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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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September 19, 2007

RE: TRANSCANADA KEYSTONE PIPELINE, LP

You filed for and have been granted intervener status in TransCanada-Keystone docket HP07-001. You are now officially a party to this docket and have all the legal rights and obligations as do the Applicant and Commission Staff.

As you may be aware, the Commission held four public input hearings in June, seeking public comment on this docket. We have now entered into the discovery and evidentiary proof stage of this docket. An evidentiary hearing is a more formal legal process utilizing all rules of civil procedure. Therefore, we are sending you this letter to explain the process in moving forward.

Enclosed please find two documents. First, the Commission's Scheduling and Procedural Order is enclosed and dictates how we all proceed through the hearing dates in December. If you wish to testify at the hearing, you will need to pre-file your testimony with the Commission by the date specified in the enclosed Scheduling and Procedural Order. Pre-filed testimony may be typed or hand-written, formal or informal, and simply documents what you intend to testify to at the formal hearing. At a minimum, your testimony must address a particular element of proof relevant in pipeline siting. The applicable applicant burden of proof statute reads as follows:

49-41B-22. Applicant's burden of proof. The applicant has the burden of proof to establish that:

- (1) The proposed facility will comply with all applicable laws and rules;*
- (2) The facility will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area;*
- (3) The facility will not substantially impair the health, safety or welfare of the inhabitants; and*
- (4) The facility will not unduly interfere with the orderly development of the region with due consideration having been given the views of governing bodies of affected local units of government.*

Your pre-filed testimony will put all parties on notice that you intend to testify at the hearing. It guides us in organizing the hearing, allowing the Commission to study particular concerns and to prepare for anticipated live testimony. If you wish to put your pre-filed testimony in the record to be considered by the Commissioners in their decision-making capacity, you must then appear in person at the formal evidentiary hearing and swear to the truthfulness of your testimony. You will be subject to cross examination.

As you will see in the Scheduling and Procedural Order, the Commission will also hold a public input hearing in conjunction with the formal evidentiary hearing. This hearing will take place on December 6, 2007, and be more like the four hearings the PUC held in June regarding this docket. You will not be required to follow all civil procedure rules, and you do not have to pre-file your testimony to participate in this hearing. This hearing will give one final opportunity for more opinion-based testimony, not necessarily based on an element of legal proof regarding pipeline siting.

Also enclosed is Staff's Interrogatories to all Intervenors. The enclosed Interrogatories are not intended to be burdensome. Rather, Staff wants to better understand your interest and possible contribution or participation as we proceed with this docket.

Please keep in mind that all filings, correspondence and legal papers relevant to this docket are available via the internet at all times and continually updated. We strongly suggest you obtain a copy of only those papers of interest through the internet. In the event you do not have a computer at your home, we recommend access through your local library. You can access the docket on line at www.puc.sd.gov via "Commission Actions," "Commission Dockets," "2007 Hydrocarbon Pipeline," and "HP07-001." Please contact me with any questions. You can contact me via e-mail at kara.semmler@state.sd.us or telephone (605) 773-3201 or 1-800-332-1782.

Sincerely,



Kara Semmler

Enc.