

STATE OF SOUTH DAKOTA)
)
COUNTY OF HUGHES)

IN CIRCUIT COURT

SIXTH JUDICIAL CIRCUIT

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IN THE MATTER OF PUBLIC UTILITIES
COMMISSION DOCKET NO. HP14-001,
ORDER ACCEPTING CERTIFICATION OF :
PERMIT ISSUED IN DOCKETT HP09-001 :
TO CONSTRUCT THE KEYSTONE XL :
PIPELINE :

32CIV 16-33

**AFFIDAVIT OF
HOWARD LEE ROMACK IN
SUPPORT OF KEYSTONE'S
RESISTANCE TO MOTION TO
REMAND**

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Howard Lee Romack, after first being duly sworn upon his oath, makes this affidavit and states the following:

1. My name is Howard Lee Romack and I work with TransCanada Keystone Pipeline, LP as the Manager of U.S. Pipeline Regulatory Compliance. I am over the age of twenty-one (21) years, am competent to testify to the matters stated herein, have personal knowledge of the facts and statements in this affidavit, and each of the facts and statements is true and correct.

2. On April 2, 2016, the Keystone Pipeline experienced a release of crude oil (the "Release") near Freeman, South Dakota.

3. TransCanada Oil Pipeline Operations, Inc. ("TC Oil"), which is the operator of the Keystone Pipeline, notified the National Response Center and initiated shutdown of the entire pipeline within minutes after learning of the release.

4. On April 9, 2016, the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Corrective Action Order ("CAO") to TC Oil in response to the Release.

5. Prior to restarting the pipeline, TC Oil developed a return to service plan with review and involvement by PHMSA. TC Oil also developed a remedial work plan that would ensure the ongoing integrity of the pipeline. PHMSA reviewed and approved both plans.

6. On April 10, 2016, PHMSA authorized TC Oil to begin a safe and controlled restart of the Keystone Pipeline, operating at eighty (80) percent of maximum operating pressure.

7. As part of TC Oil's protocol, and in agreement with PHMSA, daily site updates were provided to staff at PHMSA's Central Region starting on April 02, 2016 through June 29, 2016. The daily updates included site updates on activities pertaining to operations, construction, repairs, remediation, regulatory requirements, communications and site security.

8. Pursuant to the CAO, the following required corrective actions were performed with PHMSA's review and approval:

- a. removal of a short segment of the pipeline containing the failed girth weld in the presence of a PHMSA representative;
- b. mechanical and metallurgical testing of the failed weld by an independent third party and approved by PHMSA;
- c. an engineering assessment that profiled other girth welds within the affected segment for similarity to the girth weld that leaked, which included:
 - i. a Smartball acoustic in-line leak detection run across the entirety of the affected pipeline segment;
 - ii. a Magnetic Flux Leakage in-line inspection by a third party of similar girth welds conducted along the extremity of the Keystone Pipeline within the State of South Dakota;
 - iii. a geo-probe soil sampling to pipe depth performed at nine sites;
 - iv. a K-9 leak detection inspection performed over 394 similar girth welds with no positive leak indications; and
 - v. excavations and inspections of the pipeline to further examine four girth welds and five transition welds noted as "possible anomalies" by the in-line inspection tools.

9. The results of the above pipeline metallurgical testing and in-line and leak detection inspections were reviewed at a meeting on May 25, 2016 at PHMSA's Central Region with the PHMSA Regional Director and staff. TransCanada reported that the in-line inspections revealed no features indicative of additional leaks.

10. As a result of the May 25, 2016 meeting, PHMSA agreed to allow the pipeline pressure restriction to be lifted to ninety (90) percent of the maximum operating pressure.

11. On June 16, 2016, TC Oil personnel met with PHMSA staff again to review the status of the CAO requirements and report on the results of the excavations, which validated that there were no other features on the affected pipeline segment similar to the failed transition girth welds.

12. The CAO also required completion of a Root Cause Failure Analysis ("RCFA") facilitated by an independent third-party. To that end, and with PHMSA's approval, Kiefner & Associates ("Kiefner") was retained as the independent third-party engineering expert to prepare the RCFA.

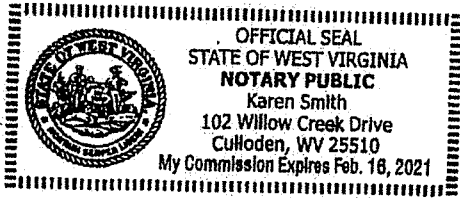
13. Prior to submitting the RCFA, Kiefner and TC Oil met with PHMSA's staff on August 4, 2016 to review a draft of the report's findings and to field questions and solicit input from PHMSA. The RCFA was completed and submitted to PHMSA on September 6, 2016.

14. On September 13, 2016, based on a review of information demonstrating that there were no other girth weld features similar to the one that failed were present in the affected segment, PHMSA granted TC Oil's request to remove the remaining ten per cent (10%) pressure restriction imposed by the CAO.

15. A meeting between TC Oil and PHMSA was held on October 14, 2016 at the PHMSA Central Regional Office to review the RCFA and remedial activities performed to date, as well as to receive feedback and answer questions from PHMSA staff. At the end of the meeting, TC Oil requested closure of the CAO, noting that all of its requirements had been completed. PHMSA staff advised that TC Oil should proceed with the submittal of its request for the closure of the CAO and that a final determination would be pending.

Howard Lee Romack

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, by Howard Lee Romack, on
this 21st day of Oct. 2016, to certify which witness my hand and seal of office.



Karen Smith
Notary Public in and for

My Commission Expires: Feb. 18, 2021