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**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
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February 8, 2010

Brett Koenecke
May, Adam, Gerdes & Thompson LLP
503 South Pierre Street
PO Box 160
Pierre, SD 57501

Subject: TransCanada / Keystone Emergency Response Plan

Dear Mr. Koenecke,

TranasCanada submitted the Keystone Pipeline System Emergency Response Plan in accordance with SDCL 34-18-5 and anticipates oil entering South Dakota on or around February 15, 2010. Based on this information, the department reviewed the Emergency Response Plan and Supplemental South Dakota Specific Information and approves the plan in accordance with SDCL 34A-18-2. The plan is approved with the following conditions.

- TransCanada shall conduct, with departmental participation, an oil spill response exercise in South Dakota and, if necessary, refine the Emergency Response Plan based on the lessons learned from the exercise.
- Approval of the Emergency Response Plan does not relieve TransCanada from complying with all state laws and rules applicable to an oil release.

Finally, in regards to the confidentiality of the Emergency Response Plan, the department will notify TransCanada (through Mr. Koenecke) of any request to review the Emergency Response Plan.

If you have any questions or comments concerning this letter, please feel free to contact me at 605.773.3296 or Brian.Walsh@state.sd.us.

Sincerely,

Brian J. Walsh
Hydrology Specialist
Ground Water Quality Program