

**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 PIPELINE)
PROJECT)**

**ORDER FOR AND NOTICE OF
PUBLIC HEARING**

HP07-001

On April 27, 2007, TransCanada Keystone Pipeline, LP (Keystone) filed a siting permit application for the South Dakota portion of the Keystone Pipeline Project (Project). The Project will transport crude oil starting in Hardisty, Alberta, Canada and ending in Patoka, Illinois. The proposed 30 inch diameter pipeline will have a nominal capacity of 435,000 barrels of oil per day (bpd) with a possible expansion to 591,000 bpd. The proposed route will enter South Dakota at the North Dakota/South Dakota border in Marshall County and extend in a southerly direction, exiting the state at the South Dakota/Nebraska border in Yankton County. The length of the pipeline in South Dakota will be approximately 220 miles and it will cross the counties of Marshall, Day, Clark, Beadle, Kingsbury, Miner, Hanson, McCook, Hutchinson and Yankton. The Project also includes four pump stations in South Dakota located in Day, Beadle, Miner and Hutchinson counties along with 15 mainline valves with an average spacing of 15 miles between valves. In June, 2007, the Commission held more than 15 hours of public hearings in the project area as follows: Yankton – June 25, 2007, 11:00 a.m.; Alexandria – June 25, 2007, 7:00 p.m.; Clark – June 26, 2007, 7:00 p.m.; and Britton – June 27, 2007, 12:00 p. m.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-41B and ARSD Chapter 20:10:22.

Pursuant to SDCL 49-41B-15 and 49-41B-16, the Commission will hold a public hearing on Keystone's application on Thursday, December 6, 2007 from 7:00 – 11:00 p.m. CST in Room 412 of the State Capitol Building, 500 East Capitol Ave., Pierre, SD. The hearing will adjourn at the conclusion of comments from all persons who have arrived before 8:00 p.m.

The purpose of the hearing will be to hear public comment regarding Keystone's application. Interested persons may appear and present their views, comments and questions regarding the application. Pursuant to SDCL 49-41B-15(5), a copy of the application and other case filings are on file in the following counties: Marshall County, Day County, Clark County, Beadle County, Kingsbury County, Miner County, Hanson County, McCook County, Hutchinson County and Yankton County. The application is also on file in the Commission's office in the Capitol Building in Pierre, and the application and all other non-confidential documents in the case may be accessed on the Commission's web site at www.puc.sd.gov under "Commission Actions," "Commission Dockets," "2007 Hydrocarbon Pipeline," "HP07-001."

For approval, Keystone must show that the proposed facility will comply with all applicable laws and rules, will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area, will not substantially impair the health, safety or welfare of the inhabitants, and will not unduly interfere with the orderly development of the region with due consideration having been given to the views of governing bodies of affected local units of government. Based upon these factors, the Commission will decide whether

the permit should be granted, denied or granted upon such terms, conditions or modifications of the construction, operation or maintenance as the Commission finds appropriate.

It is therefore

ORDERED, that the Commission shall hold a public hearing on Keystone's application on Thursday, December 6, 2007 from 7:00 – 11:00 p.m. CST in Room 412 of the State Capitol Building, 500 East Capitol Ave., Pierre, SD. The hearing will adjourn at the conclusion of comments from all persons who have arrived before 8:00 p.m.

Pursuant to the Americans with Disabilities Act, these hearings are being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearings if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 9th day of November, 2007.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.	
By:	<u> Alaina Kolbo </u>
Date:	<u> 11/9/07 </u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

 Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman *dk*

 Gary Hanson
GARY HANSON, Commissioner

 Steve Kolbeck
STEVE KOLBECK, Commissioner