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**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

Public Utilities Commission  
Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

Dear Commission Members;

I would like to submit my comment for the hearing regarding the permit of the Keystone XL (KXL) pipeline, and I would urge you to reject this permit. This tar sands oil pipeline would be allowed under the false pretenses of national security, independence from foreign oil, and the creation jobs.

The number of jobs that would be created as advertised is false. We know that the construction of the first Keystone pipeline which crossed the Missouri River near Yankton, SD, employed only few workers in our area with no economic impact. We know that the State Department has said that 35 permanent jobs "may be" created with possibly of an additional 15 jobs for inspectors. Those figures are for the entire length of the pipeline not only jobs in South Dakota.

The use of American steel instead of inferior imported steel would have created real American jobs.

Keystone pipelines have a terrible record of sloppy construction work and oil spills when operating. Two inspectors (one for the first pipeline and the second one for the southern leg of the KXL) have documented inferior materials being used and bad construction practices. Pipe that cracks when welded, etc., but workers have said that it doesn't matter as it is all covered up with dirt! In 2013 it was reported that TransCanada was in damage control mode concerning flaws in the newly laid southern leg of the KXL pipeline after dozens of anomalies, including dents and welds, were identified along a 60-mile stretch north of the Sabine River in Texas.

The first Keystone pipeline had over a dozen spills during their first year of operation including the 60-foot high geyser of oil on the ND/SD border. (Argus Leader) It had 47 stretching anomalies that had to be excavated, and 12 of these were in SD. Those excavations meant the landowner had to allow the company to disrupt his property for a second time.

Attorney Brian Jorde and Nebraska farmers that have land directly involved have been told that if they damage the pipeline with heavy farm equipment it will be at their expense, and it would break them financially. They are urged to buy \$2 million in liability insurance, but it is hard to find an insurance company willing to sell that type of insurance. It has been reported that crops grown over the first Keystone pipeline do not produce a high yield as the heat from the pipeline depletes the moisture in the soil thus drying out the growing crop.

Nearly 70 landowners sought the temporary injunction to block TransCanada from using eminent domain to secure right-of-way for this controversial oil pipeline. No eminent domain for foreign company gain!

Another often repeated lie is that the proposed route does not cross the Ogallala aquifer, but it does. It crosses the aquifer in south central SD as well as in Nebraska. TransCanada's own map illustrates that the pipeline would still cross an area of the sand hills and the aquifer. It is a very ecologically sensitive area where in places the water table is so high that a buried pipeline would actually be submerged in water. To clean pollution from the aquifer would be impossible as it is under ground and runs for miles. Contamination of this water source would have a devastating effect on Midwest agriculture and the economy as this is the nation's breadbasket.

Another lie is that the refined product from the KXL would create energy security here in the US. TransCanada Executive Vice President Alex Pourbaix, when under oath in the Congressional hearing, refused to commit to a promise that this oil or refined product would stay for use in the United States. He said "I cannot do that", and admitted the product will be sold on the world market. For years many articles have stated that the price of gas here in the Midwest will actually go up \$0.20 or more per gallon because the glut of oil in this area would be released.

Supporters tout the property tax revenue to be generated for SD by the TransCanada pipelines, but due to the generosity of our state that will be slow to materialize. SD promised millions of dollars in property tax rebates at the time the first pipeline was built. During the first year of operation TransCanada guesstimated \$9 million in tax revenue would be generated, but in fact the revenue should have come closer to \$3 million (or 1/3 of their selling point), but being our state had promised a tax rebate they asked to use a portion of it, and SD gained only a pittance.

Does SD have an indemnity bond to help pay for the cost of the cleanup of a spill? Consider the Exxon Silvertip oil spill in the Yellowstone River in 2011 cleanup cost \$135 million. That spill was from a 12-inch pipe! Comparing the cost to the Silvertip spill, the cost of cleanup from a 36 inch pipe could reach \$4.7 billion. Several years have passed and millions of dollars have been spent but the Yellowstone and Kalamazoo Rivers still are not restored and probably never will be as this heavy oil sinks to the bottom.

Being tar sands "dilbit" is not consider regular oil TransCanada does not have to pay into the Federal Oil Spill Liability Trust Fund.

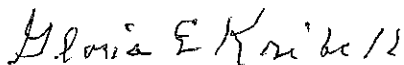
Many professors of Environmental Studies in the US and Canada have stated that the KXL pipeline is "essential" to the development of tar sands. The heads of Oil Change International (OCI), National Resources Defense Council (NRDC), and the financial investment group Ceres, all report that the KXL pipeline is the "lynchpin" needed for tar sands expansion. But expanding tar sands oil development creates the effect of adding four million additional cars a year to Canada's roads, and adding 37 million new cars to the US roads. The growth in emissions would make it impossible to meet the 2020 climate target Canada shares with the US, and would bring us closer to the 2 degree temperature increase limit that scientist warn is the tipping point.

The State Department published a draft Supplemental Impact Statement (SEIS) for the reconfigured KXL pipeline. The SEIS was drafted by the Environmental Resources Management (ERM) found that the pipeline would pose little risk to the environment, but a closer look at ERM reveals that they are a member of the Western Energy Alliance, the American Fuel and Petrochemical Manufacturers (AFPM), and the Louisiana Mid-Continent Oil and Gas Association, and that the top two ERM staffers are listed on the boards of the Western States Petroleum Association which supports the KXL pipeline. ERM officials working on the KXL review have also served as consultants for other projects developed by TransCanada, one being the Alaska Pipeline Project. The American Petroleum Institute (API), a top lobbying group confirmed that ERM is a member. API, Western Energy Alliance, and the AFPM have all signed a letter (2012) urging the Congress to approve the pipeline. So much for an unbiased review and assessment!

The mining of tar sands destroys the boreal forest in Canada that absorbs CO2, and it creates huge "tailings ponds" that are so toxic that birds landing in them die. Further development of tar sands will increase greenhouse gasses and the size of the tailings ponds which are already beginning to leach their poisons into the nearby areas.

For South Dakota, this KXL pipeline is all risk with no reward. I urge you to please reject this pipeline permit.

Sincerely,



Gloria E. Kribell  
Union County, SD