

Before the Public Utilities Commission
Of the State of South Dakota

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OCT 31 2007

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) HP 07-001
BY TRANSCANADA KEYSTONE PIPELINE,)
LP FOR A PERMIT UNDER THE SOUTH) DIRECT TESTIMONY OF
DAKOTA ENERGY CONVERSION AND) SCOTT ANDERSON
TRANSMISSION FACILITIES ACT TO)
CONSTRUCT THE KEYSTONE PIPELINE) October 31, 2007

My name is Scott Anderson. My home address is 41384 – 122nd Street, Langford, SD 57454. I live 5.25 miles west and 1 mile north of Langford. I operate a grain and livestock farm with my father, Raymond Anderson.

Burden of Proof

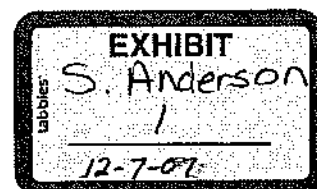
According to the letter that the PUC sent us on September 19, 2007, TransCanada has the burden to prove that their permit application and project plan complies with state law.

SDCL 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.

Keystone Will Pose a Serious Threat To The Environment and Economic Condition

I rent land that will be crossed and farm other land in the area that would be compromised when this pipeline leaks. This crude oil would ruin the water supplies that we have. The cattle would become sick from eating from any ground that came into contact with oil spills. The land that I rent would not produce on the acres that have the pipeline corridor because of the heat from the pipe. There would be no subsoil moisture over a line that was running 75-80 degrees at all times. It also could create a problem with insects and weed seeds that do not die because of the warm ground. That would bring more costs in for more chemicals.



We have been following studies for specialty crops. Soybeans were unheard of several years back. Who knows what crops will be our future. With the depth of the slough on our farm, we could even dam it up, dig it deeper and use it for local fishing. It is a source of many dollars for Game, Fish and Parks right now. There are always hunters coming to hunt our area for game birds and deer. That will be gone with the crude oil spill also.

TransCanada keeps stating that this pipeline is not going to Elk Point and Hyperion. That may well be BUT we would be stupid not to realize that they are establishing a corridor. By ConocoPhillips own words, they will need another five pipelines if they continue with their plans. They stated that they would be shipping 3.5 million barrels by the 2020's. At 590,000 per line, that is another five lines that will be dug into our ground. That is another five times that the soil will be disturbed. That is six times that the ground will be dug up and lines put in. How many times can you move top soil and it is still top soil? I doubt that anything much will grow over these lines. This pipeline takes quite a stretch of ground with pipes running 75-80 degrees. That would be a great breeding ground for spores from soybean rust. There would be so many different things that could survive in that big an area that it could change our whole way of farming. One thing for sure, it would cost more and more money each year.

Keystone Will Substantially Impair Health, Safety and Welfare of Inhabitants

When there is a leak in the pipeline, it has the potential of spreading from section 14 to the west to a major slough. When that slough becomes contaminated with chemicals that cause liver and kidney disease and birth defects, no one is going to want to live close to the area. My house is west of the slough and my parents' home is east. Both farmsteads would be worthless. The value would be gone like our water supply. I am now on BDM water and have to have a supply tank because of low water pressure. What would happen if several more farmers needed to hook up? All new lines would have to be dug in at a huge cost. Why would other people to the east who might not be affected want to pay so that I can have water? Why should they have to?

TransCanada Keystone filed for waivers. All the while they were at meetings and talking to landowners they knew that they were not telling the truth. It did not seem to bother them. I would have been a great time to tell everyone what was really happening. They said that landowners could simply draw a line through the number of pipes. Of course, that was because they knew there was a waiver that said they could have the number of pipes that they wanted. It did not matter what the landowner thought they were signing. How many more waivers are there? Why were they not made known sooner? How can TransCanada be trusted when we can see how easy it is for them to lie about these things? Lying by omission is lying.

Thinner walled pipes with more pressure from a company that has never run a crude oil pipeline doesn't make much sense. Of course they have a good record about spills since this will be their first. I would think that since this is their first, they should be held to a higher standard than a company that had built several lines and had some experience.

I find it most interesting that the state of South Dakota has more concern about livestock feeding operations---CFO's---than it has for the dangers from this pipeline. The concern for

runoff from fertilizers and chemicals that are used on the farms is scrutinized far more than any thought as to how our state would recover from the pipeline break that will happen at some time.

Landowner Relations


TransCanada Keystone has promised since their first visit in early May that they would stop their land agents' actions that were not proper. They have promised at several meetings. Yet nothing has come of it. They even have a county commissioner from Day County buying easements. I would think there would be conflict of interest in that case. He is after tax dollars for his county and who knows what influence he would have because of his position. Our state, county and federal officials seem to think that TransCanada Keystone is a better citizen than those that have paid taxes for many years. We know what taxes they get from us. They promised the little towns and counties a lot more than they will receive. That is another form of their deceit. After some of the schools looked into the matter, they felt that they would receive less in the long run than they are getting now.

Eminent Domain

TransCanada Keystone has filed eminent domain on 18 landowners that we know of at this time. Where is the negotiation in that? When you start threatening at your first meeting with the landowner, when does the negotiating come into the picture? Of course the people that signed right away had no problems with TransCanada. They did nothing except believe that TransCanada could take their land for nothing. Some of the letters to the PUC state that the landowners wished that they could have their easements back. I think that anyone that feels they were conned into signing should be given a second chance. And possibly, TransCanada should have to renegotiate and pay the landowner again. That might be a lesson to them that they might understand. It seems that money is the driving force behind them.

Cultural Resources

The amount of survey work that has been done is not enough. There are too many important relics and cultural resources to be protected. The Native Americans and SHPO need more time in which to do the survey the right way. The Native Americans in the USA and Canada have rights that are not being met. The Department of State needs to take more time and see that everything is done right at the beginning. Not after they have found and ruined their heritage. This pipeline is being rammed through the states like Sherman through Georgia. It is not protecting the rights of landowners, the Native Americans or anyone else involved. It seems that the only rights that are being considered are those of TransCanada Keystone.



Scott Anderson
10/31/07