THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF TRANSCANADA KEYSTONE PIPELINE, LP FOR A PERMIT UNDER THE SOUTH DAKOTA ENERGY CONVERSION AND TRANSMISSION FACILITY ACT TO CONSTRUCT THE KEYSTONE PIPELINE PROJECT

HP07-001

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Transcript of Proceeding June 26, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION, DUSTIN JOHNSON, CHAIRMAN GARY HANSON, VICE CHAIRMAN STEVE KOLBECK, COMMISSIONER

COMMISSION STAFF
John J. Smith
Kara Van Bockern
Greg Rislov
Nathan Solem
Martin Bettmann
Bob Knadle

Reported By Cheri McComsey Wittler, RPR, CRR

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7	PRESENT IN PIERRE	
8	R.H. Miller Darla Pollman Rogers	Rich Coit
9	PRESENT BY TELEPHONE	
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10	Gregory Hlibok Ryan Taylor	Dennis Heinz
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	Clyde Gross	Rolayne Ailts Wiest
12	Heather Forney	Deb Gregg
	Dave Jacobson	Keith Senger
13	Steve Wegman	Harlan Best
14	========	
15	TRANSCRIPT OF	PROCEEDINGS, held in the above-entitled
16	matter, at the USDSU Tec	hnology Center, Room 282, Sioux Falls,
17	South Dakota, on the 26t	h day of June 2007, commencing at
18	10 o'clock a.m.	
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CHAIRMAN JOHNSON: Under hydrocarbon pipeline,
HP07-001, in the matter of the filing of the application of
TransCanada Keystone Pipeline for a construction permit.

The question before the Commission today deals with confidentially filed documents. Shall the Commission accept staff's recommendations regarding the confidentially filed documents, or in the alternative, how shall the Commission proceed?

There was a letter filed by Commission attorney Kara Van Bockern, and perhaps we'll start there.

Ms. Van Bockern.

MS. VAN BOCKERN: Thank you, Mr. Chairman. This is Kara Van Bockern for staff. I did file a letter on June 21 in which I hoped to outline the progress that we made with TransCanada in releasing confidentially filed documents.

Staff received the release documents on June 15. By June 20 we had it up on the website. And regardless of whether or not it should or should not have been marked confidential, that's ancient history at this point. It's out to the public. The public has access to all of it.

There are very few documents that have been kept confidential, and many of those are from other states. And it involves the culturally sensitive areas and environmental areas. And, again, I'll just reiterate that those South Dakota documents that are -- continue to remain confidential are very

limited, and TransCanada has relied on other federal agencies or federal law in marketing them as such. And I believe it's our duty as a Commission to keep such documents confidential.

So I would recommend that the Commissioners accept the filing as is and we continue to protect those documents that we marked as confidential.

CHAIRMAN JOHNSON: Thanks, Ms. Van Bockern. Before taking questions, perhaps we could turn to TransCanada to see if they have any comments regarding Ms. Van Bockern's letter.

MR. KOENECKE: Good morning, Commissioners.

Brett Koenecke from TransCanada. We appreciate staff's letter that was filed and staff's comments here today. I think it's fair to say that we regret that this happened. But I do want to reiterate for your benefit and the benefit of anybody who might be listening the information which was marked confidential was done out of high regard for the public interest, the public's interest in keeping things confidential as outlined by other units of Government, whether they be federal or state, with respect to high concentrate areas with respect to cultural and archaeological resources and endangered species.

We were zealous regarding that public interest, and we reviewed that and came up with a revised filing which I think meets the guidelines in all respects. Despite the claims of some people, there's nothing in that material related to any proposed oil refinery at Elk Point or anything else with respect

to TransCanada.

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In every respect the confidential filings had to do with things other units of Government demanded and requested that we keep confidential. And we tried to respect that public interest.

So we think we're over that -- I hate to say this. We do have more information to provide to the citizens of South Dakota even after 12 hours of hearings yesterday. And we have more information to provide specifically to the county auditor's office as is required.

But we're getting there and we're working through this and I appreciate the Commission's indulgence and the work that staff has put into this at this time and we're hopefully past this at this point.

CHAIRMAN JOHNSON: Thanks, Mr. Koenecke. We have a number of people who have been granted party status. We'll pause for a moment to see if they have any comments on Ms. Van Bockern's letter.

Hearing none, Mr. Koenecke, you did note the 12 hours of hearings. At one time somebody mentioned to me,

Brett Koenecke, the more time you spend with him, the more you'll get to like him. I'm not sure that's been the case.

Perhaps it's been the nature of the meetings.

MR. KOENECKE: I'll refrain from commenting on the record, but thank you.

CHAIRMAN JOHNSON: You know, I -- let's go ahead and move to Commissioner or advisor comments or questions. I have a couple, but if my colleagues have some, they can certainly --

Let's start with Ms. Van Bockern with the pipeline landowner list containing confidential personal information. I understand why the personal information wouldn't be published. But was this an item that is totally confidential or one that's been redacted?

MS. VAN BOCKERN: It has been kept completely confidential at this point. And I know staff would certainly be willing to go through and redact all addresses and phone number information, unless TransCanada would like to keep individual landowner names private for any particular reason.

CHAIRMAN JOHNSON: I don't know that it makes a huge difference to me. Certainly that's publicly available information. At the county courthouse you can find out who has title to a particular piece of land. It does seem we have some questions about this particular item, and because it doesn't fit plainly into the cultural and environmental rationales given, I thought we should at least throw it out for discussion.

MR. KOENECKE: You know, I appreciate the tenor of the discussion. It's not an easy or simple question, and it's just been our position up to this point that that list is a very complete document with respect to people's really personal information. And if the Commission feels it has to put it out,

that will be the Commission's decision.

But I'd hate to say that it's over our objection, but we just don't think that in this day and age that's something -- when we file lawsuits at State Court we have to file redacted personal information on people so that somebody from reviewing the public records up at the courthouse can't find out people's Social Security No., you know, phone numbers, so on and so forth. And it's not uncommon to hold that back. If you decide otherwise, that's your decision.

CHAIRMAN JOHNSON: Sure. Thanks, Mr. Koenecke. I would also ask Ms. Van Bockern about -- and Mr. Koenecke. You know, we've got a number of these documents that are still confidential. To what extent could redaction be a tool to move these documents from completely confidential to -- even if you might have whole pages or paragraphs blacked out, is that a mechanism that could be used additionally to at least allow people to believe they're getting access to every possible bit of information?

MR. KOENECKE: On the pump station list or on the -CHAIRMAN JOHNSON: On any of the items that are on
page 2 of Ms. Van Bockern's letter that you had filed. There
are still some documents that are completely confidential, and
redaction has not been a tool that has been used.

Is that because the document would have just been worthless with that much information redacted out?

MR. KOENECKE: That's my understanding, Commissioner. We reached a level of redaction that's possible under the structure of the documents, the rules under which -- and the request under which we've been operating. We're at the limit is my understanding.

CHAIRMAN JOHNSON: You know, and I ask that question and make that suggestion. I think that's -- I mean, I suspect that's right. Now my concerns aren't on the public policy sector. My concerns really are on the public perception perspective. And sometimes even if you can see the whole paragraph is blacked out, the context around the paragraph will allow you to understand, okay, this isn't anything -- they really are talking about gorillas. You know, this really is a document that is just describing the Topeka Shiner.

And, I don't know, I haven't gone through all of these documents yet and looked at the confidential versions and tried to imagine where would I redact if I was an environmental and cultural expert. So I just thought I would offer it up to get TransCanada's take on have we bored down to the deepest level.

And perhaps, Ms. Van Bockern, your opinion on that would be appreciated.

MS. VAN BOCKERN: A significant portion of those documents kept confidential are maps. And I don't know what good it would do to black out all the locations of particular cultural material or environmental material. So I think a lot

of them are maps and significant portions too are maps of highly sensitive areas where according to the federal pipeline agencies, the entire map is confidential. So they simply can't be as a whole document released.

And then I would echo that I think the documents would be very -- would not be useful at all to the landowners with the redactions that are necessary. And I understand the public perception is very important in this docket, but the documents that we're talking about are specific to environmental and cultural aspects that do not affect the landowner's ability to protect their rights as landowners.

CHAIRMAN JOHNSON: Well, thanks, Ms. Van Bockern. And you do note in your letter that we have received some information from both state and federal officials indicating the sensitivity of this information. So, you know, I think Commissioner Hanson at our last meeting made it really clear the Commission really wants a legal underpinning for any of this information to be kept confidential, whether that's state or federal rules or laws. And it appears that TransCanada has tried to operate in accordance with his articulation of that.

You know, one other thing that occurs to me -- I mean, reasonable people can probably disagree about whether or not a particular document could be further redacted. It is worth noting again for the record that we've got a large number of Intervenors, any of which could presumably enter in to some sort

of agreement, a protective order so that they can take a look at it, and if they believe the information that they have access to the -- the broader public should have access to, they could certainly by their own action petition the Commission to examine this issue further.

That's my understanding. I'd look to the lawyers to make sure I haven't misstated anything.

MR. SMITH: I think that's true. I mean, the Commission very frequently permits parties to cases to have full access to all confidential information. It's just that they have to do so under some understanding that it won't be totally released out to the public.

Again, I think, you know, we get great benefits at the Commission from the Internet from electronic filing and the tremendous amount of availability of information we can provide. But it also makes the information extremely broadly available, you know, to a universe of people that, you know, is just -- is way beyond what normally we might have looked upon traditionally as people likely to come in to our office and seek access to information.

I might -- one observation on the landowner list.

And, again, maybe that's the toughest item. I'd just note here that in other cases -- I'll give you an example, a recent one, S&S Communications, for example, where people out there are not -- they haven't elected to come to the Commission. This is

something that came to them.

And all of a sudden then to have your information not just in our files but on the Internet where everybody in the world can make up a list and do a mass mailing, you know, I think that's the kind of concerns we've had, you know, on some of these things is that a lot of times people when they haven't voluntarily elected to be in something, to all the sudden subject them to public display is maybe a reason to think about not doing that. And particularly obviously if there's identity type information involved. Just some thoughts.

CHAIRMAN JOHNSON: No. Thanks, Mr. Smith. It's probably worth noting we did have a couple of public hearings on other issues regarding this docket yesterday. And this information's only been available for a week.

But, I mean, I do think it was good to see that a number of people quoted from information that they had found on the Internet that had previously been marked confidential. A number of people mentioned they appreciated having access to this information, and clearly there is hundreds and hundreds of pages for people to review out there. I think people appreciate having access to these documents.

Any other Commissioner or advisor comments or questions?

Commissioner Kolbeck.

COMMISSIONER KOLBECK: Yes. I guess I'm looking at

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the letter from the Department of State. I understand the environmental consequences and why we have to do that because more on the federal side. I'm more concerned with the -- and I'll look to staff I guess for an answer to this question.

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Is there anything that someone could go to the courthouse for and spend hours upon hours of research to find out that is marked confidential here? That's more my concern, well, I can get it at the courthouse, but I can't get it on your website type of deal.

MS. VAN BOCKERN: The landowner list, Commissioner, is the only thing I can think. I suppose someone could find the site, go to the Register of Deeds Office, look up parcel by parcel the owner. That would be the only type of information I think that would be accessible in a different venue.

COMMISSIONER KOLBECK: That is public information.

MS. VAN BOCKERN: It's just organized in such a way as I think Mr. Smith articulated, well, that we're really giving it to people -- I mean, I feel uncomfortable in giving that entire list. But that would be the type of information that is public. I mean, land ownership is a public recorded type of instrument at the Register of Deeds.

COMMISSIONER KOLBECK: Is there a way that we could -I'm uncomfortable with that being on the Internet. I'll be
blatant about that. I just -- I totally very much understand
that information being on the Internet and the ramifications of

that.

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Is there any way that TransCanada would be willing to help landowners back to the county courthouses? Maybe the landowner list is at the county courthouse and not on the Internet? Is that legally a problem, John?

MR. SMITH: Well, there is really no cut and dried -if you look at our rule, which you guys don't have a copy of,
there's no cut and dried category. There's a group of
categories on here.

And one of the categories is trade secrets, you know, and we've got information which is made confidential under any other provisions of state or federal law. And I'm not aware of any particular -- I'm not aware of any particular federal privacy law or whatever. I mean, we're not dealing with medical information or any of that here.

But the last category is information which is determined confidential by the Commission. And, you know, to me it sounded just what level of disclosure of the people's -- you know, I just don't know. It's up to you. I mean, probably most of these people are listed in the phone book. It's up to you. If you feel you want to -- we've elected --

Like in the S&S case we elected not to reveal all of those customer names, you know, out to the -- and put a list of them on the public. And, again, there's reasons for doing that, for putting them on there. There's a reason for not doing so is

because these people aren't choosing to get a mailing from us. 1 And all the sudden you're on a list. Somebody can go on there, 2 3 and all the sudden you're getting more junk mail in the mail. And it might be a good thing, but it might be something that 4 5 you -- it just -- I think it's a discretionary deal. COMMISSIONER KOLBECK: It's kind of concerning that 6 7 the raptor has more confidentiality than a person who owns land. 8 But --CHAIRMAN JOHNSON: The raptor doesn't even get junk 9 mail. 10 MR. RISLOV: This is Greq Rislov for the Commission 11 One thing I wanted to point out, that if people really 12 felt they wanted their name in public, I think there's a list of 1.3 over 100 Intervenors and that would probably be a pretty good 14 quess that would be a list of landowners who would choose to 15 make their names public, and likely it would be a majority of 16 17 people along that route. 18

And I would suggest that alone would likely represent a list of those who I quess would have no objection to having their name mentioned in public. And that may serve at least in some sense a substitute for the information you're talking about now.

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CHAIRMAN JOHNSON: Commissioner Hanson had a comment or question.

> Well, I did, and I do, but it's COMMISSIONER HANSON:

one of those situations that you -- out of a 12-hour meeting you might say one sentence, and then it gets quoted wrong.

The S&S situation was one in which people had been bilked out of a significant amount of funds and some of them were embarrassed and some of them were in situations where they had businesses and they didn't want the rest of the world to know they had been duped out of thousands of dollars. So there was an entirely different reason at that juncture for having those confidential.

The situation that we have here is that it's interesting because one of the gentlemen that I spoke with yesterday when we were in Alexandria only wanted to give me his first name. He was very concerned about Government and Government at every level and what they might do to him.

And at the same time there were several people that came up to speak with me at the breaks who wanted to know -- and these are landowners -- wanted to know, is there a list of names so we can kind of get together and instead of each one of us hiring different attorneys, maybe we can all get together and -- or a bunch of us in different areas and hire the attorneys and share the cost.

And so there's pros and cons here of different challenges. And I suspect most of these folks have their name in a phone book somewhere, and if someone really wanted to go through the process of sending them letters, all they've got to

do is go to the county courthouse or drive down the road and they can do it.

Granted, that's a little more difficult than picking it off the Internet. But there are some advantages to these folks in being able to know who else is in the boat with them and how they can contact those people and work with them. Some of the people were asking for sign-up sheets yesterday so -- we've got to recognize that there's benefits to these folks too to having their names -- and if we're insisting on open Government, then it would seem to make sense to have it open.

CHAIRMAN JOHNSON: Yeah. Commissioner Hanson, this is Dusty Johnson. You know, I think you're right. I mean, I understand the dangers of this, but a suggestion that I might make to the Commissioners is perhaps we could ask TransCanada to provide only the list of landowners and the town of residence, you know, the mailing address that that person is sent to. That way if somebody knows --

I mean, John Smith from Canova may be different than the John Smith from Carthage, and if we help them narrow that down, I can see a public interest from people at least knowing who's affected by this pipeline.

I would maybe pause to see if staff or TransCanada have any objections to that.

MS. VAN BOCKERN: Staff does not have any objections to that and would certainly work with TransCanada to redact that

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information, but they may have some comments.

MR. KOENECKE: If the Commission orders it, we will do

doing the wrong thing, we want to know that too.

it.

CHAIRMAN JOHNSON: Well, if TransCanada believes we're

(Pause)

MR. KOENECKE: That's still the bottom line. If the Commission orders it, that's what we'll do. We've listed the competing concerns here very well, and you've framed it up. And we -- if it's done, it won't be at our request or our agreement. If you tell us to do it, we'll do it. That's the best I can do for you, Commissioner.

CHAIRMAN JOHNSON: Well, thanks, Mr. Koenecke. And I appreciate -- we'll pause for a moment again.

MS. SCOTT: Jennifer Scott from TransCanada. I just like to clarify the concern is the experiences, as John Smith has identified, where these people are not voluntarily wanting their information put on the -- on broadcast.

This has been an issue in other jurisdictions, and I just want to be sure that it's the Commission's decision to do this. It's your decision. So --

COMMISSIONER KOLBECK: You're more worried about the ramifications of you publishing their names and numbers and coming back after TransCanada and saying why did you put this on

the Internet? Is that what you're saying?

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MS. SCOTT: Yeah. I mean, I as a landowner I think there are probably landowners who would be concerned about broad dissemination and personal information, just for the purpose of, you know, as you said, it was involuntary. So it's -- but it's the Commission's decision if you wish to release this information. That's not something we would do.

CHAIRMAN JOHNSON: Well, thank you very much. And I would say that my comfort level with this is pretty low. I mean, I understand -- I understand all the reasons why the Commission shouldn't, you know, ask TransCanada to provide this information redacted, again so it's just name and mailing location.

Ms. Van Bockern.

MS. VAN BOCKERN: As Mr. Bettmann and I are talking back here, just a note for the Commissioners, that such a list is not normally something that we even ask for. It's not normally part of an application.

And I'm wondering if that document was filed maybe with the Department of State or why we even received it. But it's not something we normally receive. It's not something we normally have in the application process.

MR. BETTMANN: We asked for this as part of a staff data request, which isn't put on the Internet. Our data request responses are not part of the docket. It's for our use, for

staff's use. We've never asked for -- we've never had one -- in my recollection it's never been a part of a docket before.

CHAIRMAN JOHNSON: Yes, Mr. Smith.

MR. SMITH: Well, I just note we do have that new notice requirement too. So I don't know that the landowner -- in terms of specific pipeline crossing landowners that we could identify. But that particular list is a list that we've been required to compile since July 1.

MS. VAN BOCKERN: I'll note, Mr. Smith, we've kept that list confidential.

MR. SMITH: That's what I thought. I guess the other list you're talking about, I didn't even know that existed until today.

MS. VAN BOCKERN: I don't think it's part of a data request. I think it's part of something that -- who knows. We don't require it in this state. It's not something we asked for.

CHAIRMAN JOHNSON: You know, I do want to do a little more legal research on this. I mean, I would just, you know, suggest to my colleagues we take this under advisement. And I actually think the motion that was put on the agenda is probably not necessary. We don't normally formally accept applications in the Commission meetings.

So, I mean, Commission's been refiled and TransCanada, it appears as though with the exception of maybe this one

possible issue they've complied with all the Commission's 1 2 requests. I don't know that any action's required by the 3 But on this particular component maybe we could take it under advisement, bring it up at a future meeting. 4 5 Anybody have any concerns with that? If that's the 6 case --7 COMMISSIONER KOLBECK: That's the -- nothing would change then; correct? 8 CHATRMAN JOHNSON: 9 NO. COMMISSIONER KOLBECK: We're going to take --10 basically our only issue is the names of landowners. 11 And I want to do a little more CHAIRMAN JOHNSON: 12 13 legal research for my own purposes before forcing any action 14 that my comfort level isn't real high with. 15 Unless anybody has any objection with that, Commissioners, I would say no objection under this item, take it 16 under advisement. 17 And we would certainly publicly thank TransCanada and 18 staff for the quick turnaround time for all this information. 1.9 Again Ms. Van Bockern thought it might take a week, and it took 20 a couple of days. So thanks for everybody getting that 21 22 information out there. With that, we will stand adjourned. 23

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	1	STATE OF SOUTH DAKOTA)
	2	:SS CERTIFICATE
	3	COUNTY OF HUGHES)
	4	
	5	I, CHERI MCCOMSEY WITTLER, a Registered
	6	Professional Reporter, Certified Realtime Reporter and
	7	Notary Public in and for the State of South Dakota:
	8	DO HEREBY CERTIFY that as the duly-appointed
	9	shorthand reporter, I took in shorthand the proceedings
	10	had in the above-entitled matter on the 26th day of June
	11	2007, and that the attached is a true and correct
	12	transcription of the proceedings so taken.
	13	Dated at Pierre, South Dakota this 13th day of
7	14	July 2007.
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	17	Chimalona Dos
	18	Cheri McComsey Wittles, Notary Public and
	19	Registered Professional Reporter Certified Realtime Reporter
	20	Certified Realtime Reporter
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