pipeline Project (Case # PU-06-421), 69,152 trees and shrubs must be planted to satisfy the mitigation requirements for this project. A minimum of 75 percent of these replacement trees and shrubs must be living at the end of three growing seasons in order to meet the mitigation requirements. Additional trees and shrubs will be planted to offset unanticipated mortality.

Landowners impacted by the project have been offered a choice of having replacement trees and shrubs planted on their property or planted elsewhere at alternative locations. To date, many landowners have opted to have trees and shrubs replanted off the right-of-way on their affected properties. The trees and shrubs planted at alternative locations will be done through cooperative projects with tree planting entities, private and public landowners and communities statewide.

The North Dakota Forest Service (NDFS) administers the mitigation tree planting program in cooperation with local soil conservation districts and private tree planting vendors. Interested landowners desiring to establish appropriate conservation tree plantings may apply with the NDFS for assistance. Mitigation project requests from willing landowners impacted by the construction of the Keystone Pipeline will be given priority in the proposed program. Mitigation tree planting projects identified for alternative locations throughout the state are also administered by the NDFS. Eligible landowners are encouraged to work directly with local soil conservation district partners and private tree planting vendors to secure professional tree planting design assistance and tree planting services. Mitigation project funding is available statewide for a variety of conservation tree planting practices that are not eligible for other forms of cost-share. These practices are designed using the standard USDA conservation tree planting plan (CONS-4). Conservation practice specifications are influenced by species suitability, soil characteristics, topography, land-use and the landowner's objectives. Eligible conservation tree planting practices include, but are not limited to, living snow fences, windbreaks, wildlife plantings, riparian restoration and buffers, and vegetative fuel breaks.

Community tree planting opportunities are also available statewide through community "Family Forest" projects. Among the many possible eligible community projects are memorials; beautification; recreational area protection and park plantings; arboretums; outdoor classrooms; community windbreaks; and living snow fences on public land.

2011 Update

Excellent progress has been made in the implementation of the Mitigation Tree Planting Partnership Program. The program was initiated by the North Dakota Forest Service on October 1, 2010. The following tables describe the activities undertaken and the status of each as of December 31, 2011.

Keystone Pipeline Tree Mitigation – 2011 Annual Project Summary

Activity	Status December 2011
<p>North Dakota Forest Service (NDFS) develops tree planting summary sheet for Soil Conservation Districts (SCDs) outlining Mitigation Tree Planting Partnership procedures.</p> <p>Update Community Family Forestry (CFF) materials.</p> <p>Develop Application Materials.</p>	Completed.
<p>Contact county SCD offices to explain the Mitigation Tree Planting Partnership framework.</p> <p>Application materials are made available.</p>	Completed.
<p>NDFS provides contact information for impacted landowners and tree/shrub needs to vendors.</p>	Completed.
<p>Prepare a tree/shrub spreadsheet to track accomplishments and survival by county, landowner and site.</p>	Completed.
<p>Vendors meet with landowner to design tree planting.</p> <p>Communities work with NDFS to develop projects.</p>	Ongoing.
<p>Plans are reviewed by NDFS. NDFS develops award letters and agreements. Agreements are signed with landowners and communities.</p>	<p>42,917 Conservation Trees were planted on 57 sites in 2011.</p> <p>23 Community Family Forest Trees were planted on 2 sites in 2011.</p>
<p>Class I & III Cultural Resource Surveys are completed by qualified contractor.</p>	Ongoing.
<p>Sites are prepared for tree planting by mechanical or chemical means. Trees are ordered from nurseries.</p> <p>Trees are delivered from nurseries and stored in coolers. Site is inspected and staked for planting.</p> <p>Trees are planted. Fabric weed barrier or mulch is installed.</p>	April-November 2011, 2012, 2013.
<p>Invoice sent to NDFS. Reimbursements made through NDSU Business Office.</p>	Ongoing.
<p>Landowner and communities maintain projects as per agreement.</p>	Ten-year agreements initiated in 2011, 2012, 2013.

2012

As of December 31, 2011, the NDFS received 84 applications for 81,535 conservation trees. The agency will be selecting successful planting projects following the January 20, 2012, application deadline. Projects will be selected based on their cost-effectiveness, conservation benefits, and geographic location. Additional awards will be granted through 2013 to meet the overall goals. 81 Community Family Forest trees will be planted on 9 sites in 2012 and applications have been received for 3 additional Community Family Forest sites.

Keystone Pipeline Tree Mitigation – 2011 Annual Project Summary

<u>County</u>	<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Trees Planted</u>
Barnes	SE	25	140	58	400
Burleigh	SW	24	137	77	450
Burleigh		18	140	80	870
Burleigh		13	137	78	2,205
Burleigh		5	137	78	1,600
Burleigh	SW	32	140	79	745
Burleigh		29	142	80	948
Burleigh	W	13	142	80	603
Burleigh	S	21/22	142	75	415
Burleigh	E	28	139	78	1,210
Burleigh	SW	22	143	75	1,465
Cavalier	N	36	159	58	3,626
Cavalier		12	161	57	1,296
Cavalier		24	163	57	1,020
Cavalier	SE	4	163	57	882
Grant	SW	14	134	90	305
Grant	NW	18	133	83	1,432
Grant		1	135	85	1,381
Grant	W	5	133	90	463
Kidder		32	139	72	900
McKenzie		3	150	101	1,138
McLean	SE	11	143	80	187
McLean	NW	22	147	81	1,225
McLean	SW	19	144	81	227
McLean	NE	26	146	84	231
McLean	NW	8	150	81	309
McLean	SW	19	144	81	360
McLean	NE	21	149	79	363
McLean		15	144	82	522
McLean	SE,SW	32/33	146	84	520
McLean	S	15	143	81	466
McLean	SW	11	147	80	503
McLean		22	143	74	1,000
McLean	SW	23	145	82	527
McLean	SE	17	146	84	1,552
Mercer	SW	4	144	86	695
Mercer	SE	31	144	87	271
Pembina	SE	6	162	51	643
Ramsey	SE	8	153	64	944
Ransom	SE	2	136	58	409
Ransom		26	136	58	120
Sioux	SE	31	129	88	595

Keystone Pipeline Tree Mitigation – 2011 Annual Project Summary

County	Quarter	Section	Township	Range	Trees Planted
Sioux	SE	19	129	88	1,075
Sioux	SE	8	133	79	1,160
Stutsman	NE	34	139	62	2,445
Walsh		3	155	59	267
Walsh	SW	30	156	51	349
Walsh	SW	34	158	57	160
Walsh		9	158	56	350
Walsh	W2SW4	18/6	158	56	115
Walsh	NE4SE4	11	156	57	310
Walsh	SE	30	158	56	128
Walsh		6/7	158	56	26
Walsh	NE4	14	155	57	349
Walsh	N2NE4	25	157	57	81
Walsh		25	157	57	88
Walsh		25	157	57	991
57 Sites					TOTAL 42,917
Community	Trees Planted				
McVile					9
LaMoure					14
2 Communities					TOTAL 23