

E3620 530 Ave.  
Menomonie, WI 54751-5315  
June 12, 2007

RECEIVED

JUN 18 2007

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501-5070

Gentlemen:

Thank you for your May 29, 2007 letter regarding the TransCanada Keystone Pipeline.

The legal description of one parcel is incorrect. Instead of the W2 it should be the E2 of section 35, Township 108, Range 58. The most recent description provided by Keystone is: the N2 and SE 1/4 of section 35, T-108-N, R-58-W.

I regret I am unable to attend any of the public hearings. I do have several concerns:

1. The agreement states it is to be a "perpetual and permanent easement." To me, this sounds like forever! At some point—30, 50, 70 years—the pipeline will be abandoned or removed. At that time, all easements should be void and the full rights of land ownership should revert back to the owners.
2. Instead of a one-time payment, landowners should receive an initial payment and yearly payments based on the value of the oil moving through the pipeline. Without a yearly payment, the easement will have a negative impact on any future sale of the land. Yearly payments would allow for inflation and make the easement more attractive to a potential buyer. One large payment may also push many landowners into the next tax bracket and greatly diminish the personal value of the payment. (If my math is correct, the entire offered payment for one mile of 50 ft. permanent easement is equal to the value of oil, at \$65 / bl., flowing through the line for less than one minute. I understand \$65/bl. is not pure profit, and it seems TransCanada is not looking out for landowners and their contributions.)
3. There is also the matter of who is responsible for an oil spill and damage to the land, neighbors land, groundwater, etc. Any damage should be TransCanada's sole responsibility. This would include emergency plowing or roads, and damage to roads, fields, pastures, etc. caused by equipment. (We have sections of graveled roads that are impassable to pickup trucks after a heavy rain.)
4. I understand one proposal is to run the pipeline down the I-29 highway right-of-way. I have no objection to that if South Dakota receives fair compensation and that compensation is used to decrease property taxes (as opposed to increasing spending).

5. When the Keystone representative called, I felt there was some effort to "stampede" me into signing. I was told they usually visit the farmers and get them to sign before leaving. There was no mention of hearings or that I might want to talk to my lawyer. They did say I may have some questions and to just call them for answers. I presume if they can get a few to sign before the hearings, it provides good support for them.

Question: What are South Dakota's laws regarding condemnation procedures? Can a Canadian company use our condemnation laws to obtain access for a pipeline?

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Glenn Gehring". The signature is written in black ink and is positioned above the printed name.

Glenn Gehring