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June 26, 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-07-152
Our File No. 11815

Dear Ms. Jeffcoat-Sacco:

Enclosed for filing is an original and seven copies of the Response to Dakota Resource Council Request for Public Hearing on Necessity of Pipeline and Request to Delay Corridor Certificate and Route Permit Until EIS has been Completed and Affidavit of Service.

If you have any questions, please feel free to contact me.

Very truly yours,



Thomas D. Kelsch

TDK: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-07-152
Case No. PU-06-421

**RESPONSE TO DAKOTA RESOURCE COUNCIL
REQUEST FOR PUBLIC HEARING ON NECESSITY OF PIPELINE
AND
REQUEST TO DELAY CORRIDOR CERTIFICATE
AND ROUTE PERMIT UNTIL EIS HAS BEEN COMPLETED**

In April 2007, TransCanada Keystone Pipeline (TransCanada) filed an Application for Certificate of Public Convenience and Necessity (PC&N) in accordance with Section 49-03.1-03 NDCC for the TransCanada Keystone Pipeline in Case No. PU-07-152.

TransCanada also filed an Application for Corridor Certificate and Route Permit (Case No. PU-06-421). June 21, 2007 Dakota Resource Council (DRC) filed a Request for a Hearing on the Necessity of the Pipeline in Case No. PU-07-152 and a Request to Delay the Decision on the Corridor Certificate and Route Permit in Case No. PU-06-421 until the Federal EIS is completed.

TransCanada does not object to the North Dakota Public Service Commission holding a hearing on the PC&N. TransCanada requests that, if possible, the hearing on PC&N be scheduled for the morning of July 23, 2007 in Valley City, immediately prior to the scheduled hearing on Corridor Certificate and Route Permit. TransCanada will prepare testimony for filing prior to the hearing and will have personnel available for testimony at the hearing on Public Convenience and Necessity by July 23, 2007.

TransCanada objects to the request by DRC for delay in the approval of the Permit for Corridor Certificate and Route Permit. The delay was requested by DRC to wait until the Federal Environmental Impact Study (EIS) is completed. This stated reason is not a justification

for delaying the Corridor Certificate or Route Permit under North Dakota statutory or case law. The North Dakota Siting Act does not require the preparation or review by the North Dakota Public Service Commission of an environmental impact study. Furthermore, in this case it is unnecessary for the North Dakota Public Service Commission to review an EIS. The proposed TransCanada Pipeline, crosses the Canada/US Border. Due to the border crossing, the United States Government requires a Presidential Permit to be issued by the Department of State. This Presidential Permit has a requirement for the preparation and approval of an Environmental Impact Study by the Federal Government. DRC and any other interested persons who want to have a say in the Environmental Impact Study have the ability to file comments on the Federal level and this matter does not need to be heard or decided by the North Dakota Public Service Commission.

Should the North Dakota Public Service Commission approve the Corridor Certificate and Route Permit for TransCanada's pipeline, the North Dakota Siting Act requires that all required permits be obtained prior to the commencement of construction of the pipeline. TransCanada will have to have an approved EIS and Presidential Permit in place prior to construction of the pipeline in North Dakota.

The DRC has failed to cite any provision in North Dakota law which would justify delaying the hearings and/or granting of the Corridor Certificate and Route Permit for the TransCanada Pipeline.

TransCanada respectfully requests that DRC's Request for Delay in PU-06-421 be denied.

Dated this 26 day of June, 2007.



THOMAS D. KELSCH

State Bar ID No. 03918

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-07-152
Case No. PU-06-421

AFFIDAVIT OF SERVICE

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF MORTON)


LORI SPENCER, being first duly sworn, on oath, deposes and says: That she is a citizen of the United States, over the age of eighteen and not a party to the above-entitled action.

That on the 26 day of June, 2007, this affiant deposited in the United States Post Office at Mandan, North Dakota, a true and correct copy of the following document(s) in the above captioned action:

Response to Dakota Resource Council Request for Public Hearing on Necessity of Pipeline and Request to Delay Corridor Certificate and Route Permit Until EIS has been Completed

That a copy of the above document(s) was securely enclosed in an envelope with postage duly prepaid, and addressed as follows:

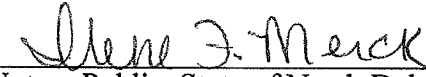
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LORI SPENCER

Subscribed and sworn to before me this 26 day of June, 2007.

(SEAL)



Notary Public, State of North Dakota

