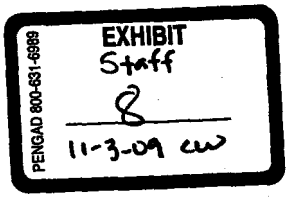
BEFORE THE
PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA

KEYSTONE XL PROJECT
DOCKET HP09-001

SUPPLEMENTAL PREFILED TESTIMONY OF WILLIAM WALSH ON BEHALF OF THE COMMISSION STAFF OCTOBER 2009



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SUPPLEMENTAL PREFILED TESTIMONY OF WILLIAM WALSH

Q. Please state your name and business address.

A. My name is William Walsh. My business address is 7135 Janes Avenue, Woodridge, Illinois, 60517.

Q. Did you review the application and associated material and previously provide direct testimony on behalf of the Commission Staff?

A. Yes.

Q. Do you have corrections and additions to make to your prefiled direct testimony?

A. Yes.

Q. On Page 2 of your original testimony, a reference to FERC requirements was included. Was this reference correct?

A. The reference to FERC is not correct. FERC is not notified in the case of oil pipelines. They are notified for natural gas pipelines

Q. On page 10 of your original testimony, you presented 2 questions to the Applicant. Did you receive responses to these questions?

A. Yes. The Applicant provided answers to both questions.

Q. Was the answer to the first question satisfactory?

A. Yes. The Little Missouri river was shown to be less than 100 feet wide from aerial photographs. My original estimate of the river width was estimated at 100 feet based on the river crossing drawing XL-03-ML-03-004 – LITTLE MISSOURI RIVER HDD INSTALLATION. The photographs included in the answers from the Applicant provide a much clearer view of the river width.

The Applicant's answer included the design considerations for valve placement relative to the rivers based upon environmental concerns, vehicular access to the

valves for emergencies and testing, and proximity to electrical power for remote operation. Placement of a valve without consideration of these factors could render the valve useless in an emergency. With these considerations included in the design, the placement of the valves at the water crossings appears to maintain the proper balance of protection of the water bodies from spills and effective maintenance, reliability, and operation of the valves. See Exhibit A.

Q. Was the answer to the second question satisfactory?

A. Yes. The maximum calculated spill volume of 66,596 barrels is in an area removed from HCA's and has a downstream valve (MLV 17) located approximately 5 miles away. If a spill incident were to occur at this very location, the 66,596 barrels could be released but would likely be contained before reaching the nearest river – North Fork Moreau River- 2960 feet away. A spill incident occurring at increasingly larger distances from the maximum spill volume location would result in progressively decreasing volumes of oil released. See *CONFIDENTIAL* Exhibit B

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Data Request:

What are the design considerations in the placement of valves on either side of the Little Missouri River, the Cheyenne River, and the White River, particularly the distances over 5 miles from the river bank?

Response:

Federal regulations (49 CFR 195.260) dictate the location of valves for hazardous liquid pipelines. Pertinent to these locations, a valve must be located on the mainline at locations that will minimize damage or pollution (49 CFR 195.260(c)) and on each side of a water crossing that is more than 100 feet wide from high-water mark to high-water mark. Two crossings (White and Cheyenne river crossings) are greater than 100 feet wide, while the Little Missouri River is less than 100 feet wide. Valves were specifically placed at sites to minimize the potential hazard of a spill to these environmentally sensitive rivers.

Federal regulations do not dictate the distance that valves must be located from the waterbodies. Rather, the locations are determined by 1) protection of sensitive resources; 2) siting valves in locations that will minimize a spill reaching the river directly or via tributaries; 3) vehicular access to the valve site since the valves must be checked twice per year; 4) ease of year-round vehicular access since valves must be easily accessible during an emergency; and 5) proximity of electrical power supply for remotely operated valves.

Response prepared by: Heidi Tillquist, AECOM

Exhibit A

EXHIBIT B

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