BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

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

HP 09-001

APPLICANT'S MOTION TO APPROVE INDEMNITY BOND

•

.

 $0 \hbox{-} 0 \hbox{-}$

Under SDCL § 49-41B-38 and Condition 23(f) of the Amended Final Decision and Order dated June 29, 2010, Applicant TransCanada Keystone Pipeline, LP ("Keystone") moves that the Commission approve the attached indemnity bond covering damage beyond normal wear and tear to roads and bridges. As required by statute and Condition 23(f), the bond is in the amount of \$15.6 million, is issued by Liberty Mutual Insurance Company as surety, and is issued in favor of and for the benefit of all townships, counties, and other governmental entities whose property is crossed by the Keystone XL Pipeline. Also attached is a power of attorney related to the bond.

Even though construction is not scheduled to begin until 2019, Keystone seeks approval of the bond now because it may transport pipe in 2018 on roads that are the subject of Condition 23. That activity does not constitute "construction" within the meaning of the Amended Final Decision and Order, but the bond should be approved before construction starts to cover any road damage as contemplated by Condition 23.

As required by Condition 23(f), Keystone will file the original bond upon approval.

Keystone respectfully requests that the Commission enter an order approving the bond and providing that the second bond required by Condition 23 does not need to be filed until 2020, the second year of construction.

Dated this 15th day of June, 2018.

WOODS, FULLER, SHULTZ & SMITH P.C.

James E. Moore

PO Box 5027

300 South Phillips Avenue, Suite 300

Sioux Falls, SD 57117-5027

Phone (605) 336-3890

Fax (605) 339-3357

Email James.Moore@woodsfuller.com

William Taylor

TAYLOR LAW FIRM

2921 E. 57th Street

Sioux Falls, SD 57108

Phone (605) 782-5304

Email bill.taylor@taylorlawsd.com

Attorneys for TransCanada Keystone Pipeline, LP

CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of June, 2018 I served a true and correct copy of the

foregoing Applicant's Motion to Approve Indemnity Bond by e-mail transmission to the

following:

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501
patty.vangerpen@state.sd.us
605-773-3201

Mr. Brett Koenecke May, Adam, Gerdes And Thompson, LLP Po Box 160 Pierre, SD 57501 Koenecke@Magt.Com 605-224-8803

Harding County Auditor Ms. Kathy Glines Po Box 26 Buffalo, SD 57720-0026 Kathy.Glines@state.sd.us 605-375-3313

Perkins County Finance Officer Ms. Sylvia Chapman Po Box 126 Bison, SD 57620-0126 Pkaud@perkinscounty.org 605-244-5624

Ms. Julie Pearson
Pennington County Auditor
315 St. Joseph Street No 107
Rapid City, SD 57701
Juliep@pennco.org
605-394-2153

Ms. Kristen Edwards
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
Kristen.Edwards@State.Sd.Us
(605) 773-3201

Mr. James P White
Associate General Counsel Pipelines &
Regulatory Affairs
Transcanda
4547 Rincon Place
Montclair, VA 22025
Jim P White@Transcanada.Com
703-680-7774

Butte County Auditor
Ms. Elaine Jensen
839 Fifth Ave
Belle Fourche, SD 57717-1719
Elaine.Jensen@state.sd.us
605-892-4485

Meade County Auditor
Ms. Lisa Schieffer
1425 Sherman St
Sturgis, SD 57785-1452
Auditor@meadecounty.org
605-347-2360

Haakon County Auditor Ms. Patricia Freeman PO Box 698 Philip, SD 57567-0698 Haakon@gwtc.net 605-859-2800 Lyman County Auditor Ms. Pam Michalek PO Box 38 Kennebec, SD 57544-0038 auditor@lymancounty.org 605-869-2247

Mr. Paul Seamans 27893 244th Street Draper, SD 57531 jacknife@goldenwest.net 605-669-2777

Mr. John Harter 28125 307th Avenue Winner, SD 57580 johnharter11@yahoo.com 605-842-0934

Mr. Craig Covey
Tripp County Water User District
1052 West 1st
Winner, SD 57580
tcwud@gwtc.net
605-842-2755

Mr. Paul C. Blackburn Plains Justice 4145 20th Ave. South Minneapolis, MN 55407 Paul@paulblackburn.net (612) 599-5568

Mr. Martin Lueck
PO Box 576
Long Lake, MN 55356
mrlueck@rkmc.com
mallorymullins@mchsi.com
612-349-8587

Tripp County Auditor Ms. Barb Desersa 200 East 3rd Winner, SD 57580-1806 bdesersa@trippcounty.us 605-842-3727

City Of Colome
PO Box 146
Colome, SD 57528
dakotamum@yahoo.com
605-842-0853

Ms. Zona Vig 17572 Vig Place Mud Butte, SD 57758 dvig@gwtc.net 605-748-2423

Ms. Caitlin F. Collier Collier Law Office PO Box 435 Vermillion, SD 57069 collierlawoffice@gmail.com 605-202-0281

Mr. Frank James
Dakota Rural Action
PO Box 549
Brookings, SD 57006
Fejames@dakotarural.org
605-697-5204

Jones County Auditor Mr. John Brunskill PO Box 307 Murdo, SD 57559-0307 jonesaud@goldenwest.net 605-669-7100

And by U.S. Mail, postage prepaid to the following:

Mr. Darrell Iverson PO Box 467 Murdo, SD 57559

Mr. Lon Lyman PO Box 7 Okaton, SD 57562

Ms. Jacqueline Limpert 14129 Limpert Road Buffalo, SD 57720

Mr. David Niemi 12200 S Cave Hills Road Buffalo, SD 57720 Mr. Glen Iversen PO Box 239 Murdo, SD 57559-0239

Ms. Mary Jasper 33630 293rd St Gregory, SD 57533

Ms. Debra Niemi 4826 Galena Drive Rapid City, SD 57702

One of the Attorneys for TransCanada Keystone Pipeline, LP