

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

0-0

HP 14-001

IN THE MATTER OF THE APPLICATION :  
BY TRANSCANADA KEYSTONE :  
PIPELINE, LP FOR A PERMIT UNDER THE :  
SOUTH DAKOTA ENERGY CONVERSION :  
AND TRANSMISSION FACILITIES ACT TO :  
CONSTRUCT THE KEYSTONE XL :  
PROJECT, :

DIRECT TESTIMONY OF  
JON SCHMIDT, PH.D.

:

:

0-0

Pursuant to the Commission’s Order Granting Motion to Define Issues and Setting  
Procedural Schedule, Petitioner TransCanada Keystone Pipeline, LP, offers the following direct  
testimony of Jon Schmidt.

**1. Please state your name and address for the record.**

Answer: My name is Jon Schmidt. My business address is exp Energy Services, 1300  
Metropolitan Boulevard, Suite 200, Tallahassee, FL 32308.

**2. Please state your position and provide a description of your areas of responsibility  
with respect to the Keystone XL Project.**

Answer: I am Vice President, Environmental & Regulatory Services in the Tallahassee  
office of exp Energy Services, Inc. I am the regulatory and permitting manager for the Keystone  
XL Pipeline Project, including the coordination of the Department of State EIS, DEIS, SEIS,  
FEIS, and FSEIS, the Section 9 Biological Opinion, NHPA Section 106 Programmatic

Agreement, United States Army Corps of Engineers permitting, the Montana Facility Siting Act licensing, South Dakota PUC environmental filing, and other state and federal permitting.

**3. Please state your professional qualifications and experience with pipeline operations.**

Answer: My professional background is stated in my resume, a copy of which is attached as Exhibit A. My education consists of a bachelor's degree in marine biology, a master's degree in biological sciences, and a Ph.D. in biological sciences. In general, I have extensive experience in environmental management with respect to the pipeline industry, and have permitted over 30,000 miles of pipeline projects in most states in the United States over the last 28 years. I managed the regulatory and permitting tasks associated with the Keystone Pipeline, including associated compliance inspection during construction. I have testified before the Commission in the permit proceedings concerning the Keystone XL Pipeline in Docket HP 09-001.

**4. Are you responsible for portions of the Tracking Table of Changes attached as Appendix C to Keystone's certification petition?**

Answer: Yes. I am individually or jointly responsible for the information provided with respect to Finding Numbers 32, 33, 41, 50, 54, 73, and 80. In general, I can testify to environmental issues other than risk and spill response information; the CMR Plan; the Con/Rec Units and the use of horizontal directional drilling.

**5. Please summarize the updated information regarding Finding No. 32.**

Answer: The environmental impacts discussed in Table 6 of Keystone's permit application still apply. The CMR Plan has been updated. The last version is Rev4, which is attached in redlined form as Attachment A to Appendix C to Keystone's certification petition.

Overall changes to the CMR Plan were made to clarify language, provide additional detail related to construction procedures, and incorporate lessons learned from previous construction, current right-of-way conditions, and project requirements.

**6. Please summarize the updated information regarding Finding No. 33.**

Answer: Keystone previously submitted Exhibit TC-14 in connection with the hearing on its permit application. Exhibit TC-14 includes soil type maps and aerial photograph maps of the route in South Dakota, showing topography, land uses, project mileposts and location descriptors. Exhibit TC-14 is still generally consistent in the description of the current Project route through South Dakota. Keystone has disclosed in discovery maps of minor route variations made at the request of landowners or for engineering reasons. These maps will be marked as an exhibit at the hearing on Keystone's certification petition. In addition, Keystone will submit updated maps prior to the initiation of construction as required by Condition No. 6 of the Amended Final Decision and Order.

**7. Please summarize the updated information regarding Finding No. 41.**

Answer: Since the permit application, Keystone has decided to use horizontal directional drilling ("HDD") to cross the Bad River and Bridger Creek, in addition to the Little Missouri, Cheyenne, and White Rivers. Exhibit C to Keystone's permit application contains a listing of all water body crossings and preliminary site-specific crossing plans for the HDD sites. To supplement Exhibit C in Docket HP09-001, Attachment B to Keystone's Tracking Table of Changes in Docket HP14-001 contains the preliminary site-specific crossing plans for the HDD crossings of the Bad River and Bridger Creek.

**8. Please summarize the updated information regarding Finding No. 50.**

Answer: The total length of the Project pipe with the potential to affect a High Consequence Area (“HCA”) is 14.9 miles. The reference to 19.9 miles in the Tracking Table was a typographical error. Since the Tracking Table was prepared, the Cheyenne River crossing was adjusted because of HDD access issues and for construction and engineering reasons, resulting in a slight increase in total HCA mileage. The current HCA mileage figure is 15.8 miles. The 15.8 miles are ecologically sensitive areas and do not encompass populated areas or drinking water areas.

**9. Please summarize the updated information regarding Finding No. 54.**

Answer: Because of minor route variations, the mileages in South Dakota have changed slightly. The route is approximately 315 miles in South Dakota. All but 27.9 miles of the route are privately owned. 1.7 miles are owned by local governments, and 26.3 miles are state owned and managed. No tribal or federal lands are crossed by the route in South Dakota.

**10. Please summarize the updated information regarding Finding No. 73.**

Answer: Keystone has updated its CMR Plan since the Amended Final Decision and Order. The changes are shown in a redlined version of the CMR Plan, which is Rev4, filed with the Commission as Attachment A to Appendix C to Keystone’s certification petition.

**11. Please summarize the updated information regarding Finding No. 80.**

Answer: Since the Amended Final Decision and Order, Keystone has completed the construction/reclamation unit (“Con/Rec Unit”) mapping in consultation with the National Resource Conservation Service. The Con/Rec Unit mapping is included as Appendix R to the FSEIS.


**12. Are you aware of any reason that Keystone cannot continue to meet the conditions on which the Permit was granted by the Commission?**

Answer: No. I have reviewed the conditions contained in the Amended Final Decision and Order dated June 29, 2010. The changes discussed in Finding Nos. 32, 33, 41, 50, 54, 73, and 80 do not affect Keystone's ability to meet the conditions on which the Permit was granted.

**13. Does this conclude your prepared direct testimony?**

Answer: Yes.

Dated this 30<sup>th</sup> day of March, 2015.

  
\_\_\_\_\_  
Jon Schmidt