

February 16, 2010

Dear Ms. Zuercher;

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. 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. 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.

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 endeavors 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: Zuercher, Nancy
Sent: Tuesday, February 16, 2010 12:29:56 PM
To: PUC
Subject: Proposed Keystone XL Pipeline
Auto forwarded by a Rule

To the Public Utilities Commission:

You are scheduled to act on the proposed Keystone XL Pipeline this Friday, February 18. After reviewing the issues involved, I wonder why you are acting before the finished EIS appears AND without Transcanada filing an Emergency Response Plan

Deciding on the proposed pipeline without these significant documents seems both premature and unwise.

Sincerely,
Nancy Zuercher
Vermillion, SD 57069