

I am Bonny Kilmurry, an individual intervener on Docket HP14-001, hearing scheduled for July 27 through August 4, 2015. This is my written formal intervener statement. Thank you for allowing me the opportunity to participate in this process.

TransCanada is not the good neighbor it purports to be. Not only does TransCanada exaggerates it's job numbers,<sup>1</sup> the company also has a long history of spreading half-truths about the efficacy and safety of their exiting pipelines and the proposed Keystone XL pipeline.<sup>2</sup> As a landowner who is affected by the proposed Keystone XL pipeline, I have a financial and emotional interest in the fate of this proposed pipeline; however, what began as gut response is now based on factual research. I can now say, that TransCanada actions are not neighborly, and their actions speak to a blatant disregard of the land and water I seek to preserve.

TransCanada exaggerates pipeline safety. Let's look TransCanada's record for the first Keystone pipeline. The company boasted that this project would only have one leak in a seven-year period; however, in its first year of operation twelve were reported.<sup>3</sup> In one such leak, a six-story geyser unleashed 21,000 barrels of oils in North Dakota.<sup>4</sup> Furthermore, there are numerous issues with the southern leg of Keystone I. In one such instance, "a mandatory inspection test revealed a section of the pipeline's wall had corroded 95%, leaving it paper-thin in one area (one-third the thickness of a dime) and dangerously thin in three other places, leading TransCanada to immediately shut it down."<sup>5</sup> The public was never notified of these issues. TransCanada claims to have speedily dealt with these issues, but I think this is more of a symptom of their lack of neighborliness. If the pipeline was so safe, then why would it leak twelve times in its first year? If the pipeline was so sturdy, why would TransCanada need to replace major portions of the route in the pipeline's first year of operation?

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<sup>1</sup> *Factcheck.org*. "Pipeline Primer." March 10, 2014.  
<http://www.factcheck.org/2014/03/pipeline-primer/>

<sup>2</sup> *Factcheck.org*. "Pipeline Primer." March 10, 2014.  
<http://www.factcheck.org/2014/03/pipeline-primer/>

<sup>3</sup> Lacy, Stephen. *Climate Progress*. "After 12 Oil Spills in One Year, TransCanada Says Proposed Keystone XL Pipeline Will Be Safest in U.S." August 17, 2011.  
<http://thinkprogress.org/climate/2011/08/17/297576/oil-spills-transcanada-keystone-xl-pipeline/>

<sup>4</sup> O'Connor, Phillip. *St. Louis Post-Dispatch*, "Keystone oil pipeline shut down after leak." May 10, 2011.  
[http://www.stltoday.com/news/local/metro/article\\_dae7b66ee0c5-5677-9acd-0773efb0d8d1.html](http://www.stltoday.com/news/local/metro/article_dae7b66ee0c5-5677-9acd-0773efb0d8d1.html)

<sup>5</sup> Dermansky, Julie. *Desmog*. "Exclusive TransCanada Keystone 1 Pipeline Suffered Major Corrosion Only Two Years In Operation, 95% Worn in One Spot," April 30, 2015.  
<http://www.desmogblog.com/2015/04/30/exclusive-transcanada-keystone-1-pipeline-suffered-major-corrosion-only-two-years-operation-95-worn-one-section>

I also believe that TransCanada has a corporate culture that flouts regulations in favor of profit. Evan Vokes, a former engineer for the company, made a formal complaint about TransCanada's non-compliance of regulations to Canada's National Energy Board (NEB) in 2012. From this formal complaint, the NEB found that "...many of the allegations of regulatory non-compliance identified by the Complainant were verified by TransCanada's internal audit."<sup>6</sup> By 2014, TransCanada had dealt with their welding issues, however, these problems were only solved after the formal complaint was filed with the NEB.<sup>7</sup> Prior to contacting the NEB, Vokes had voiced his concern within internal channels at TransCanada. These complaints were simply ignored. This story is not isolated. In March of this year, another individual brought "...a dozen allegations that deal with the timeliness, quality and reporting of repairs on [TransCanada's] Alberta pipelines" to Canada's NEB.<sup>8</sup> These allegations are currently under investigation.

I am happy to hear that TransCanada dealt with its prior regulatory allegations; however, it concerns me that TransCanada only dealt with these issues after they were under investigation by the NEB. These instances are not neighborly. The company knows the regulations, and they have a duty to comply. Since these instances are far from isolated, I am concerned that this trend of ignoring regulations will persist with the Keystone XL pipeline.

I am also concerned with TransCanada's treatment of the landowners. Lori Collins from Paris, Texas welcomed TransCanada when the company wanted to place the southern leg of the Keystone XL pipeline across her land.<sup>9</sup> The men in her family are all oil field worker, and she strongly supported the pipeline construction. In 2012, during construction of the pipeline on their land, a backhoe dug up the Collins' septic system. Collins was not concerned because the TransCanada land agent assured her that the company would promptly fix the problem. This did not happen. Instead their house was filled with raw sewage, and the family had to move. A year and a half after this incident the company offered the family \$40,000 to fix the damage, only to backtrack their offer. Finally, nineteen months after the septic destruction, TransCanada settled with the

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<sup>6</sup> *CBC News*. "Whistleblower Forced Investigation of TransCanada Pipelines," October 17, 2012.  
<http://www.cbc.ca/news/canada/whistleblower-forced-investigation-of-transcanada-pipelines-1.1146204>

<sup>7</sup> *CBC News*. "TransCanada Whistleblower's Complaints Validated by the NEB," February 25, 2015.  
<http://www.cbc.ca/news/canada/edmonton/transcanada-whistleblower-s-complaints-validated-by-neb-1.2550175>

<sup>8</sup> *Canadian Manufacturing*. "NEB Launches New Investigation Into TransCanada Pipeline," March 20, 2015.  
<http://www.canadianmanufacturing.com/manufacturing/neb-launches-new-investigation-into-transcanadas-pipelines-146415/>

<sup>9</sup> Elbein, Saul. *Texas Observer*. "Crossing the Line," September 17, 2014.  
<http://www.texasobserver.org/keystone-xl-transcanada-crossing-line/>

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Collins family out of for court for \$479,000. The former TransCanada supporter was exhausted, and in an interview with the Texas Observer, Collins said, "...they sucked us dry. They took our home, our livelihood, our work from us."<sup>10</sup>

From the construction issues of the first Keystone pipeline, to their regulatory issues in Canada, I see a troubling trend. These examples show that TransCanada is far from neighborly. As a life-long resident of the Sandhills and landowner along the Keystone XL pipeline, I have a vested interests in your Commission's decision. As an informed citizen, I am concerned. I see a company that values profits over the livelihoods of South Dakota's citizens. I ask that your Commission takes these facts into consideration, and I thank you for the opportunity to present my findings to you.

Regards,

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<sup>10</sup> Elbein, Saul. *Texas Observer*. "Crossing the Line," September 17, 2014. Web  
<http://www.texasobserver.org/keystone-xl-transcanada-crossing-line/>