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FOR INTERNAL KEYSTONE PROJECT USE ONLY

TransCanada – Keystone Pipeline
Contact Summary Form

Location of Meeting	Phone communication
Date/Time of Meeting	January 18, 2006; approximately 1:30 pm Mountain
Keystone Team Member(s)	Karen Caddis

Contact Information:

Name	Cody Wheeler
Title	Special Projects Manager
Organization	U.S. Army Corps of Engineers – Kansas City District
Address	700 Federal Building 601 E. 12th Street Kansas City, MO 64106
County	Not Applicable
Phone	816-983-3739
E-mail address	cody.s.wheeler @usace.army.mil

Meeting Information:

Type of Contact (phone, in-person, etc.): Phone

Issue: Initiating agency communications, identifying COE contacts, and introducing project and field protocols **Concern Level: High___Moderate_X__Low__.**

Description:
Cody Wheeler is currently the Kansas City COE District lead for the Rocky Mountain Express project. He indicated that he will also be that District's lead for the Keystone project. He met this morning with reps from the REX project and has also been discussing with other COE districts how to coordinate between the two projects and the various COE offices. At this point, the COE districts are planning on managing those portions of the ROWs that pass through their districts only. They will informally coordinate with each other, but permit their own areas. At this time, there would not be one COE lead and it appears that field offices would not be involved, just the district offices. Permits won't be issued by the COE until the EA/EIS process is completed. The Section 404 can be initiated at any time, but again, COE permitting will not be finalized until the EA/EIS process is complete and the ROD/FONSI is issued. Cody confirmed that three COE districts would be crossed by the Keystone Pipeline; Omaha, Kansas City, and St. Louis. He recommended contacting Rob Gramke with the St. Louis District (314-331-8187) and Keith Tillotson (308-234-1403) with the Omaha District to confirm who would be the COE

leads in their districts (left messages with both on 1/18).
Issues identified during the REX meetings that the COE would particularly be concerned with include streambed degradation and stream crossing techniques. The COE would prefer that directional drilling of major drainages occur as much as possible to avoid streambed degradation. If directional drilling is not practical, the COE may implement additional mitigation measures to ensure that potential degradation is minimized. Initially the COE would be OK with using general FERC stream crossing methodologies.
Cody initially indicated that the COE would like delineation to occur along the entire length of the ROW; however, it appears that this may not necessarily mean that all drainages would require formal on-the-ground wetland delineation or that all areas need to be surveyed on the ground. He said that the main concern was that all features, including ephemeral drainages, be located and the potential total disturbance acreage be identified. I explained that what we typically do is prepare a "master" table that identifies all water features based upon NWI, aerial photo, and USGS topo interpretation. The table includes length of crossing, acreages potentially disturbed, feature description and coordinates, etc. From this list, we then typically "high grade" to a master list of features requiring ground truthing and formal wetland delineation. These sites could include perennial stream crossings, wetland complexes, or other areas that the COE considers sensitive. I explained that this list and our general survey protocol is usually provided to the COE for final approval before the field surveys are initiated. I also explained that our preliminary work also includes suggesting relocation where possible for construction features that may initially be located within WUS. He seemed receptive to this approach and thought it sounded like it could work, depending upon further discussions.
Cody said that permitting drainage ditches, grassy swales, and ephemeral drainages is generally not a "big deal" for the COE and that he thought most if not all of the project could be permitted under nationwide permits. He reiterated that the COE just needs to have all of the potential disturbance areas associated with wetlands and other WUS identified initially to the COE's satisfaction. He suggested that perhaps the same wetland survey teams that are working on the Rocky Express Project could complete wetland surveys in the co-located portions of the Keystone ROW in Nebraska and Missouri. I did not commit to this arrangement, but said that we could discuss it further.
I told Cody that the Keystone Project team is expecting to make visits, though not necessarily formal pre-application visits, to the various COE district offices sometime during the first two weeks of February to present the project and discuss survey and permitting strategies. He indicated that he should be available for a meeting during that period if given about a week's advance notice.

Follow-up Required / Requested

1) Confirm meeting dates and potential attendee's names with Cody for meetings proposed for February.

Additional Comments

1) Need to determine if one permit will be issued for the entire project by all 3 involved COE district offices or if each district will issue a permit for only its own district.
2) Need to finalize survey strategies and hopefully have them consistent between the 3 districts.
3) Confirm that a summary table and "master" table approach to identifying WUS crossed is acceptable to the various COE districts.

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FOR INTERNAL KEYSTONE PROJECT USE ONLY

1:30

TransCanada – Keystone Pipeline
Contact Summary Form

Location of Meeting	Phone communication
Date/Time of Meeting	January 30, 2006; approximately 1:30 pm Mountain
Keystone Team Member(s)	Doree DuFresne

Contact Information:

Name	Cody Wheeler
Title	Special Projects Manager
Organization	U.S. Army Corps of Engineers – Kansas City District
Address	700 Federal Building 601 E. 12th Street Kansas City, MO 64106
County	Not Applicable
Phone	816-983-3739
E-mail address	cody.s.wheeler @usace.army.mil

Meeting Information:

Type of Contact (phone, in-person, etc.): Phone

Issue: Invitation to KS State Agency Meeting Feb 6 **Concern Level: High___Moderate_X**

Low__.

Description:
Contacted Mr. Wheeler to check his availability and interest in the KS Agency meetings on February 6, 2006 in Topeka. He is both interested and available

Follow-up Required / Requested
) Follow up with e-mail confirming location and time/date for meeting – attach to summary – filename ACOE C Wheeler 013006 DD email.htm

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Additional Comments

Keystone Project Meeting: KS State Agencies, Topeka, KS

Date: February 6, 2006 (10:00 AM-1:00 PM)

Keystone Attendees: G. Moffat, S. Duncan, D. DuFresne, D. Schnacke

KS Agency Attendees:

Ron Hammerschmidt, KDHE, Director - Division of Environment
Don Carlson, KDHE - Chief, Industrial Program Section
Matt Scherer, KDA, Division of Water Resources - Water Structures Program Manager
Jim Hays, KDWP - Chief, Environmental Services
Mike Parhomek, KDHE - Environmental Sciences
Ralph Walden, KDHE - Environmental Engineer
Al Cathcart, KDOT, Bureau of Design - Coordinating Engineer

Federal Agency Attendees:

Cody Wheeler, ACOE, Kansas City District - Regulatory Special Projects Manager

Introduction of personnel;

- Schnacke: Overview of project location, introduction of other Keystone attendees.

Introduction of project

- Moffatt: Permitting will be through the Department of State (DOS). TransCanada and ENSR are prepared to talk in depth about the portion of the line that is collocated with the Platte system; the preliminary centerline for the portion called the Cushing Extension is under development and will be wrapped into the NEPA process at the request of the Department of State. The request was made during meetings in late January, and therefore the information on that portion of the line is lagging behind. The primary constituent the pipe will carry is Bitumen from Tar Sands.
- See presentation handout for visual cues of notes
    - Moffatt: Introduction of Transcanada, and project (economic viability, location overview, capacity, length, preferred route, tax revenue, pump stations, construction techniques, pipe specifications, timing for project). Discussion on using NPMS monitoring for pipe and timing of open season for Cushing extension.
    - Operating Pressure, Pipeline Diameter, number of, pipe will be X80 pipe (slide 15)

Discussion of general permit information – Scott Duncan

- See presentation handout for visual cues of notes
    - Federal permits and consultations (slide 15)

- State permits and consultations (slide 16)
- Department of State is primary agency (vs. FERC), however process will be modeled on similar processes (e.g. previous DOS, FERC, and BLM EAs) (slide 18)
- Schedule as envisioned, including DEIS/EIS. Discussion on start of field seasons. Discussion on goal of having all needed permits in line in November, 2007 (slide 18)

Objectives of KS Agency Meeting – Scott Duncan

- Initiate the highly consultative process with agencies and establish contacts for the process for permitting the Keystone pipeline
- Discuss agency permit requirements/processes that ENSR has identified, other requirements, and identify any data needs (e.g. survey information)
- Discuss time requirements for these processes/permits with ultimate goal to have all required permits by November 2007
- Discuss coordination between federal and state agencies

Air permits - KDHE

- Moffatt: The number of pump stations in Kansas is not precisely known at this time, but are likely to be 2 on main line and ~4 on Cushing, (located 50-60 miles apart)
- Moffatt: Electric pump station generators may be capable of 7000 or 14000 psi on the line. Backup generators will need to be included in the system; however locations and types of generators have not yet been determined. Walden: The size of the electric generators indicates large backup generators may be needed. If the generator is capable of generating over 250 tons of emissions, the generators will need to be permitted under Title V for construction and operation (become a PSD project). If the generator is calculated to produce less (a combination of hours of operation and generator size and type), there will be no need for either a construction or operation permit.
- Walden: Further permitting may be necessary for condensate tanks and rock crushers and other construction processes. Fuel tanks will need to be registered (permitted under KDHE Bureau of Environmental Remediation), may trigger NSPS, and may require a SPPC plan that is approved by EPA.
- Walden: If the project needs to apply for Title V permits, they will take a minimum of 6 months (9-12 months lead time is best). Permits will require start of construction within 18 months (so the Cushing extension permits may need to be applied for separately).
- Walden: If PSD is needed, the state would like to have a pre-application meeting which includes EPA under 40 CFR 5221.

Stormwater permits - KDHE

- Carlson: Stormwater permits will no longer be issued by the State for pipeline projects due to the recent EPA ruling. However, all best management practices and plans such as the erosion management plan that were required for issuance of the permit should still be prepared and employed. The State will still hold associated streams to state water quality standards (WQS), and any complaints or observed issues with water quality that could be associated with a particular construction site would be investigated.

Hydrostatic testing permits

- Water discharge - KDHE
    - Carlson: General permits are relatively easy to obtain, have a fast turnaround time, and can cover more than one site.
    - Carlson: An individual permit would be required if source water quality is poor. There would be a public hearing, and the process would take 60 days.
    - Carlson: The location of discharge needs to be identified, and the permit will consider water source, but does not cover permits for water appropriations.
    - Hays: Water taken from surface sources may need to be returned to the original source for water quality and invasive species issues (zebra mussels). Groundwater does not have this issue.
- Water Appropriations - KDA
    - Scherer: Permits required for ground and surface water
    - Scherer: Two types of appropriations permits – temporary and permanent – temporary should be appropriate for hydrostatic testing (good for 60 days). Need a separate permit for each source.
    - Scherer: If landowners sold water to TransCanada for construction, the owners of the water would need to get an adjustment to their permits for the use of the water.
    - Scherer: Term permits tend to be used for ROW watering

401 Certification / 404 permitting – KDHE / ACOE

- Carlson: The state 401 process will include comments to the 404 process. Scott Sauterwaithe of KDHE is the primary person addressing 401 certification.

- Wheeler: There will likely be 1-2 Nationwide Permits (NWP) issued by the ACOE -Kansas City District portion of the route, including NWP of utilities lines and crossings.
- Wheeler: Erosion control is a problem and a concern in the area.
- Wheeler: ACOE would like to see data on crossing locations for streams. They generally concentrate on higher end streams, or close by wetlands or ponds. Net loss of wooded wetlands will definitely require mitigation (either replanting or mitigation banking). Agricultural areas will not require mitigation if the areas are restored.
- Wheeler: The Missouri River has active sand dredging taking place – it should be crossed using HDD.
- Wheeler: 404 permits will require several months to process.
- Wheeler: The ACOE would like to see data from stream/wetland surveys starting in June/July, 2006.
- Wheeler: Need to have the stream crossing locations identified to determine issues associated with bank clearing.
- Wheeler: Construction of surface facilities (i.e. pump stations) will need to be considered in the 404 process as well as be permitted through state and local entities.

Stream channel modification permits- KDA

- Scherer: Streams are defined as having a drainage of 240 acres or greater for most permits, however, pipeline crossings are under a special category that defines streams needing permits as having drainages of >50 square miles or more. If the drainage area is less than 50 square miles, and the pipeline has a minimum of 5 feet soil cover, there will be no permit required. Also if a stream is crossed using HDD, no permit will be required.
- Scherer: Application process for the general permit takes approximately 45 days (plus or minus 15 days). A regular permit takes approximately 100 days.
- Scherer: Any changes to levees will require notification of the owners and a permit.
- Scherer: KDA needs stream crossing locations to within 10 acre tracts.
- Scherer: Pump stations placed within floodplains will require permits from KDA and separate permits from associated counties.
- Scherer: Construction needs to be finished within 2.5 years of issuance of permit (associated with timing for permits for the Cushing extension)

Action Permit - KDWP

- Hays: KDWP has been in contact with Rollin Dagget (ENSR) about T&E species on the main line. It appears there are 23-24 streams with associated T&E species, but more precise crossing locations will help to determine this, as the species are not in all reaches of the streams. Hays estimates that there may be 6 reaches with T&E species.
- Hays: One way to avoid impacts to protected aquatic species is to avoid crossing during peak spawning dates. Another is to use HDD methods to cross streams.
- Hays: Federally protected species include shiners, and bald eagles, which require 300 meter buffer protection areas
- Hays: Riparian woodlands along the Missouri River may present potential issues associated with bald eagle habitat.
- Hays: Permits will take approximately 30 days for processing, and responses from the staff of many departments will be consulted.
- Hays: Disturbance to riparian vegetation will require in-kind replacement mitigation.
- Hays: Construction in the area around Atchenson may impact wetlands, and T&E species will need to be evaluated for the Kansas River, Arkansas River, and Skull River on the Cushing extension.
- The Flint Hills area is a tall grass prairie preserve, and extends across a large region of the east-central portion of the state. It appears that the Cushing extension may be just west of this ecologically important area.
- Hays: There are some T&E snakes in the northeast portion of Kansas found in mature woodland and rocky outcrops.
- Hays: KDWP would like to have the centerline when it is done (Keystone team indicated it should be available by the end of week).
- Hays: The permitting / consultation process goes smoother with frequent consultations. The various agencies within the room for the meeting commonly consult each other on permits, and will do so for this project.
- Hays: KDWP would like water crossings shown by township and range for streams with flows >1cfs for determination if there is further need to evaluate them. KDWP would generally prefer to directional drill for pipeline crossing of streams.
- Hays – Encouraged directional drill of the Blue River.

Crossing State Lands - KDWP

- Hays: The turnaround for obtaining permissions for construction across State lands is approximately 30 days.

Encroachment permits - KDOT

- Cathcart: Permits will likely not be needed until later in the process, but KDOT can give advice at this stage of planning associates with planned road improvement projects. That way any necessary adjustments to the alignment can be made early. DOT would like to see more precise alignments to aid in this determination. Current projects that may be impacted include the work around the city in Marshal County, although the pipeline may be located to the north of it.
- Cathcart: The utility accommodation policy that would apply to this pipeline project is available on the website.
- Cathcart: For road crossings the KDOT prefers seeing thicker steel pipe rather than concrete slabs.
- Cathcart: The Cushing extension will cross I-35, which is controlled by the Kansas Turnpike Authority. KDOT has no jurisdiction.
- Cathcart: KDOT county permits will go through different KDOT districts (main pipeline is District 1, Cushing extension is in Districts 2 and 5). Some counties (i.e. Butler County) have a township form of government.
- Cathcart: Each road crossing will be permitted separately through the districts.
- Cathcart: Construction will be monitored through area engineers.
- Cathcart: Turnaround time for permits will be approximately 1 month.

Action points:

- Forward Missouri meeting information to Wheeler, and prepare a hardcopy of the 1:24,000 maps for him.
- Prepare electronic line lists with aerial and topo overlays for state agencies for Wheeler and Hays (OK with DVD) as discussed. Note: Cathcart may also need a copy for his help in identifying routing issues as early as possible.

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ENSR | AECOM

ENSR
1601 Prospect Parkway, Fort Collins, Colorado 80525-9760
T 970.493.8878 F 970.493.0213 www.ensr.aecom.com

March 21, 2006

Mr. Cody Wheeler
Special Projects Manager
USACE- Kansas City District
700 Federal Building
601 East 12th Street
Attn: OD-R, Room 706
Kansas City, MO 64106

Subject: Keystone Pipeline Project

Dear Mr. Wheeler,

We look forward to meeting with you on Monday, March 27 at 1:00 pm at your office in Kansas City, Missouri to provide a project status update on the Keystone Pipeline Project and to discuss our proposed field programs for 2006. The overall purpose of this meeting is to discuss survey and application requirements and the information that Keystone will provide to the U.S. Army Corps of Engineers (COE) so that project-related wetland and water body jurisdictional determinations can be made.

To assist with preparation for the meeting and review of the project, please find the following attachments:

1. Pipeline Route maps. These strip maps illustrate the proposed pipeline alignment on an aerial photo and topographic base at a scale of 1:24,000. The National Wetland Inventory polygons have been included as an overlay on both bases. Also included are preliminary wetland survey areas that were determined by ENSR from aerial photo review.

2. Drainage crossings. A table listing drainage crossings is derived from the USGS watershed drainage GIS layers. Crossing locations are correlated with project mileposts. This table is the starting point for the Waters of the U.S. review.

3. Wetland/waterbody crossing methods. This is a section from the filing that Keystone will submit to the Department of State at the end of March.

4. Draft Survey Protocol. The survey protocol will be provided to you later this week via e-mail.

Preliminary Meeting Agenda

The following is a list of items that we would like to cover. We would appreciate your input on these, and other topics that should be discussed.

1. Introductions
2. Keystone Waterbody and Wetland Crossing Methods
3. Pipeline route review (routing considerations and concerns)
4. Overview of 2006 Field Program

5. Field Survey Technical Issues (definitions and level of survey)
   - Waters of the U.S.
   - Farmed wetlands

6. Technical reports (content and format).
7. COE expectations, and future communications

If you have questions regarding the attached information prior to the meeting on March 29, please call Karen Caddis or Scott Ellis at 970-493-8878, or contact us by e-mail (kcaddis@ensr.aecom.com or sellis@ensr.aecom.com). We appreciate the opportunity to meet with staff from all the COE offices within the Omaha District with responsibilities for this project.

Sincerely yours,

Karen Caddis

Karen Caddis
Senior Technical Specialist/Wetlands Program Coordinator

Scott Ellis
Environmental Permitting Project Manager

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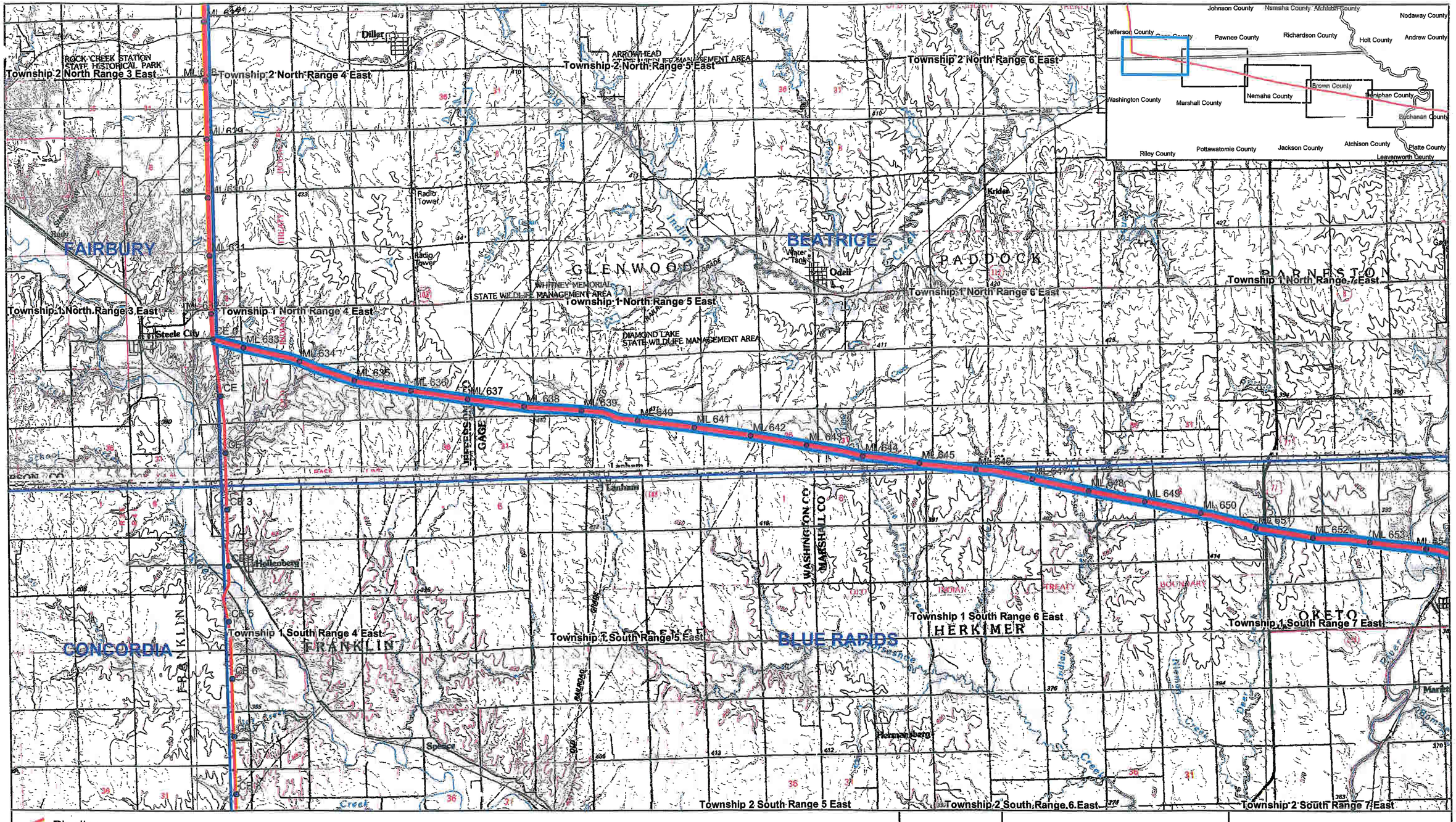

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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0 0.5 1 Miles

Keystone Pipeline Project

TransCanada

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Map 1 of 5

Land Access Areas (Kansas)

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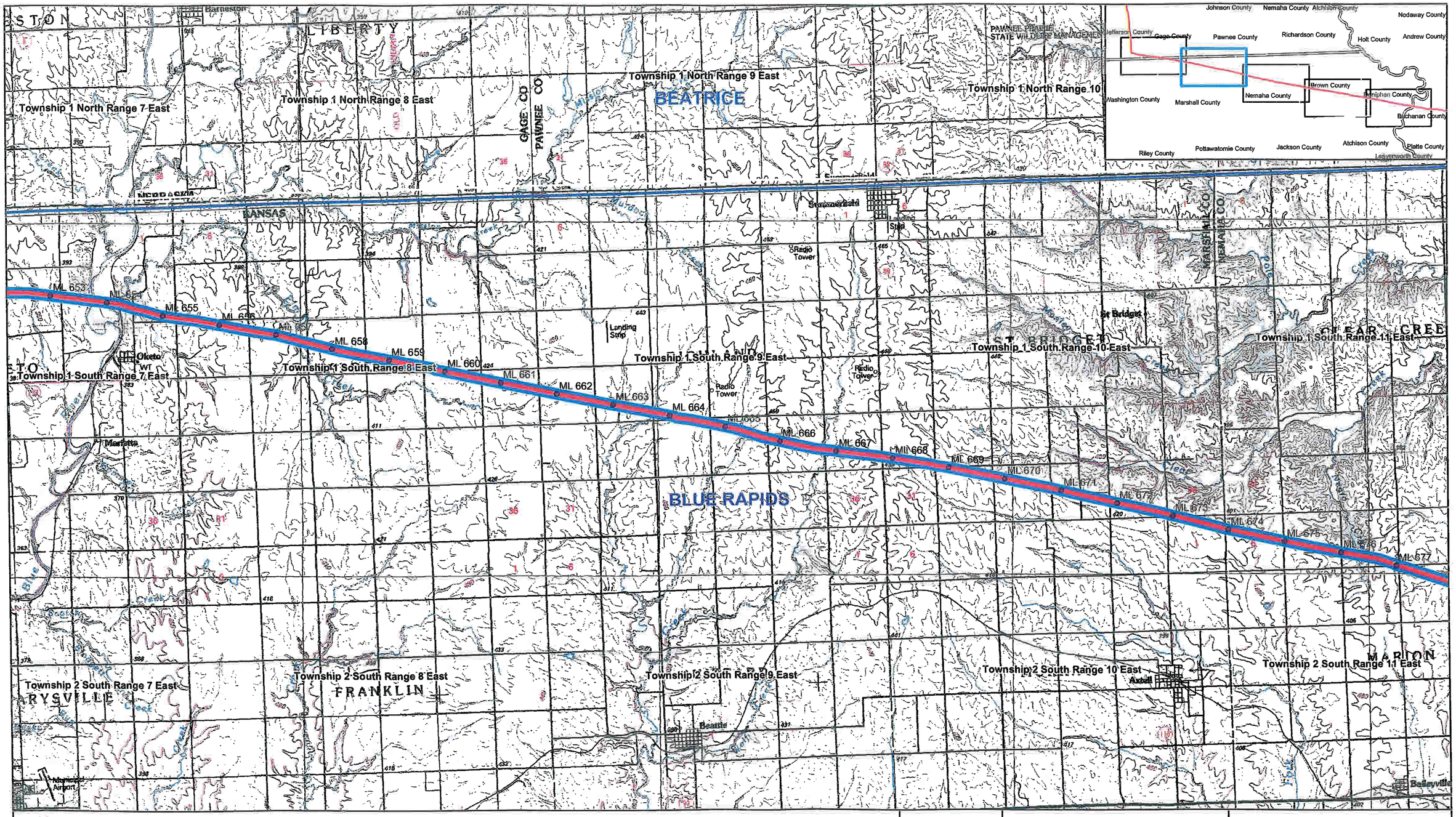

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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Keystone Pipeline Project

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Map 2 of 5

Land Access Areas (Kansas)

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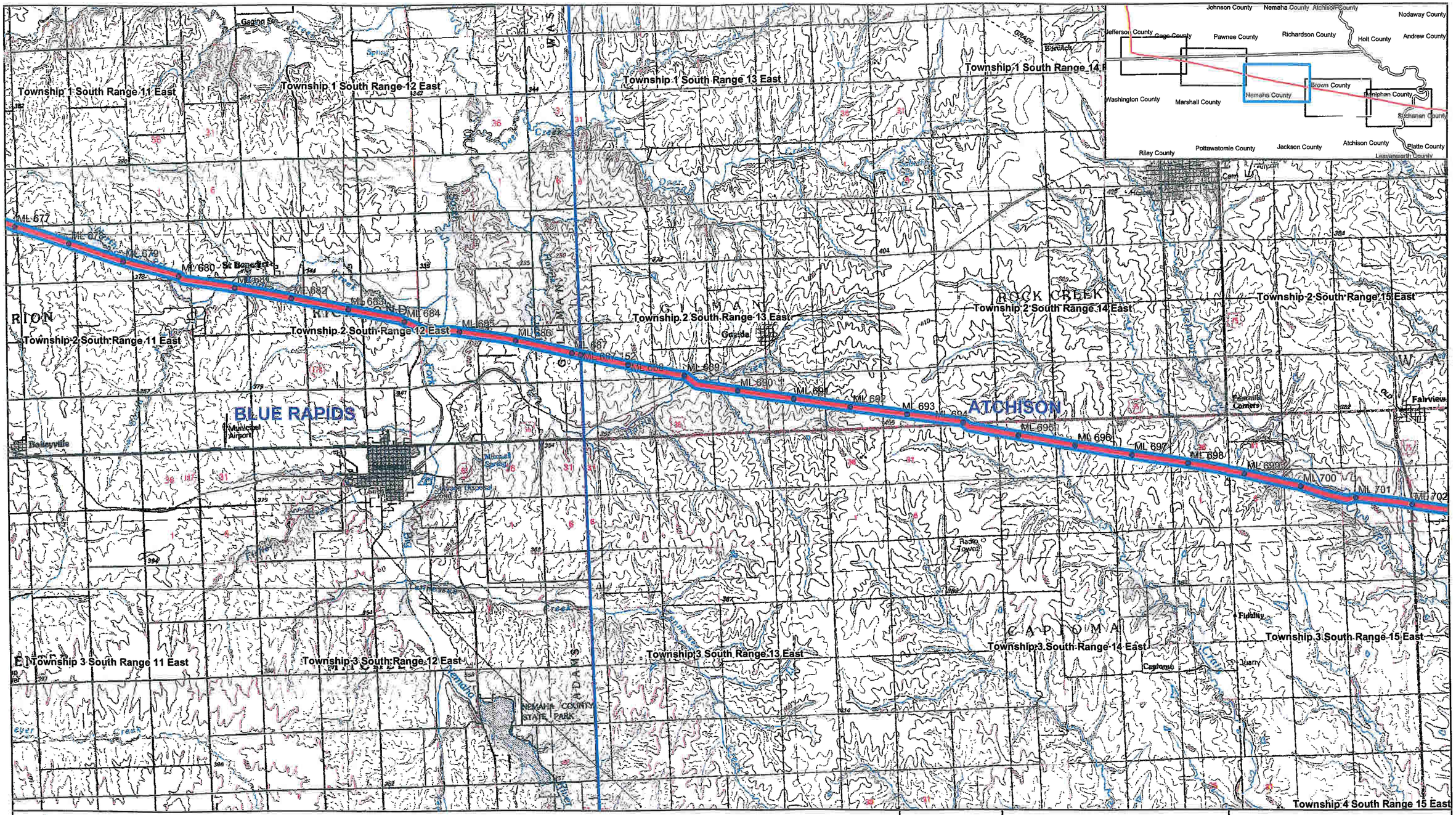

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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Keystone Pipeline Project

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Map 3 of 5

Land Access Areas (Kansas)

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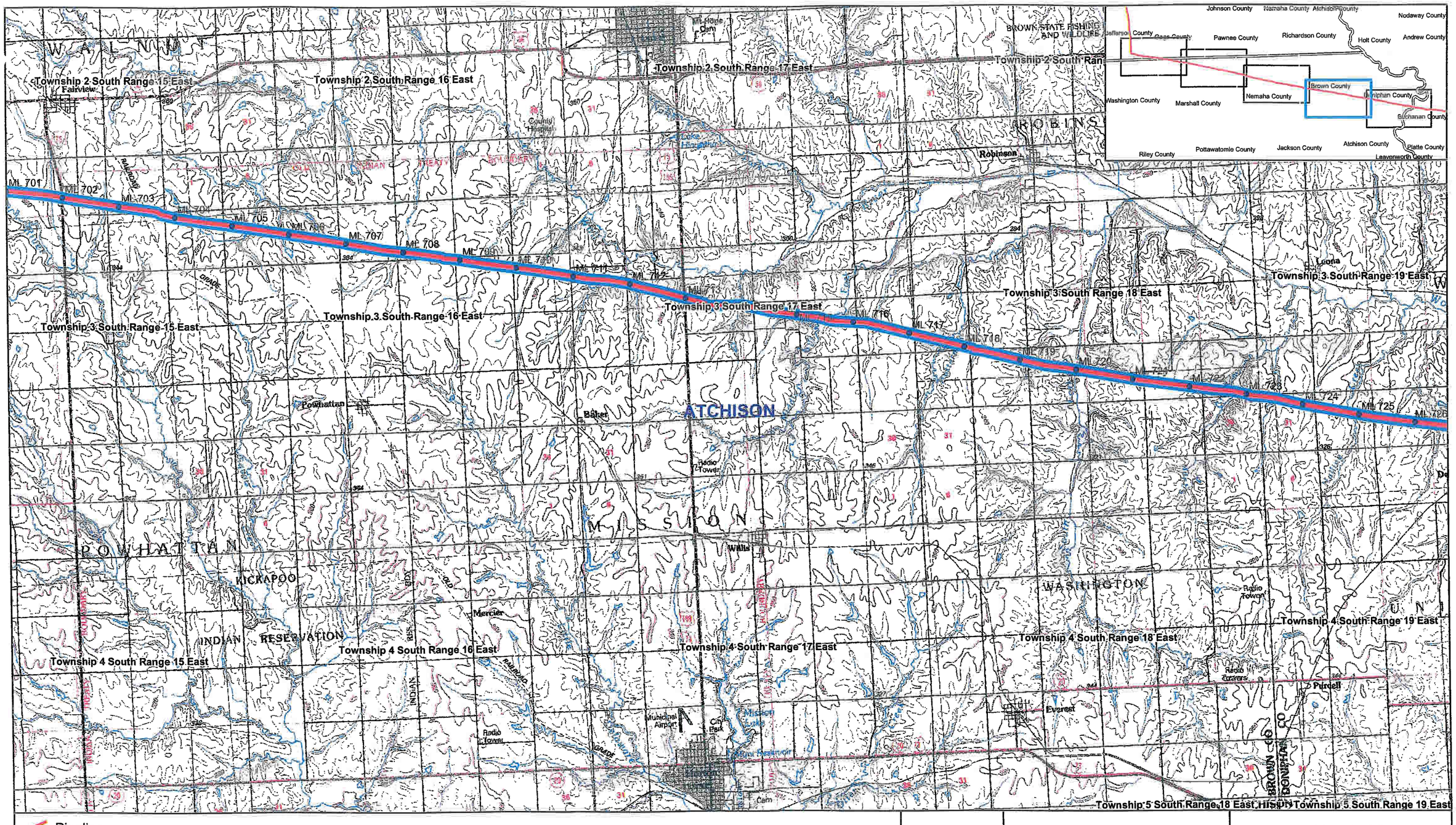

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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Keystone Pipeline Project

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Map 4 of 5

Land Access Areas (Kansas)

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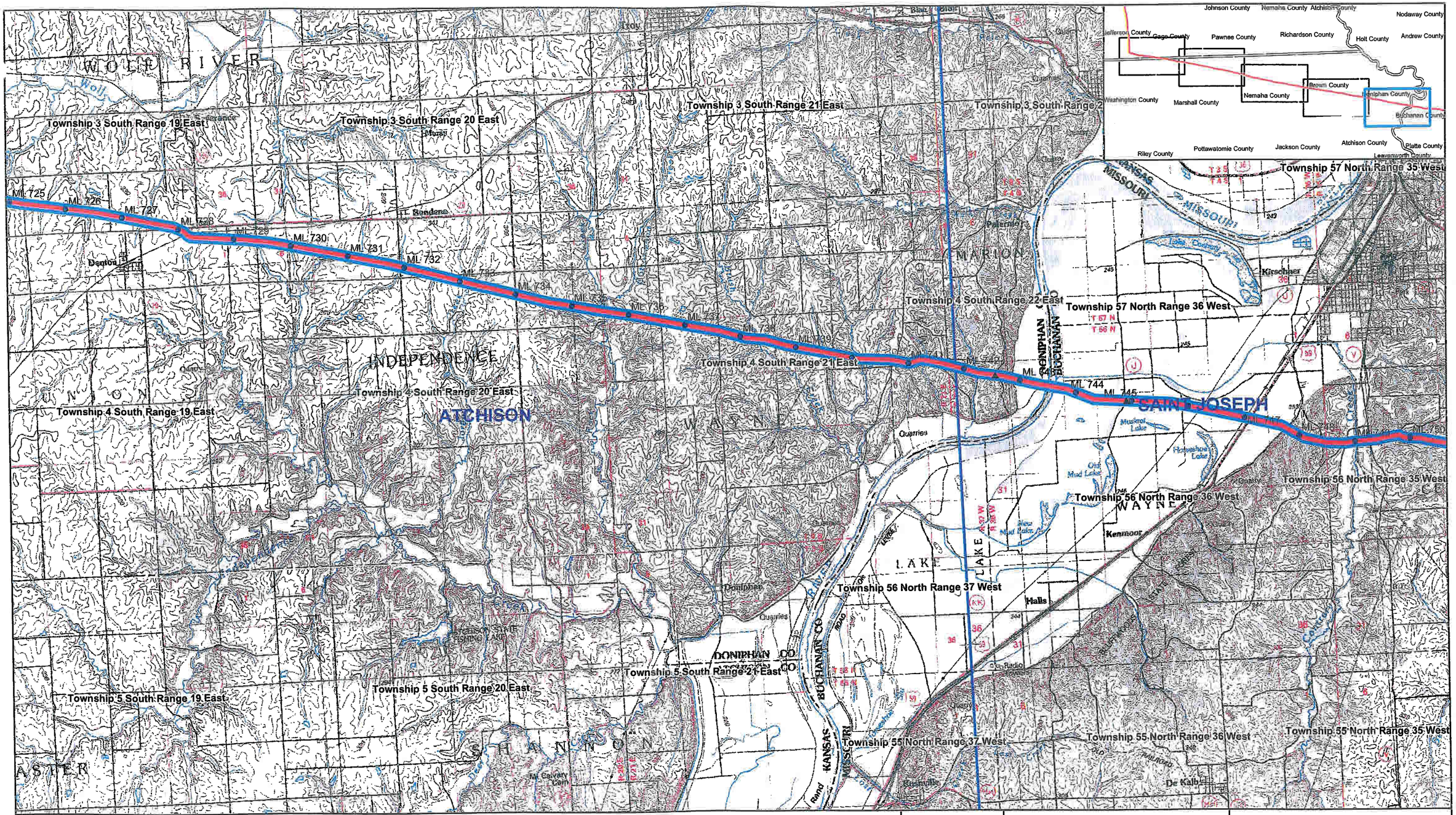

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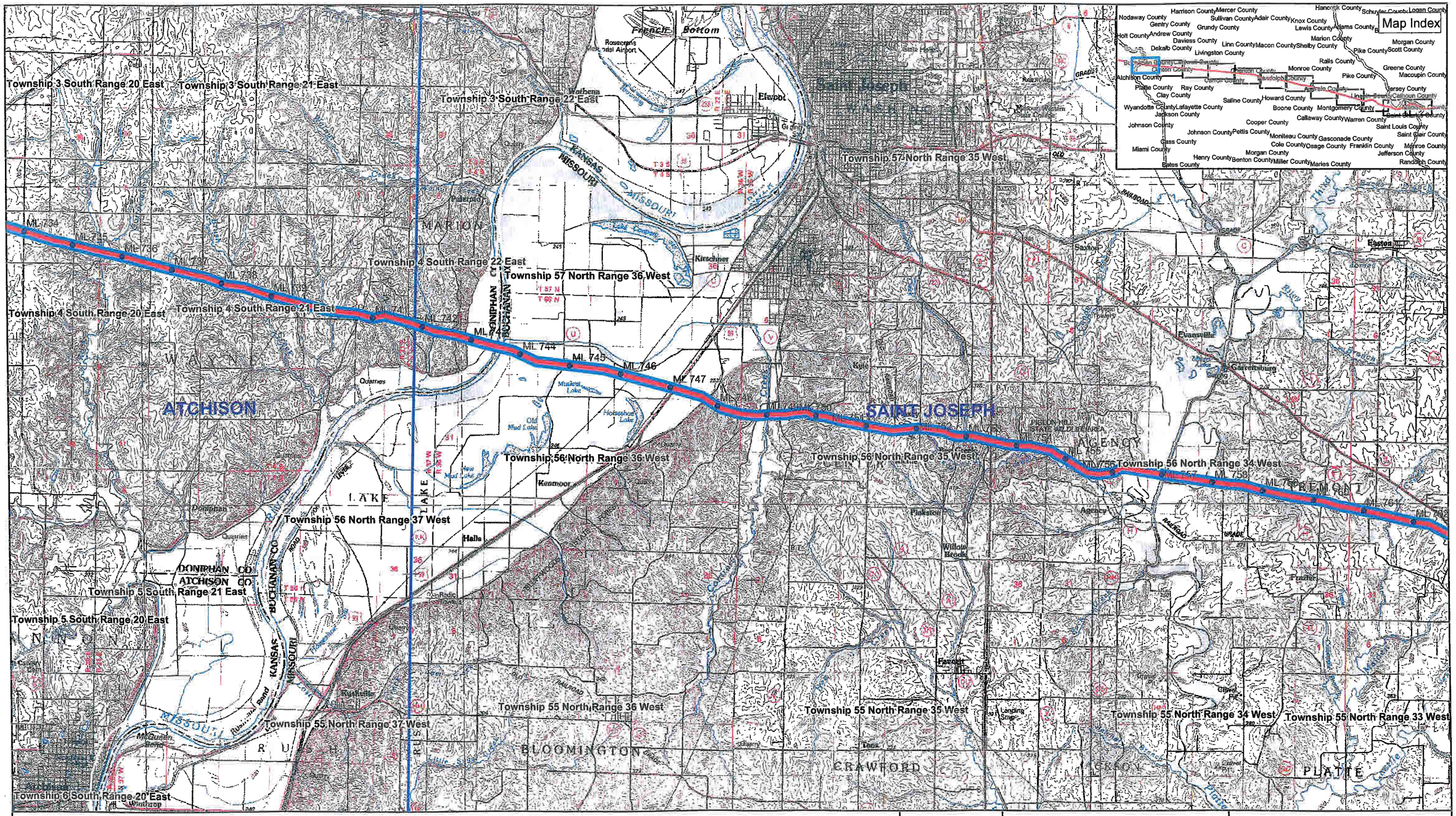

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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Keystone Pipeline Project

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Map of 1 of 12

Land Access Areas (Missouri)

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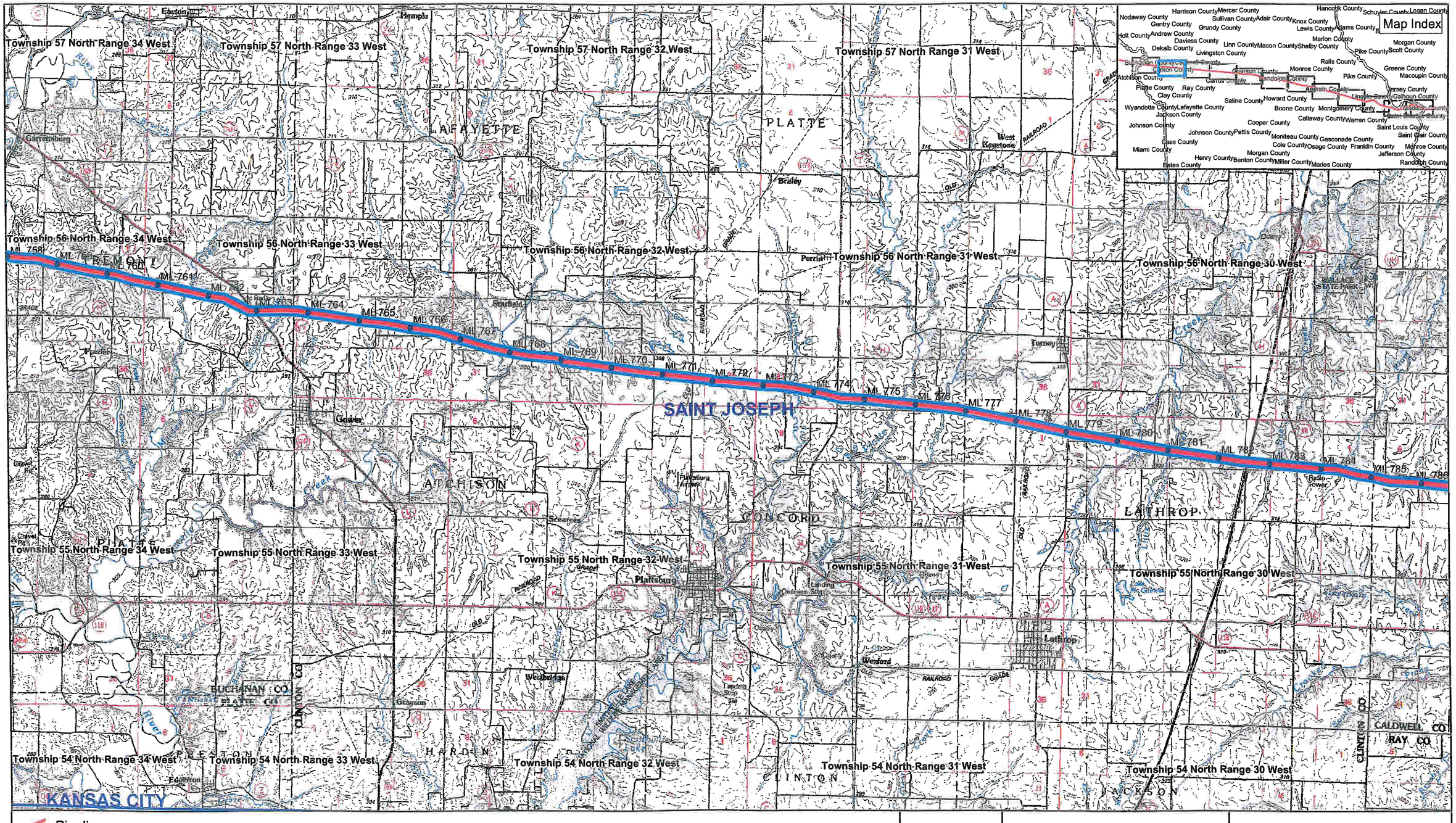

Pipeline

Co-Located Keystone and Rockies Express Pipelines

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0 0.5 1 Miles

Keystone Pipeline Project

TransCanada

In business to deliver

Map of 2 of 12

Land Access Areas (Missouri)