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From: Peter Larson

To: Hanson, Gary (PUC); Kolbeck, Steve; Johnson, Dustin (PUC)

Cc: David Niemi

Sent: Sun Apr 18 11:55:57 2010

Subject: Reconsideration of TransCanada's Keystone XL Pipeline Permit

Public Utilities Commission

Pierre, South Dakota

Commissioner Dustin Johnson:

Commissioner Steve Kolbeck:

Commissioner Gary Hanson:

My Name is Peter Larson. I am a paleontologist and President of Black Hills Institute of Geological Research in Hill City, South Dakota. I also testified before the Public Utilities Commission hearing on the Keystone XL Pipeline, concerning the preservation of paleontological materials that will be encountered during the proposed construction of the Keystone Pipeline.

In the "APPLICANTS MOTION FOR LIMITED RECONSIDERATION OF CERTAIN PERMIT CONDITIONS" (attached) TransCanada has asked for a major change in the way that paleontological remains (fossils) are to be salvaged or avoided. Notice in the last reworded paragraph dealing with Paleontology (Indented and single spaced just before #45) in the middle of the paragraph:

"If a qualified and BLM-permitted paleontologist in consultation with the landowner, BLM, or SDSM determines that a scientifically significant paleontological resource is present, Keystone shall develop a plan that is reasonably acceptable to the landowner, BLM or SDSM, as applicable, to accommodate the landowners, BLM's or the SDSM's salvage or avoidance of the paleontological resource AT THE EXPENCE OF THE LANDOWNER. . . . "

It is absolutely imperative that this be changed to: "AT TRANSCANADA'S EXPENSE"

Neither the citizens of this state and nation nor the private landowners should be asked to bear the expense of salvage, construction shutdown, or rerouting when TransCanada encounters fossils along the route of the proposed pipeline. These costs have been traditionally and universally born by the proponents of all other pipelines.

Notice that even in in the supporting documentation provided by TransCanada, the landowner is NOT responsible for mitigation expenses, the proponent of the project is. The second attachment (Exhibit D "Guidelines for assessment and mitigation of potential impacts to paleontological resources"...Attachment 1-6) states clearly:

"The project proponent is responsible for all costs associated with the survey, including the consulting paleontologist's fees and charges, all survey costs, fossil preparation to the basic identification stage,

analyses, reports, and curation costs directly related to mitigation of the project's anticipated impacts. Any required monitoring and mitigation costs are also the responsibility of the project proponent. . . "

Also see the third attachment (Exhibit A-H-8270 "General procedural guidance for paleontological resource management...), top of page 3:

"Unless otherwise provided for, project proponents shall bear all costs associated with mitigation activities."

Appendix 3, Page 1:

"7. All costs shall be born by the permittee."

Citizens and landowners did not ask for this pipeline to be built. They cannot be expected to pay for the salvage of fossils disrupted by this proposed construction project, Nor should they be asked to pickup the tab for construction shutdowns or reroutes of the proposed pipeline should significant discoveries be made. How many millions of dollars could this potentially cost our state and individual landowners? Please do NOT accept TransCanada's proposed wording of the paleontological provision.

Feel free to contact me with any questions you might have concerning this mater.

Respectfully submitted,

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Peter L Larson, President

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