



TransCanada

In business to deliver

Keystone Pipeline Project
TransCanada PipeLines Tower
450 – 1st Street S.W.
Calgary, Alberta, Canada T2P 5H1

April 10, 2007

Ms. Illona A. Jeffcoat-Sacco
Executive Secretary
Public Service Commission
600 East Boulevard, Dept 408
Bismarck, ND 58505-0480

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Dear Ms. Jeffcoat-Sacco:

Re: TransCanada - Keystone Pipeline Project
Case No. PU-06-421
Corridor Certificate and Route Permit Applications;
Certificate of Public Convenience and Necessity Application

TransCanada Keystone Pipeline, LP (Keystone), hereby submits its applications for a Certificate of Corridor Compatibility and a Route Permit, pursuant to the North Dakota Energy Conversion and Transmission Facility Siting Act, North Dakota Century Code, Chapter 49-22. Keystone also makes application for issuance of a Certificate of Public Convenience and Necessity, pursuant to North Dakota Century Code, Chapter 49-03.1. A check for the filing fee of \$100,000 is enclosed herewith.

Keystone proposes to construct and operate a crude oil pipeline and related facilities from Hardisty, Alberta, Canada, to Patoka, Illinois. Based on shipper interest, Keystone is also considering the construction of an extension in the United States to deliver crude oil to Cushing, Oklahoma. The pipeline will enter North Dakota at the Canada/North Dakota border in Cavalier County and will extend in a southerly direction, exiting the state at the South Dakota border in Sargent County. This application package contains the following:

- An original and 10 hard copies of the Application for a Certificate of Corridor Compatibility, Route Permit Application, and Application for Certificate of Public Convenience and Necessity
- Eleven sets of DVDs, which contain electronic copies of the Applications and Appendices thereto

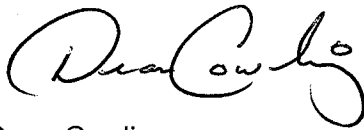
By separate Application being filed herewith, Keystone is requesting two waivers in connection with the instant applications. First, Keystone is requesting a waiver of Commission procedures to allow joint and simultaneous filing of its applications for a Certificate of Corridor Compatibility and a Route Permit. Second, Keystone is requesting a waiver of North Dakota Administrative Code Section 69-06-02 1 b, to permit the use in its application of a proposed corridor one-mile in width. Keystone submits that use of a one-mile corridor is justified in view of the fact that Keystone has extensively studied a number of potential routes in North Dakota, as part of the NEPA process being conducted by the U.S. Department

of State in connection with Keystone's application for a Presidential Permit, and has determined, taking into account extensive public and agency input, that the proposed route is superior to other alternatives from an environmental standpoint.

Keystone is requesting that a Certificate of Corridor Compatibility and a Route Permit be issued on or before September 1, 2007.

Wherefore, Keystone respectfully requests that the commission issue the requested Corridor Certificate, Route Permit and Certificate of Public Convenience and Necessity as expeditiously as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dean Cowling". The signature is fluid and cursive, with the first name "Dean" and last name "Cowling" clearly distinguishable.

Dean Cowling
Director-Operations & Engineering, Keystone

Enclosure

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April 13, 2007

MS ILLONA A JEFFCOAT-SACCO
EXECUTIVE SECRETARY
PUBLIC SERVICE COMMISSION
600 EAST BOULEVARD, DEPT 408
BISMARCK ND 58505-0480

HAND DELIVERED

Re: TransCanada - Keystone Pipeline Project
Case No: PU-07-_____
Our File No. 11815

Dear Ms. Jeffcoat-Sacco:

As requested, I am, on behalf of TransCanada Keystone Pipeline, LP, hereby filing under separate cover an original and one copy of the Application for Certificate of Public Convenience and Necessity.

Previously, I had filed this Application for Certificate of Public Convenience and Necessity within the same packet that was filed for the Route and Permit Applications with regard to Case No. PU-06-421.

I apologize for any inconvenience. If there is any additional information or documentation required please notify me. Also, if you have any questions, please feel free to contact me.

Sincerely,



Todd D. Kranda

TK:ls

Encs

c: TransCanada Keystone



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

TransCanada Keystone Pipeline, LP
30-Inch Crude Oil Pipeline/Cavalier to
Sargent Ctys

Case No. PU-06-421

**APPLICATION FOR WAIVER OR REDUCTION OF PROCEDURES
AND TIME SCHEDULES**

A Letter of Intent was filed on September 22, 2006 by TransCanada Keystone Pipeline (Keystone) pursuant to Section 49-22-07.1 of the North Dakota Century Code and Chapter 69-06-03 of the North Dakota Administrative Code. On October 25, 2006 the Commission acknowledged Keystone's September 6, 2006 Letter of Intent to construct a 30-inch crude oil pipeline in North Dakota.

A December 1, 2006 Application to Shorten One Year Period was filed with the Commission. On December 29, 2006 the Commission shortened the one year waiting period between the filing of the Letter of Intent and the application to construct a 30-inch pipeline to four months.

Keystone is submitting herewith its applications for the corridor and route permit with respect to the construction of the 30-inch crude oil pipeline along with an application for public convenience and necessity.

Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code provides for the filing of an application with the Commission for a waiver of any procedure or time schedules.


This Application for Waiver or Reduction by Keystone requests that the Commission approve and allow a joint and simultaneous filing of its applications for a Certificate of Corridor Compatibility and a Route Permit. Justification for a combination of the filing of these

Compatibility and a Route Permit. Justification for a combination of the filing of these applications exist to allow an expeditious decision and there is no adverse effect to allow such joint and simultaneous filing.

Additionally, Keystone requests that the Commission approve and allow the width of the corridor for the proposed pipeline to be set at one mile. Pursuant to Section 69-06-04-02(1)(b) of the North Dakota Administrative Code, the width of the corridor is to be at least ten percent of the length of the pipeline, but not less than one mile nor more than six miles. The proposed pipeline project would require a six mile wide corridor. However this application requests that the Commission approve a width of one mile for the corridor. This request is made in consideration of the extensively studied route and based on the extensive public input and agency input with the proposed route. A comprehensive filing is being made with regard to the corridor and route and no adverse effect is anticipated if a corridor width is allowed of one mile as requested.

Accordingly, it is respectfully requested by Keystone that the Commission approve this Application for the joint and simultaneous filing of the corridor and route applications and for the approval of the one mile corridor width.

Dated this 4th day of April, 2007.


TODD D. KRANDA, State Bar ID No. 04512
THOMAS D. KELSCH, State Bar ID No. 03918
KELSCH, KELSCH, RUFF & KRANDA
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Case No.: PU-06-421

Application to the
North Dakota Public Service Commission
for a
Certificate of Public Convenience and
Necessity
for the Keystone Pipeline

April 2007

APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

In accordance with Section 49-03.1-03 of the North Dakota Century Code, Keystone provides the following information in support of its application for a certificate of public convenience and necessity:

1. Financial Statement

A copy of the 2006 Annual Report, containing the financial statement for TransCanada Corporation is provided in Appendix I. TransCanada Keystone Pipeline, LP is an indirect wholly-owned subsidiary of TransCanada Corporation.

2. Description of the type of service to be offered

Transport of crude oil from Hardisty, Alberta, Canada to Patoka, Illinois via a 30-inch buried pipeline. Depending on the results of an open season held in 2007, Keystone may construct an extension of the pipeline to Cushing, Oklahoma.

3. Map and description of the area to be served


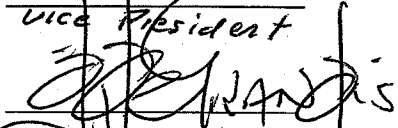
Please see Appendix F for maps of the pipeline route.

4. List of all other public utilities providing similar service in the area

Keystone's proposed project is a new initiative that is focused on providing pipeline transportation capacity for crude oil from Alberta to consumers in the United States. The only other major oil transmission line traversing the State of North Dakota is the Enbridge Lakehead Pipeline System. The Lakehead system is a 3,100 mile pipeline initiating in Edmonton, Alberta Canada and delivering approximately 1.4 million barrels of crude oil each day to the major oil refineries in the United States Midwest and the province of Ontario, Canada. The Lakehead pipeline crosses the north east corner of Pembina County and consists of approximately 22 miles of pipeline right-of-way through the State of North Dakota.

Wherefore, Keystone respectfully requests that the Commission issue the requested corridor certificate, route permit and certificate of public convenience and necessity as expeditiously as possible.

Respectfully submitted,


Vice President

SECRETARY

TransCanada Keystone Pipeline, LP
by its general partner,
TransCanada Keystone Pipeline GP, LLC