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June 30, 2010

Mr. Darrell Nitschke  
Executive Secretary  
Public Service Commission  
600 East Boulevard Avenue – Dept 408  
Bismarck ND 58505-0480

Re: TransCanada Keystone Pipeline  
2010 Ten Year Plan

Dear Mr. Nitschke:

Pursuant to Section 49-22-04 of the North Dakota Century Code and the North Dakota Public Service Commission Guidelines for Ten Year Plan Reports, TransCanada Keystone Pipeline, LP hereby submits its Ten Year Plan for 2010.

Sincerely,



Todd D. Kranda

TK:ls  
Encs



Pursuant to Section 49-22-04 of the North Dakota Century Code, and the North Dakota Public Service Commission Guidelines for Ten-Year Plan Reports (Guidelines), TransCanada Keystone Pipeline, LP (Keystone) hereby submits its Ten-Year Plan for 2009. The Section headings and Item Nos. in this report correspond to those set forth in the Guidelines:

**Section A Existing Energy Conversion Facilities**

1. Keystone will be a common carrier engaged in the transportation of crude oil via its proposed pipeline system, which will extend from Western Canada to terminals in Missouri, Illinois, and Oklahoma. Keystone has no energy conversion facilities, as defined in North Dakota Century Code § 49-22-03(5) and does not file Federal Energy Regulatory Commission Form No. 67.
2. Not Applicable. (See No. 1 above).

**Section B Energy Conversion Facilities Under Construction**

Not Applicable – Keystone does not have any Energy Conversion Facilities under construction.

**Section C Proposed Energy Conversion Facilities on Which Construction is Intended Within the Ensuing Five Years**

Not Applicable -- Keystone does not propose to construct or operate any Energy Conversion Facilities within the next five-year period.

**Section D Proposed Energy Conversion Facilities During the Next Ten-Year Period**

Not Applicable – Keystone does not propose to construct or operate any Energy Conversion Facilities within the next ten-year period.

**Section E Existing Transmission Facilities (Electric)**

Not Applicable – Keystone does not have any electric transmission facilities in North Dakota.

**Section F Existing Transmission Facilities (Pipeline)**

1. Location: See maps attached as Appendix A.
2. Geographical Service Area: No service is currently proposed in North Dakota.
3. Facility Description:
  - a. Product type: Crude oil.
  - b. Approximate length of facility in miles: 218 miles in North Dakota. (The length of the proposed facility in the United States is approximately 1,083 miles from the North Dakota-Canada border to Patoka, Illinois. The pipeline will also be extended another 296 miles to Cushing, Oklahoma.
  - c. Pipe Size: 30-inches O.D. in North Dakota.
  - d. Design pressure, temperature, and flow rate: The design pressure is 1440 psi. The operating temperature in North Dakota will range between 52°F to 60°F in the winter and 78°F to 85°F in the summer with a flow rate of 435,000 bbl/day and between 69°F to 80°F in the winter and 92°F to 102°F in the summer with a flow rate of 591,000 bbl/day.
  - e. Number of compressor or pumping stations: There are five (5) pumping stations in North Dakota (24 total in the United States). The five North Dakota pump stations are described below:
    - Edinburg – Walsh County – 3 Pump Units
    - Niagara – Nelson County – 4 Pump Units
    - Luverne – Steele County – 2 Pump Units
    - Fort Ransom – Ransom County – 3 Pump Units
    - Ludden – Sargent County - 3 Pump Units
4. Proposed Timetable:
  - a. Corridor Identification: The Public Service Commission issued a Certificate of Corridor Compatibility (No. 101) to Keystone on February 21, 2008, a First Amended Certificate of Corridor Compatibility (No. 101) dated May 30, 2008, a Second Amended Certificate of Corridor Compatibility (No. 101) dated July 2, 2008, and a Third Amended Certificate of Corridor Compatibility (No. 101) dated August 27, 2008.
  - b. Route Identification: The Public Service Commission issued a Route Permit (No. 111) to Keystone on February 21, 2008, a First Amended

Route Permit (No. 111) dated May 23, 2008, a Second Amended Route Permit (No. 111) dated May 30, 2008, a Third Amended Route Permit (No. 111) dated June 19, 2008, a Fourth Amended Route Permit (No. 111) dated July 2, 2008, and a Fifth Amended Route Permit (No. 111) dated August 27, 2008.

- c. Construction: Construction commenced in May 2008 and the pump stations were mechanically completed in the First Quarter of 2009. Final completion of the pump stations, which includes items not critical to operate the pipeline system will be in the Fourth Quarter of 2010.
- d. Initial Commercial Operation: Second Quarter 2010.
- e. Capacity: Keystone initially has the nominal design capacity to deliver 435,000 barrels per day (bpd) with commercial operations commencing in the Second Quarter of 2010. The pipeline will be expanded to increase nominal design capacity to 591,000 bpd with construction commencing in May, 2010.
- f. Anticipated Expansion or Additions: The proposed Keystone crude oil pipeline will be expanded to a nominal capacity of 591,000 bpd through the addition of pumping capability and will be extended to terminal facilities at Oklahoma. That will involve the addition of two (2) to three (3) pumping units to each of the existing pump stations in North Dakota as described below:
  - Edinburg – Walsh County – 2 Additional Units (total of 5 Pump Units)
  - Niagara – Nelson County – 1 Additional Unit (total of 5 Pump Units)
  - Luverne – Steele County – 2 Additional Units (total of 4 Pump Units)
  - Fort Ransom – Ransom County – 1 Additional Unit (total of 4 Pump Units)
  - Ludden – Sargent County – 1 Additional Unit (total of 4 Pump Units)

The Cushing Extension will also require three (3) additional new pump stations, which are located in Kansas and Oklahoma.

The pipeline system in North Dakota is not currently anticipated to be expanded.

**Section G Proposed Transmission Facilities on Which Construction is Intended Within the Ensuing Five Years (Electric)**

Not Applicable – Keystone does not plan to construct any electric transmission facilities in North Dakota within the ensuing five years.

**Section H Proposed Transmission Facilities on Which Construction is Intended Within the Ensuing Five Years (Pipeline)**

Not Applicable – Keystone does not currently have any pipeline transmission facilities proposed in North Dakota other than the existing pipeline facility discussed in Section F above.

**Section I Proposed Transmission Facilities During the Next Ten-Year Period (Electric and Pipeline)**

Not Applicable -- Keystone does not propose to construct any transmission facilities in North Dakota during the next ten-year period, other than those described in Section F above.

**Section J Regional Coordination**

The proposed pipeline facilities discussed in Section F above are not currently part of a regional plan.

**Section K Environmental Information**

The proposed pipeline facilities discussed in Section F above were the subject of an Environmental Impact Statement prepared by the United States Department of State, with the assistance of other cooperating agencies, pursuant to the National Environmental Policy Act. In addition, Keystone is applying specific construction, operation, and reclamation methods, and environmental protection measures, as set forth in its updated Construction, Mitigation, and Reclamation Plan, attached as Appendix B hereto, and as required by its PSC Certificate of Corridor Compatibility and Route Permit. Keystone submitted its preliminary Emergency Response Plan (Oil Spill Response Plan) as Appendix C to its 2008 Ten-Year Plan. As required by its PSC Certificate of Corridor Compatibility and Route Permit and applicable federal regulations, Keystone has prepared a final Emergency Response Plan, which has been approved by the Pipeline and Hazardous Materials Safety Administration (PHMSA).

**Section L Projected Demand for Service**

No deliveries are currently proposed for North Dakota. According to the United States Energy Information Administration (EIA), U.S. demand for petroleum products has increased by over 17 percent or three million bpd over the past 10

years and is expected to increase further. The EIA estimates that total U.S. petroleum consumption will increase by approximately 5.3 million bpd over the next 20 years.