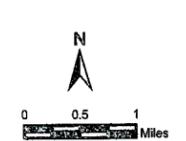


 Pipeline
 Co-Located Keystone and Rockies Express Pipelines



Keystone Pipeline Project
 **TransCanada**
In business to deliver

Map 1 of 5
Land Access Areas
(Kansas)

ENSR

1601 Prospect Parkway, Fort Collins, Colorado 80528-8769
T 970.491.0879 F 970.491.0213 www.ensraecom.com

March 21, 2006

Mr. Steven Naylor
Regulatory Program Manager
USACE-South Dakota Regional Office
28563 Powerhouse Road, Room 118
Pierre, South Dakota 57501

Subject: Keystone Pipeline Project

Dear Mr. Naylor,

We look forward to meeting with you on Wednesday, March 29 at 10 am in the U.S. Army Corps of Engineers (COE) office in Pierre, South Dakota to provide a project status update on the Keystone Pipeline Project and to discuss our proposed field programs for 2006. Scott Ellis and Karen Caddis with ENSR will be attending. We understand that Russ Rocheford, Keith Tillotson, and Patsy Crooke with the COE will also be attending via phone. The overall purpose of this meeting is to discuss survey and application requirements and the information that Keystone will provide to the U.S. Army Corps of Engineers (COE) so that project-related wetland and water body jurisdictional determinations can be made.

To assist with preparation for the meeting and review of the project, please find the following attachments:

1. Pipeline Route maps. These strip maps illustrate the proposed pipeline alignment on an aerial photo and topographic base at a scale of 1:24,000. The National Wetland Inventory polygons have been included as an overlay on both bases. Also included are preliminary wetland survey areas that were determined by ENSR from aerial photo review.
2. Drainage crossings. A table listing drainage crossings is derived from the USGS watershed drainage GIS layers. Crossing locations are correlated with project mileposts. This table is the starting point for the Waters of the U.S. review.
3. Wetland/waterbody crossing methods. This is a section from the filing that Keystone will submit to the Department of State at the end of March.
4. Draft Survey Protocol. The survey protocol will be provided to you later this week via e-mail.

Preliminary Meeting Agenda

The following is a list of items that we would like to cover. We would appreciate your input on these, and other topics that should be discussed.

1. Introductions
2. Keystone Waterbody and Wetland Crossing Methods
3. Pipeline route review (routing considerations and concerns)
4. Overview of 2006 Field Program
5. Field Survey Technical Issues (definitions and level of survey)

Client Name
Page 2

- Waters of the U.S.
 - Farmed wetlands
 - Prairie potholes
6. Technical reports (content and format).
 7. COE expectations, and future communications

If you have questions regarding the attached information prior to the meeting on March 29, please call Karen Caddis or Scott Ellis at 970-493-8878, or contact us by e-mail (kcaddis@ensr.aecom.com or sellis@ensr.aecom.com). We appreciate the opportunity to meet with staff from all the COE offices within the Omaha District with responsibilities for this project.

Sincerely yours,



Karen Caddis
Senior Technical Specialist/Wetlands Program Coordinator



Scott Ellis
Environmental Permitting Project Manager

Caddis, Karen

Subject: TransCanada Keystone Pipeline Project Pre-Application meeting
Location: USACE office, 28563 Powerhouse Road, Room 118, Pierre, SD 57501

Start: Wed 3/29/2006 10:00 AM
End: Wed 3/29/2006 1:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Required Attendees: Caddis, Karen; dwight.k.tillotson@usace.army.mil; steven.e.naylor@nwo02.usace.army.mil; russell.w.rocheford@usace.army.mil; patsy.j.crooke@usace.army.mil; Ellis, Scott; Caddis, Karen

This e-mail is being sent to confirm your availability to attend a pre-application meeting for the TransCanada Keystone Pipeline Project on Wednesday, March 29 at 10 am at the USACE's office in Pierre, South Dakota. Steven Naylor and his team will be hosting the meeting. Scott Ellis and Karen Caddis with ENSR will be attending in person to present the project. It is anticipated that Keith Tillotson and Russ Rocheford and their office associates will be calling in. Patsy Crooke and Dan Cimarosti are expected to attend in person. If any of these attendance assumptions are incorrect; please let Karen Caddis know (970-493-8878 or kcaddis@ensr.aecom.com) and we will adjust accordingly. Pre-application informational booklets should be arriving in your various offices the week of March 20 from ENSR to provide you time to review the project prior to the meeting. If you have any questions regarding the project, please contact Karen. Steven: will Keith and Russ need a conference number to call in on? Please confirm with Karen and Steven that you will be able to attend. Thank you for your participation in this project!

CONFIDENTIAL

FOR INTERNAL KEYSTONE PROJECT USE ONLY

TransCanada – Keystone Pipeline Contact Summary Form

Location of Meeting ENSR

Date/Time of Meeting August 10, 2006

Keystone Team
Member(s) Karen Caddis

Contact Information:

Name	Russ Rocheford
Title	Omaha District Assistant Regulatory Chief
Organization	USACOE
Address	106 S. 15 th Street, Omaha, NE 68102
County	
Phone	402-221-4125
Mail address	russell.w.rocheford@usace.army.mil

Meeting Information:

Type of Contact (phone, in-person, etc.): Phone

Issue: Geotechnical exploration drilling and nationwide permitting

Concern Level: High ___ Moderate X Low ___

Description:

I spoke with Russ since Cheryl Goodesberry, our main contact with the Omaha District is out of the office this week. Russ is the main COE lead for Omaha. I told Russ that Keystone is wanting to complete geotechnical studies at major drainage crossings in anticipation of construction and to obtain soils information to assist with design. I asked if this type of work could be permitted under Nationwide Permit 6. He believed it could be and requested that I provide his office with a notification letter describing the work, providing maps, and locational information. Russ also suggested contacting Steve Earle or Bob Wilcutts with their project management division at 402-221-7325 to see if there would be any additional construction requirements for geotechnical activities taking place near levees or dams (such as at the Missouri River at Yankton). I subsequently contacted Steve Earle and left a message with no response as of August 13, 2006.

On another note, Russ indicated that Dan Cimarosti has been selected by the USACOE's Washington, D.C. office to act as their representative for the COE for the entire project. Russ did not think this would affect how we are currently doing business, just who Washington, D.C. would work through.

CONFIDENTIAL

FOR INTERNAL KEYSTONE PROJECT USE ONLY

Follow-up Required / Requested

I am to provide Russ and Cheryl with a letter notifying the Omaha District of the proposed geotechnical work.

Additional Comments

ENSR

1601 Prospect Parkway, Fort Collins, Colorado 80525
T 970.493.8878 F 970.493.0213 www.ensr.aecom.com

May 2, 2006

Mr. Russ Rocheford
Assistant Branch Chief
USACE- Omaha District Office
106 South 15th Street,
Omaha, NE 68102

Mr. Steven Naylor and Jeff Breckenridge
USACE –Omaha District, South Dakota Regional Office
28562 Powerhouse Road, Room 118
Pierre, SD 57501

Mr. Dan Cimaroski and Ms. Patsy Crooke
USACE- Omaha District, North Dakota Regional Office
1513 S. 12th Street
Bismarck, ND 58504

Mr. Keith Tillotson
USACE- Kearney Field Office
1430 Central Avenue
Kearney, NE 68847

Re: Keystone Pipeline Project Meeting Concerning Section 404/Section 10 Application Requirements

Dear Omaha District Representatives:

We thank you for your participation and recommendations at the Keystone Pipeline Project introduction and planning meeting at the South Dakota Regional Office in Pierre on March 29, 2006. We appreciate your input regarding regulatory requirements for your District.

We have summarized our understanding of the main meeting points below:

Potential Project Permits

Based on information provided by the Keystone Project to date, the Omaha District expects that pipeline construction disturbance across the Omaha District will be temporary, and will not result in permanent fills within wetlands and Waters of the United States. As a consequence, wetland and waterbody disturbance could be permitted under Nationwide Permit 12 (Utility Line Discharges) if the conditions of the Permit are met.

The Omaha District anticipates that the Missouri River crossing can be permitted under Section 10. The USACE can authorize a crossing if all of the conditions of the Nationwide permit are met, including getting a confirmation in writing from the National Park Service that says that construction techniques will meet the conditions of the Wild and Scenic River designation. The USACE recommends that Keystone ask the National Park Service for written documentation regarding how to comply with the Wild and Scenic River designation. The Omaha District would be interested in participating in an interagency task to discuss the Missouri River crossing.

ENSR

1601 Prospect Parkway, Fort Collins, Colorado 80525
T 970.493.8878 F 970.493.0213 www.ensr.aecom.com

May 2, 2006

Mr. Russ Rocheford
Assistant Branch Chief
USACE- Omaha District Office
106 South 15th Street,
Omaha, NE 68102

Mr. Steven Naylor and Jeff Breckenridge
USACE –Omaha District, South Dakota Regional Office
28562 Powerhouse Road, Room 118
Pierre, SD 57501

Mr. Dan Cimaroski and Ms. Patsy Crooke
USACE- Omaha District, North Dakota Regional Office
1513 S. 12th Street
Bismarck, ND 58504

Mr. Keith Tillotson
USACE- Kearney Field Office
1430 Central Avenue
Kearney, NE 68847

Re: Keystone Pipeline Project Meeting Concerning Section 404/Section 10 Application Requirements

Dear Omaha District Representatives:

We thank you for your participation and recommendations at the Keystone Pipeline Project introduction and planning meeting at the South Dakota Regional Office in Pierre on March 29, 2006. We appreciate your input regarding regulatory requirements for your District.

We have summarized our understanding of the main meeting points below:

Potential Project Permits

Based on information provided by the Keystone Project to date, the Omaha District expects that pipeline construction disturbance across the Omaha District will be temporary, and will not result in permanent fills within wetlands and Waters of the United States. As a consequence, wetland and waterbody disturbance could be permitted under Nationwide Permit 12 (Utility Line Discharges) if the conditions of the Permit are met.

The Omaha District anticipates that the Missouri River crossing can be permitted under Section 10. The USACE can authorize a crossing if all of the conditions of the Nationwide permit are met, including getting a confirmation in writing from the National Park Service that says that construction techniques will meet the conditions of the Wild and Scenic River designation. The USACE recommends that Keystone ask the National Park Service for written documentation regarding how to comply with the Wild and Scenic River designation. The Omaha District would be interested in participating in an interagency task to discuss the Missouri River crossing.

Omaha District Representatives
May 2, 2006
Page 2

Wetland and Waterbody Crossing Information and USACE Jurisdiction Determinations

Because of the linear nature of the project, and the temporary nature of the expected surface disturbance, wetland delineation in accordance with the 1987 USACE wetlands delineation manual (three parameter method) will not be required in the Omaha District, with the exception of locations where permanent aboveground facilities will be constructed.

In order for the Omaha District to confirm that Nationwide conditions will be met, and to determine USACE jurisdiction, the Omaha District approves of the following methods for describing wetland and waterbody crossings and making USACE jurisdiction determinations:

- An inventory of wetland and waterbody crossings based on data obtained from the USGS/EPA surface water drainage data base, National Wetland Inventory (NWI) mapping, aerial photography and/or topographic map interpretation will be prepared. A preliminary list was provided in the pre-meeting Keystone submittal.
- Keystone Project wetland scientists will visit and describe the wetland and waterbody crossings illustrated on the 1:100,000 scale map set, and crossing tables furnished to the USACE prior to the March 29 meeting. These field survey locations include perennial stream crossings and adjacent floodplains; large wetland complexes; streams that have been identified as containing populations of the Topeka Shiner; other streams called out by agencies as containing sensitive aquatic resources; forested wetlands. These crossings will be described in accordance with the ENSR draft survey protocols previously submitted to the USCOE. These protocols include the use of the 1987 Manual three parameter delineation methods for wetland crossings to insure consistency of description. Sites not requiring field confirmation will include unnamed ephemeral and intermittent drainages and highly modified channels across farmed fields.
- Evidence supporting the project's permitting under Nationwide permits will be provided to the USACE and will include; field delineation, tabular data obtained from National Wetland Inventory (NWI) mapping, aerial photography and/or topographic map interpretation for ROW crossings. This supporting information will be provided in tabular format and will include the location of the feature (UTM or Latitude/longitude); county and state; type of feature (e.g.; intermittent drainage, palustrine emergent wetland); crossing distance and potential temporary disturbance acreage; and proposed crossing methodology (e.g.; open cut, horizontal directionally drilled). Wetlands will also be documented as isolated or not isolated along with the rationale used to make that determination. Direct and indirect impacts from construction will be reviewed, including whether hydrology would be altered.
- To assist the Omaha District with its project review, Keystone will make a preliminary determination of USACE jurisdiction for the project wetland and waterbody crossings. An explanation of the regulatory basis for the jurisdiction determination will be provided (e.g.; intrastate water, Section 10 water, etc.). The preliminary jurisdiction assessment table/report will be provided to the USACE when the project believes it has a firmly defined pipeline route. After Keystone completes its preliminary jurisdiction review and provides its report, Keystone will request a jurisdictional determination from the Omaha District. When the determination from the USACE is received, Keystone will apply for the Section 404 and/or Section 10 Permits.

Omaha District Representatives
May 2, 2006
Page 3

Other Factors to be Considered Related to Nationwide Permits

- The Nationwide 12 Permit cannot be used to permit crossings on Class 1 or 1A streams in North Dakota. The locations of these streams should be discussed with Mike Sauer with North Dakota Department of Health to determine whether any would be crossed by the project.
- Nationwide permits are expiring in March 2007. Although the Omaha District anticipates that the permits will be renewed, they suggest that Keystone work to get permitted now, so that they can be "grandfathered in" if permit requirements change.
- Regional conditions that may limit the use of Nationwide permits should be reviewed on the USACE's website. These conditions include construction through fens and springs. The USACE in North Dakota has fen and spring locations identified and can provide them to ENSR. The NHP and state agencies have this information in South Dakota and Nebraska.
- The Omaha District indicated that there may be seasonal restrictions on spawning streams in North Dakota. The Maple, Sheyenne, Elkhorn, Missouri, and Platte rivers are of concern and should be field-delineated.
- Cultural resource information should be shared with the USACE as soon as possible after field surveys are completed. No mitigation should begin until the USACE has had time to comment. The USACE needs to be kept apprised of all major project developments and cultural issues and interactions with tribal representatives. USACE contacts should be copied on all major communications with other agencies (e.g., USFWS).
- The USACE is interested in the location of farmed and prior converted (PC) wetlands along the ROW. This information may be available from the Natural Resources Conservation Service (NRCS) state office or the various state agencies. The procedure for obtaining this information should be documented, particularly if the information is not available. If PC wetlands are located adjacent to jurisdictional wetlands, the USACE may take jurisdiction on the PC wetlands. If farmed wetlands are isolated, intrastate and can't "float a boat," the USACE will likely not take jurisdiction. Regarding prairie potholes; the Omaha District indicated that if potholes could "float a boat" and are adjacent to or hydrologically influenced by jurisdictional wetlands, the USACE will likely take jurisdiction. Prairie pothole crossings should be included in the table and field-evaluated.
- Cheryl Goode will act as the point of contact between the Omaha District Office and the field offices.

If any of these points are not correct, please let us know and we will work with you to correct our understanding. ENSR anticipates that field surveys will commence in the Omaha District by May 15 (in Nebraska), and later in May in South and North Dakota.

If at any time you have questions or concerns regarding the project, please contact Karen Caddis or Scott Ellis at 970-493-8878 or via e-mail (kcaddis@ensr.aecom.com or sellis@ensr.aecom.com). Thank you again for your assistance with the Keystone Pipeline Project. We appreciate your help.

Sincerely,



Karen Caddis
Wetlands Survey Field Coordinator



Scott Ellis
Regulatory Project Manager

KC/SE

Caddis, Karen

From: Crooke, Patsy J NWO [Patsy.J.Crooke@nwo02.usace.army.mil]
Sent: Monday, May 08, 2006 1:26 PM
To: Caddis, Karen
Cc: Cimarosti, Daniel E NWO; Rocheford, Russell W NWO; Goldsberry, Cheryl S NWO; Tillotson, Dwight K NWO
Subject: Keystone Pipeline Comments

Hi, Karen:

Here are some comments we have from the North Dakota Regulatory office regarding your letter of May 2, 2006 :

Nationwide 12 permit can be used for the project, however, individual 401 certification must be obtained for those crossing Class I or 1A rivers, or classified lakes. It is not automatic with the nationwide.

In North Dakota, lists of springs and fens are kept by the Natural Heritage program. Contact would be Kathy Duttenehner (701) 328-5370. They have a lot of ecological data in their system that would be helpful.

Cheryl Goldsberry will be providing comment regarding the PC issue.

Thank you for the good communication between our offices and you folks. If you have any other questions, don't hesitate to call.

Patsy Crooke

Patsy Crooke
Project Manager
USACE-NDRO
1513 S 12th Street
Bismarck, ND 58504
701-255-0015
FAX 701-255-4917
patsy.j.crooke@usace.army.mil

Caddis, Karen

From: Caddis, Karen
Sent: Wednesday, May 10, 2006 2:24 PM
To: Crooke, Patsy J NWO
Cc: Ellis, Scott
Subject: RE: kKeystone Pipeline Comments

Patsy,

Thank you for the clarifications. As far as we understand, no PC wetlands would be changed from agricultural use as a result of construction of the proposed ROW, so if I understand your comments correctly, no new delineations for PC wetlands would be required. We will be visiting prairie pothole sites that appear to lie within the proposed ROW to complete delineations. Preferably, we will be able to reroute the ROW around these sites to avoid impacts if they do indeed occur in the proposed ROW. Thank you for your continued help with this project.

Karen

From: Crooke, Patsy J NWO [mailto:Patsy.J.Crooke@nwo02.usace.army.mil]
Sent: Wednesday, May 10, 2006 12:59 PM
To: Caddis, Karen
Subject: kKeystone Pipeline Comments

Patsy Crooke

Project Manager

USACE-NDRO

1513 S 12th Street

Bismarck, ND 58504

701-255-0015

FAX 701-255-4917

patsy.j.crooke@usace.army.mil

From: Goldsberry, Cheryl S NWO
Sent: Wednesday, May 10, 2006 1:00 PM
To: 'KCADDIS@ENSR.AECOM.COM'

8/19/2006

Cc: Crooke, Patsy J NWO; Cimarosti, Daniel E NWO; Tillotson, Dwight K NWO; Naylor, Steven E NWO; Rocheford, Russell W NWO

Subject: Keystone Pipeline Comments

Karen: This is in response to your letter dated May 2, 2006.

A certified PC determination made by the NRCS remains valid as long as the area is devoted to an agricultural use. Valid PC wetlands are not jurisdictional under the Clean Water Act. If the land changes to a non-agricultural use, the PC determination is no longer applicable and a new wetland determination is required for Clean Water Act purposes.

Prairie potholes do not need to be adjacent to or hydrologically influenced by jurisdictional wetlands in order to be jurisdictional. However, prairie potholes must be used by interstate travelers for recreational boating before we would consider them to be jurisdictional.