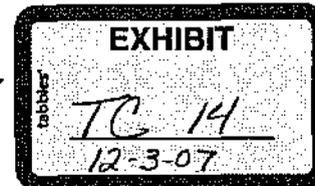


**Anticipated Annual
TransCanada Keystone Pipeline
South Dakota Ad Valorem Property Tax Impact**

<u>County</u>		<u>School District</u>	
Marshall	\$937,804.50	Bridgewater 43-6	\$259,099.00
Day	\$1,354,414.86	Britton-Hecla 45-4	\$409,145.21
Clark	\$1,369,565.98	Carthage 48-2	\$297,105.28
Beadle	\$847,633.37	Clark 12-2	\$609,001.08
Kingsbury	\$578,003.27	Conde 56-1	\$819,721.64
Miner	\$1,140,855.42	Emery 30-2	\$181,756.59
Hanson	\$513,006.92	Freeman 33-1	\$691,658.41
McCook	\$422,476.29	Groton Area 06-6	\$482,334.05
Hutchinson	\$1,140,264.64	Hanson 30-1	\$339,024.23
Yankton	\$837,988.68	Howard 48-3	\$456,203.59
		Irene 63-2	\$114,057.57
		Iroquois 02-3	\$573,991.47
Totals	\$9,142,013.93	Langford 45-2	\$302,142.55
		Menno 33-2	\$425,665.28
		Willow Lake 12-3	\$625,695.88
		Yankton 63-3	\$418,492.54
		Totals	\$7,005,094.37



Explanation

Of the approximately \$9,142,000 potential total tax revenue, approximately \$7,000,000 will be remitted to school districts. The county figure includes tax levies for the school districts resident in each county. The balance goes to county government.

County and school district tax impacts cannot be directly linked because the county and school district borders are not the same. Some school districts cross county lines, and some counties have more than one school district. The actual county government share of tax revenue can be computed by working out the actual county mill levies.

The school district calculations are based on the actual 2006 mill levy for each school district, including all statutory factors, calculated for the assessment on non-ag/utility class property. The computations shown above are based on published mill levies for 2006.

All calculations were based on an "all in" cost of construction in South Dakota of approximately \$502,000,000. That cost includes four pump stations ranging in cost from \$12 million to \$14 million. County and school district figures were adjusted for pump stations in Day, Beadle, Miner and Hutchinson counties and Conde 56-1, Howard 48-3, Menno and Willow Lake school districts.