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January 8, 2016

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 dated December 14, 2015 from Mr. Larry Kotchman, State Forester with the ND Forest Service showing the Keystone Pipeline Tree Mitigation 2015 Project Status 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 to-date, 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 2015, 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.



787 PU-06-421 Filed: 1/8/2016 Pages: 6
2015 tree mitigation status update report

TransCanada Keystone Pipeline, LP
Todd Kranda, KelschKelschRuff&Kranda

January 8, 2016

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The current survivability rate shows that TransCanada successfully demonstrated 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 and reporting 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 14, 2015

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

Dear Mr. Baumgartner,

On February 24, 2015, the North Dakota Forest Service and TransCanada entered into an agreement to inspect the trees and shrubs planted to mitigate those removed as a result of the Keystone Pipeline Project (Case #PU-06-421.) 69,152 trees and shrubs were required to be planted to comply with the mitigation requirements, with 75% living at the end of three growing seasons. Additional trees were to be planted to offset unanticipated mortality.

A total of 85,326 (69,152 plus 16,174 for unanticipated mortality) trees and shrubs were planted on 158 sites during the years 2011 through 2013 in satisfaction of this mitigation obligation. The mitigation obligation required that 51,864 be alive after three growing seasons.

During the summer of 2015 the following survival numbers were observed:

2011 plantings (4 growing seasons) 32,806 alive
2012 plantings (3 growing seasons) 22,455 alive
2013 plantings (2 growing seasons) 10,044 alive
TOTAL 65,305 alive

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

Sincerely,

A handwritten signature in blue ink that reads "Larry A. Kotchman".

Larry A. Kotchman
State Forester

Keystone Pipeline Tree Mitigation 2015 Project Status Update

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



**Larry Kotchman, State Forester
NDSU- North Dakota Forest Service
307 First Street East
Bottineau, ND 58318
December 10, 2015**

Overview

Mitigation criteria established by the 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% 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 were to be planted to offset unanticipated mortality.

North Dakota Landowners impacted by the project were offered a choice of having replacement trees and shrubs planted on the landowner's property or planted elsewhere at alternative locations. The remaining trees and shrubs were be planted at alternative locations off the right-of-way and provide an opportunity to work with tree planting entities, public and private landowners and communities statewide. From 2011 through 2013, the ND Forest Service (NDFS) coordinated with the local soil conservation districts and private tree planting vendors to plant/replace trees and shrubs on landowner's properties.

On February 24, 2015, the North Dakota Forest Service and TransCanada entered into an agreement to inspect the trees and shrubs planted to determine if 75% of the required trees and shrubs were still living.

2015 Update

As a result of the Keystone Pipeline Project, 69,152 trees and shrubs were required to be planted to comply with the mitigation requirements, with 75% (51,864) living at the end of three growing seasons. All of these trees and shrubs were planted by December, 2013. An additional 16,174 trees and shrubs were planted to offset any unanticipated mortality, bringing the total planted through this partnership to 85,326 trees and shrubs. These plantings were inspected in the summer of 2015 with the following survival rates observed:

Survival Rates

Planting Year	Number Planted	Survival Rate
2011	42,940	76.4%
2012	30,182	74.4%
2013	12,204	82.3%
Overall	85,326	76.4%

Survival Numbers

Planting Year	Number Alive	Number of Growing Seasons
2011	32,806	4
2012	22,455	3
2013	10,044	2
Overall	65,305	

The number of trees and shrubs living after three or more seasons totals 55,261, which exceeds the 51,864 required. An additional 10,044 are alive after two growing seasons.