

February 17, 2010

Dear Ms. Eason;

Thank you for sending your comments to the PUC regarding TransCanada's request to construct the Keystone XL hydrocarbon pipeline. In order for the Commissioners and others interested in the siting case to see your comments, they will be made part of the official docket. The docket and its filings are posted online at www.puc.sd.gov. Click on "Commission Actions," "Commission Dockets," "Hydrocarbon Dockets," "2009 Hydrocarbon Dockets," and "HP09-001." If you do not wish your comments made part of the docket, please respond to me and I will remove them. Since this is an open docket and Commissioners will need to make a decision on it after reviewing the files, communication with them regarding the docket must be available to the public.

Pipeline siting and safety regulation involves both the federal and state government. Current regulations allow the construction and operation of pipelines within specific and extensive regulation. Without regulatory change, the siting process is legally available to all applicants such as TransCanada. I understand your concern, but wish to assure you the SD PUC does not grant a permit to build and the federal government does not allow the operation of a pipeline unless the facility meets all siting and safety standards. The Commission strives to be "conscientious" in all decision making regardless of topic. You may be interested in South Dakota siting regulation found at SDCL 49-41B. The chapter requires detailed study and findings with regard to threats to the environment, health, safety and welfare of inhabitants. "Need" is not, however an element of proof the commission may consider. (SDCL 49-41B-22) You may also be interested in the many hours of public input afforded interested individuals and the information available on our website produced through the discovery and hearing process.

Specifically, I understand you have concerns related to the EIS, or the Environmental Impact Study. The EIS is a study performed by the federal government to comply with NEPA, the National Environmental Policy Act. The EIS is intended as a mechanism to study environmental impacts on a national scale. The PUC on the other hand has jurisdiction on a state level only. South Dakota siting regulations require a state specific environmental study. The applicant in this case completed the study in ample time for expert and Commission review. I understand your concern and want to assure you an environmental study was done. The SD PUC studied a South Dakota specific environmental assessment.

You also question the status of the Emergency Response Plan. Interstate Hazardous Liquid pipeline safety and operations are regulated by the federal government through the Pipeline Hazardous Materials Safety Administration (PHMSA). The 8th Circuit Court of Appeals and the US District Court found the federal government has exclusive authority and state or local regulation in these areas is strictly preempted. Emergency Response plans are required by the federal pipeline safety code thus expressly regulated by the federal government. Before this or any other federally regulated pipeline can be operated, it must submit the emergency plan to (PHMSA). PHMSA examines the plan and will not allow operation of the pipeline until it is sufficient. The state of SD cannot impose regulations regarding this plan as we are strictly preempted by the federal government.

South Dakota siting regulations require this Commission issue a decision within one year of receipt of an application. We are approaching that one year deadline. While various federal processes are still in progress, I assure you, the PUC did not rush the process within its jurisdiction. Thank you for taking the time to write. The PUC Commissioners appreciate hearing from the affected consumers about issues before them.

Sincerely,
Kara Semmler
SD Public Utilities Commission, Staff Attorney
500 E. Capitol
Pierre, SD 57501

From: Elliott Mitchell
Sent: Tuesday, February 16, 2010 2:57:38 PM
To: PUC
Subject: Keystone XL Pipeline
Auto forwarded by a Rule

TO: Members of the South Dakota PUC

I understand that the South Dakota PUC is scheduled to act on the proposed Keystone XL Pipeline this Friday, February 18th. It is hard to reconcile that you would approve Transcanada's request as things stand, rather than serving the citizens who rely on you to save our prime farmland and the environment of our state--as well as of those contiguous states that will pay the heavy price which this project will cost. The costs of this project far exceed any questionable benefits which may not even materialize. Hopefully, you will do your important job in a conscientious, intelligent manner.

The South Dakota PUC is deciding a major issue without the benefit of a complete Environmental Impact Statement. One was done for Keystone 1 Pipeline, and one is currently being drafted for Keystone XL. The draft has not yet been released for public comment, and making a decision on the pipeline without even reviewing this document is obviously very premature and unwise.

Transcanada has not yet filed an Emergency Response Plan, and this should be done before any approval is given. Based on the experience with Keystone 1, this is obviously needed!

Some governmental units, as well as independent oil companies, are now arguing that this pipeline is **not needed** since we already have too much unused pipeline capacity from Canada!

Sincerely, Karen Nelsen Eason