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NORTH DAKOTA
PUBLIC SERVICE COMMISSION

February 24, 2015

DARRELL NITSCHKE
EXECUTIVE SECRETARY
PUBLIC SERVICE COMMISSION
600 EAST BOULEVARD, DEPT 408
BISMARCK ND 58505-0480

Re: TransCanada - Keystone Pipeline Project
Case No: PU-06-421
Our File No. 11815

Dear Mr. Nitschke:

Enclosed for filing is an original and seven copies of a cover letter from Mr. Larry Kotchman, State Forester with the ND Forest Service showing the Keystone Pipeline Tree Mitigation 2014 Project Update Report. This is being filed electronically as well.

Under ND PSC Certificate of Corridor Compatibility, Case No. PU-06-421, Attachment T5 "Tree and Shrub Mitigation Specifications," TransCanada has an obligation to plant trees and shrubs as mitigation for clearing activities during pipeline construction. Further, TransCanada is required to inspect the planted trees/shrubs for survival for three years after planting. If after three years from the date of planting, the survival rate of the planting is less than 75%, the ND PSC may order additional planting. According to the North Dakota Mitigation Tree Planting Partnership Program between the ND Forest Service and TransCanada Keystone Pipeline LP (July 13, 2010), and approved by ND PSC, 69,152 planted trees and shrubs (with minimum 75% survival rate, therefore, 51,864 surviving after three years) were required to satisfy the mitigation requirement from Keystone construction.

The ND Forest Service planted 85,326 trees on a staggered schedule between 2011 and 2013 per the Program. This included a 22%+ contingency in planting to offset any unanticipated mortality.

A project update and annual report was provided annually, documenting the number and location of planted trees and shrubs, as well as the survival of trees planted in preceding years. At the conclusion of the tree-planting effort in 2013, observations of planting indicated an overall survival rate of 84.6 % for the 2011 and 2012 planting. The project update from 2014 indicates an overall survival rate of 82.3% for all 2011-2013 planting.

KKRK
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783 PU-06-421 Filed: 2/24/2015 Pages: 3
State Forester letter & tree mitigation 2014 project update report

TransCanada Keystone Pipeline, LP

Todd Kranda, KelschKelschRuff&Kranda

TransCanada has requested that ND Forest Service continue monitoring and reporting of tree and shrub mortality for 2015. The current survivability trend suggests that TransCanada may successfully demonstrate meeting the mitigation requirements following the 2015 survey, which will be the third year of surveys completed for the 2011/2012 planting. Upon that determination, it is understood that TransCanada will have met its mitigation obligation and no further monitoring will be required.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me.

Sincerely,

Todd D. Kranda

TK:lh
Encs
c: TransCanada Keystone

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."

December 22, 2014

Robert M. Baumgartner
Environmental Program Manager
TransCanada Keystone US Operations
717 Texas St.
Houston, Texas 77002

Dear Mr. Baumgartner,

This letter serves to update the status of the North Dakota Mitigation Tree Planting Partnership Program between the North Dakota Forest Service and TransCanada Keystone Pipeline LP.

The goals of the Tree Planting Partnership were successfully met on December 31, 2013. At the conclusion of the program, observations of the tree and shrub plantings indicated an overall survival rate of 84.6%. Additional observations conducted in 2014 indicate an overall survival rate of 82.3%, which is still above the 75% rate targeted in the proposal.

Please do not hesitate to contact our office if you need further assistance or information.

Sincerely,

Larry A. Kotchman
State Forester

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