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 XL PROJECT HP 14-001

KEYSTONE'S RESPONSES TO CHEYENNE RIVER SIOUX TRIBE'S FIRST INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

Applicant TransCanada makes the following responses to interrogatories pursuant to SDCL § 15-6-33, and responses to requests for production of documents pursuant to SDCL § 15-6-34(a). These responses are made within the scope of SDCL 15-6-26(e) and shall not be deemed continuing nor be supplemented except as required by that rule. Applicant objects to definitions and directions in answering the discovery requests to the extent that such definitions and directions deviate from the South Dakota Rules of Civil Procedure.

{01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

GENERAL OBJECTION

Keystone objects to the instructions and definitions contained in Cheyenne River Sioux Tribe's First Set of Interrogatories and Requests for Production of Documents to the extent that they are inconsistent with the provisions of SDCL Ch. 15-6. *See* ARSD 20:10:01:01.02. Keystone's answers are based on the requirements of SDCL §§ 15-6-26, 15-6-33, 15-6-34, and 15-6-36.

INTERROGATORIES

1. State the name, current address, and telephone number of the person answering these interrogatories.

ANSWER: Given the extremely broad scope volume of more than 800 discovery requests received by Keystone in this docket, a range of personnel were involved in answering the interrogatories. Keystone will designate witnesses as identified in number 3 with overall responsibility for the responsive information as related to the Conditions and proposed changes to the Findings of Fact, which are identified in Appendix C to Keystone's Certification Petition.

2. State the name, current address, and telephone number of any person, other than legal counsel, who Keystone talked with about answering these interrogatories, who assisted Keystone in answering these interrogatories, or who provided information that Keystone relied on in answering these interrogatories.

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

ANSWER: Given the extremely broad scope volume of more than 800 discovery requests received by Keystone in this docket, a range of personnel were involved in answering the interrogatories. Keystone will designate witnesses as identified in number 3 with overall responsibility for the responsive information as related to the Conditions and proposed changes to the Findings of Fact, which are identified in Appendix C to Keystone's Certification Petition.

3. State the name, current address, and telephone number of every fact witness that Keystone intends to call to offer testimony at the Commission's evidentiary hearing, currently scheduled for May 2015.

ANSWER: Keystone will offer prefiled direct testimony from the following persons, each of whom will testify to the changes identified in Keystone's tracking table for that person's area of expertise:

(1) Corey Goulet, President, Keystone Projects, 450 1st Street S.W., Calgary, AB Canada T2P 5H1; (403) 920-2546; Project purpose, Overall description; Construction schedule; Operating parameters; Overall design; Cost; Tax Revenues

(2) Steve Marr, Manager, Keystone Pipelines & KXL, TransCanada Corporation, Bank of America Center, 700 Louisiana, Suite 700, Houston, TX 77002; (832) 320-5916; same; CMR Plan, Con/Rec Units, HDD's

(3) Meera Kothari, P. Eng., 450 1st Street S.W., Calgary, AB Canada T2P 5H1; (832) 320-5190; same; Design and Construction; PHMSA compliance

(4) David Diakow, Vice President, Commercial, Liquids Pipeline, 450 1st Street S.W., Calgary, AB Canada T2P 5H1; (403) 920-6019; Demand for the Facility

(5) Jon Schmidt, Vice President, Environmental & Regulatory, exp Energy Services, Inc., 1300 Metropolitan Boulevard, Suite 200, Tallahassee, FL 32308; (850) 385-5441; Environmental Issues; CMR Plan, Con/Rec Units, HDD's

{01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

(6) Heidi Tillquist, Senior Associate, Stantec Consulting Ltd., 2950 E. Harmony Rd., Suite 290, Fort Collins, CO 80528; (970) 449-8609; High Consequence Areas, Spill Calculations

4. State the name, current address, employer name and/or organization(s) with

which he or she is associated in any professional capacity, and telephone number of each

expert witness pursuant to SDCL Ch. 19-15 that Keystone intends to call at the

Commission's evidentiary hearing, currently scheduled for May 2015.

In addition, for each expert please provide:

a. The subject matter on which the expert will testify;

b. The substance of each opinion to which the expert is expected to

testify;

c. The facts on which the expert bases his or her opinion;

d. The expert's profession or occupation, educational background, specialized training, and employment history relevant to the expert's proposed testimony;

e. The expert's previous publications within the preceding 10 years; and
f. All other cases or proceedings in which the witness has testified as
an expert within the preceding four years.

ANSWER: Keystone does not intend to offer testimony from any retained

experts, but its witnesses identified in the preceding answer will offer opinion testimony.

5. Prior to answering these interrogatories, has Keystone made a good faith

search of all documents, records, and papers related to this action?

ANSWER: Yes, to the extent reasonably practicable in attempting to respond to

over 800 discovery requests within the time allowed.

6. Where is Keystone's principal place of business?

{01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

ANSWER: Houston, Texas.

 Identify any other names that Keystone conducts business under, in the United States and Canada.

ANSWER: Keystone does not conduct business under any other names. TransCanada Keystone Pipeline, LP carries out certain activities through its agent, TC Oil Pipeline Operations Inc.

8. Pursuant to Condition Two of the Commission's Amended Final Decision and Order, has Keystone received any communications from any regulatory body or agency that may have jurisdiction over the project which alleges that Keystone has failed to comply with any applicable permits, law, or regulation?

ANSWER: No.

9. Pursuant to Condition Two of the Commission's Amended Final Decision and Order, has Keystone been given notice by any regulatory body or agency that may have jurisdiction over the construction, maintenance or operation of any pipeline located in the United States or Canada alleging that Keystone has failed to comply with any applicable permits for the construction, operation or maintenance of any pipeline located in the United States?

ANSWER: No.

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

10. Pursuant to Condition One of the Commission's Amended Final Decision and Order, please identify all required permits that Keystone has applied for within the State of South Dakota regarding the use of public water for construction, testing, drilling, or temporary discharges to waters of the state.

ANSWER: Keystone has submitted a Notice and Intent and Certificate of Application Form to Receive Coverage Under the General Permit for Temporary Discharges and a Temporary Water Use Permit. Other permits, as required, will be filed closer to the time period of construction.

11. Pursuant to Condition One of the Commission's Amended Final Decision and Order, please identify all required permits that Keystone has applied for within the State of South Dakota regarding temporary discharges of water from construction dewatering and hydrostatic testing in and around the Bridger Creek area.

ANSWER: Keystone has submitted a Notice and Intent and Certificate of Application Form to Receive Coverage Under the General Permit for Temporary Discharges and a Temporary Water Use Permit. Other permits, as required, will be filed closer to the time period of construction.

12. Pursuant to Condition Six of the Commission's Amended Final Decision and Order, identify the most recent depiction of the Project route and facility locations as

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

they currently exist as compared to the information provided in Exhibit TC-1, 1.4, pp. 2-3.

ANSWER: Attached are maps marked as Keystone 0470-0583 showing changes to the route since the Permit was granted.

13. Pursuant to Condition Six of the Commission's Amended Final Decision and Order, identify the dates, addresses, phone numbers, emails, and names of person(s) responsible for conducting surveys, addressing property specific issues and civil survey information.

OBJECTION: The identity of the persons who conducted civil surveys is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Without waiving the objection, American Burying Beetle Habitat Assessment was conducted by W. Wyatt Hoback, Department of Biology, University of Nebraska at Kearney; Biological Surveys (i.e., habitat, wetland delineations) were conducted by AECOM (Scot Patti was the principal investigator) and SCI (Scott Billing was the principal investigator); Phase I ESA Surveys were conducted by AECOM (Brian Bass was the principal investigator); Biological Surveys (i.e., threatened and endangered species, noxious weeds, reclamation) were conducted by Westech (John Beaver was the principal investigator); Cultural resources surveys were conducted by SWCA Environmental Consultants (principal investigator was Scott Phillips); the paleontological (01815261.1)

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

surveys were conducted by SWCA Environmental Consultants (principal investigator was Paul Murphey).

14. Pursuant to Condition Six of the Commission's Amended Final Decision and Order, does Keystone recognize the Cheyenne River Sioux Tribe, a federally recognized sovereign Indian Nation, as a "local governmental unit?"

ANSWER: The Project does not cross any Cheyenne River Sioux Tribe lands. Accordingly, the Tribe is not an affected local government unit.

15. Condition Six of the Commission's Amended Final Decision and Order requires Keystone to notify (1) the Commission, and all affected (2) landowners, (3) utilities, and (3) local governmental units as soon as practicable if material deviations are proposed to the Project's route. The table of changes contained in Appendix C of Keystone's Petition of Certification reports such a material change to Finding of Fact number forty-one. Namely, that the Project's route has been diverted to run beneath Bridger Creek via a Horizontal Directional Drilling (HDD). As such, has Keystone:

1. Made any attempt to notify the Cheyenne River Sioux Tribe or any of its officers, attorneys, or agents of Keystone's route diversion through Bridger Creek?

following:

2.

If Keystone did make such required notification please provide the

a. Name(s) of the person(s) notified;

b. Title of the person(s) notified;

c. The physical address of the person(s) notified;

d. The telephone number(s) of the person(s) notified; and

{01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

e. The means by which Keystone made notification, i.e. written, oral, electronic, etc.;

ANSWER: Keystone will provide the Commission with material changes to the route prior to construction. Keystone has not notified the Cheyenne River Sioux Tribe of any route changes.

16. Condition Seven of the Commission's Amended Final Decision and Order requires Keystone to appoint a public liaison officer. Accordingly, has Keystone:

1. Appointed such public liaison officer, and if so please provide such officer's:

a. Name;

b. Address;

c. Phone number; and

d. Email address.

2. Directed such public liaison officer to contact and or consult with the Cheyenne River Sioux Tribe?

ANSWER:

1.a. Sarah Metcalf

1.b. PO Box 904

Aberdeen, SD 57402

1.c. 1-888-375-1370

1.d. smetcalf12@gmail.com

2. Condition 7 does not require that the liaison consult with the Cheyenne River

Sioux Tribe. The Project does not cross any lands owned by the Cheyenne River Sioux

Tribe or held in trust.

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

17. Pursuant to Condition Thirteen of the Commission's Amended Final Decision and Order, identify and provide the phone number, address, and email address of every environmental inspector that Keystone has incorporated into the CMR.

OBJECTION AND ANSWER: The identity of environmental inspectors is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Without waiving the objection, no environmental inspectors have been identified or hired, because the construction of the Project has not yet started.

18. Regarding the Bridger Creek area, has Keystone implemented sediment control practices pursuant to Condition Twenty of the Commission's Amended Final Decision and Order?

ANSWER: Keystone has not started construction of the Project, including construction at Bridger Creek. Therefore, Keystone has not implemented any sediment control practices to date and will not until construction starts.

19. Pursuant to Condition Thirty-Four, has Keystone conducted any hydrological surveys in the Bridger Creek area in regard to its continuing assessment and evaluation of environmentally sensitive and high consequence areas obligation? If so, please provide the name, address, and phone number of any and all persons involved in such survey. If so, has Keystone identified any hydrological sensitive areas which may affect the Cheyenne River Sioux Tribe? {01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

ANSWER: All applicable environmental and engineering surveys have been completed along the Bridger Creek area route. All DOT defined HCA's have been identified.

20. If Keystone has identified hydrological sensitive areas which may affect the Cheyenne River Sioux Tribe, has such an area been added to Keystone's Emergency Response Plan as a hydrologically sensitive area?

ANSWER: All identified HCA's have been included in the Emergency Response Plan.

21. Pursuant to Condition Thirty-Four, has Keystone made any attempt to seek out and consider local knowledge in the Bridger Creek area?

ANSWER: Yes. Keystone attorney William Taylor had conversations with James Murray of the Cheyenne River Agency BIA office concerning leaseholds in the area southwest of the 4 Corners Road.

22. Pursuant to Condition Thirty-Four, has Keystone made any attempt to seek out and consider local knowledge of the Cheyenne River Sioux Tribe or its officers and/or agents?

ANSWER: Not specifically with respect to Condition 34 of the Permit.

23. Pursuant to Conditions One and Thirty-Seven, has Keystone ever been found non-compliant with any other permits, from any state regarding the Project? {01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

ANSWER: No.

24. Pursuant to Condition One and Two, have any contractors hired by Keystone to construct any pipeline owned or operated by Keystone or any of its affiliates received any communication from any agency or regulatory body having jurisdiction over each pipeline regarding alleged safety concerns or safety violations regarding the construction, maintenance or operation of any pipeline in the United States?

OBJECTION AND ANSWER : This request is overlybroad and unduly burdensome. Without waiving the objection, Keystone has not yet hired contractors for the Keystone XL Project.

25. Pursuant to Conditions One and Two, have any contractors hired by Keystone to construct any pipeline owned or operated by Keystone or any of its affiliates received any communication from any agency or regulatory body having jurisdiction over each pipeline regarding alleged safety concerns or safety violations regarding the construction, maintenance or operation of any pipeline in Canada?

OBJECTION AND ANSWER: This request is overlybroad and unduly burdensome. Without waiving the objection, Keystone has not yet hired contractors for the Keystone XL Project.

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

26. Pursuant to Conditions Forty-Three and Forty-Four, what steps has Keystone or any of its affiliates taken to ensure that the cultural, historic, and paleontological resources of the Cheyenne River Sioux Tribe are protected?

ANSWER: Cultural resources survey reports are listed in Section 3.11 of the Department of State FSEIS (2014), with results of the SD surveys detailed in Table 3.11-3. Any further discussions regarding these surveys would be addressed through the course of government to government consultation with the DOS when the Cheyenne River Sioux were afforded the opportunity to not only review those studies but also participate in the surveys themselves.

27. Pursuant to Condition Forty-Three, has Keystone made any new cultural and/or historic surveys along the route of the Project since its original permit was granted? If so, has Keystone made such a survey in the Bridger Creek area where the Project has since been re-routed?

ANSWER: Yes, all cultural resources survey reports are listed in Section 3.11 of the Department of State FSEIS (2014), with results of the SD surveys detailed in Table 3.11-3. Keystone has conducted cultural surveys of the proposed re-route across Bridger Creek.

28. According to Keystone's original application, Keystone began cultural and historic surveys in May 2008 and at that time it had found several pre-historic stone {01815261.1}

Case Number: HP 14-001 Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents circles were uncovered. Please provide a detailed description of these sites, including location.

ANSWER: These sites are addressed during the course of government to government consultation with the Department of State. Site locations are confidential and cannot be disclosed outside of the consultation process.

29. Pursuant to Conditions Forty-Three and Forty-Four, please provide the name, address, phone number, and email of all persons involved in any cultural, historic or paleontological surveys conducted by Keystone. In addition, please provide a detailed description of all pertinent professional training that qualifies the surveyor as a professional who meets the standards of the Secretary of the Interior's Historic Preservation Professional Qualification Standards (48 FR 44716, September 29, 1983).

OBJECTION AND ANSWER: The identity of the surveyors is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Without waiving the objection, SWCA Environmental Consultants performed the survey work. The cultural resources principal investigator was Scott Phillips; the paleontological principal investigator was Paul Murphey. Both individuals meet the SOI standards for their particular field.

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

30. Pursuant to Condition Forty-Four, has Keystone made any attempt to contact the Cultural Preservation Office of the Cheyenne River Sioux Tribe? If so, please provide the following:

a. Name(s) of the person(s) contacted;

b. Title of the person(s) contacted;

c. The physical address of the person(s) contacted;

d. The telephone number(s) of the person(s) contacted; and

e. The means by which Keystone made contact, i.e. written, oral, electronic, etc.;

ANSWER: Government to government consultation is summarized in both Section 3.11.4.3 and Attachment I of Appendix E of the Department of State FSEIS (2014).

31. Pursuant to Condition Forty-Three and Forty-Four, provide a detailed description of cultural and historic training that Keystone provides to its construction personnel.

ANSWER: Keystone's training of construction personnel is addressed in Sections 2.19 and 3.1.2 of the CMR Plan, and Sections 2.1.10, 4.4.3, 4.8.3, 4.13.6, and 4.14.2 of the FSEIS. Contractor training is also addressed in the Special Conditions imposed by PHMSA, which are found in Appendix B to the FSEIS.

32. Pursuant to Conditions Forty-Three and Forty-Four and Finding of Fact Fifty-Eight, does Keystone or any of its affiliates recognize that if approved and

{01815261.1}

constructed, the Keystone Pipeline will travel through the identified Indian Country territory from the Fort Laramie Treaty of 1851 and 1868, and as such will likely encounter undiscovered cultural and/or historic sites?

ANSWER: If undiscovered sites are encountered, Keystone will comply with the Programmatic Agreement included as Appendix E to the Final Supplemental Environmental Impact Statement.

33. Pursuant to Conditions Forty-Three and Forty-Four and Finding of Fact Fifty-Eight, does Keystone plan to consult with the Cheyenne River Sioux Tribe and its Cultural Preservation Office in the future?

ANSWER: Keystone will provide tribes the opportunity to participate as tribal monitors during construction to assist with the implementation of the unexpected discovery plan.

34. Pursuant to Conditions One and Two, does Keystone recognize and acknowledge that the Cheyenne River Sioux Tribe has federally protected Winters Doctrine water rights and that these rights apply to any permit application to use water for the construction, operation or maintenance of the Keystone Pipeline project?

ANSWER: Keystone recognizes the so-called Winters Doctrine arising from *Winters v. The United States*, 207 U.S. 564 (1908) and its progeny. Keystone does not

believe that the Cheyenne River Sioux Tribe's Winters Doctrine water rights are affected by Keystone's use of water for construction, operation, or maintenance.

35. Pursuant to Conditions One and Two, what steps, if any, has Keystone or any of its affiliates taken to ensure that the Cheyenne River Sioux Tribe's federally protected Winters Doctrine water rights are be protected?

ANSWER: Keystone does not believe that the Cheyenne River Sioux Tribe's Winters doctrine water rights are affected by the use of water for the construction, operation, or maintenance of the Keystone Pipeline.

36. Pursuant to Conditions One and Two, are any waterways situated on or near the Pipeline route subject to designation under the Wild and Scenic River Act of 1968?

OBJECTION AND ANSWER: To the extent that it seeks discovery of information outside South Dakota, this interrogatory seeks information that is beyond the scope of the PUC's jurisdiction and Keystone's burden of proof under SDCL § 49-41B-27. It also seeks information that is not relevant and not likely to lead to the discovery of admissible evidence under SDCL § 15-6-26(b). Without waiving the objection, the Project route in South Dakota does not cross any waterways that are subject to designation under the Wild and Scenic River Act of 1968. There are no waterways that are subject to designation under the Wild and Scenic River Act of 1968 near the Project

{01815261.1}

route in South Dakota. An evaluation of Wild and Scenic Rivers as per related to the Project is found on page 4.3-24 of the Department of State FSEIS (2014).

37. Pursuant to Conditions One and Two, are there any land areas along or near the Keystone Pipeline route that have been designated as critical habitat under the Endangered Species Act? If so identify each of the land areas.

OBJECTION AND ANSWER: To the extent that it seeks discovery of information outside South Dakota, this interrogatory seeks information that is beyond the scope of the PUC's jurisdiction and Keystone's burden of proof under SDCL § 49-41B-27. It also seeks information that is not relevant and not likely to lead to the discovery of admissible evidence under SDCL § 15-6-26(b). Without waiving the objection, there are no lands along or near the Project route in South Dakota that are designated as critical habitat under the Endangered Species Act. Endangered species are discussed in Section 4.8 of the Department of State FSEIS (2014).

38. Pursuant to Conditions One and Two, are there any land areas along or nearby the Keystone Pipeline route that have any Endangered Species located in that area?

OBJECTION AND ANSWER: To the extent that it seeks discovery of information outside South Dakota, this interrogatory seeks information that is beyond the scope of the PUC's jurisdiction and Keystone's burden of proof under SDCL § {01815261.1}

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

49-41B-27. It also seeks information that is not relevant and not likely to lead to the discovery of admissible evidence under SDCL § 15-6-26(b). Without waiving the objection, the following federally-listed threatened or endangered species have the potential to occur along the Project route in South Dakota: interior least tern; piping plover; rufa red knot; whooping crane; and the American burying beetle. Section 4.8.3 of the Department of State FSEIS (2014) and Appendix H, Biological Opinion in the Department of State FSEIS (2014) discusses the potential occurrence of these federally-listed threatened and endangered species along the Project route in South Dakota and Sections 4.8.3 and 4.8.4 and Appendix H of the Department of State FSEIS (2014) discusses the potential to for the Department of State FSEIS (2014) and Appendix H of the Department of State FSEIS (2014) implement to protect listed species.

39. Pursuant to Condition Twenty-Three, will Keystone enter the Cheyenne River Sioux Reservation during construction of the Project?

ANSWER: Keystone will not enter the Cheyenne River Sioux Reservation during construction of the Project.

40. Pursuant to Condition Twenty-Three and the changed Finding of Fact Number Forty-One, will any of Keystone's construction equipment or crew access the Project from trust land? If so, has Keystone received the necessary consent of the trust

Case Number: HP 14-001 Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents landowner and the United States government to access trust land on the Cheyenne River Sioux Reservation?

ANSWER: None of Keystone's construction equipment or crews will access the Project from trust land.

41. Pursuant to Condition Twenty-Three, has Keystone made contact with or otherwise taken any action to plan for road closures which may affect the Cheyenne River Sioux Tribe? If so, does Keystone plan to notify, coordinate or otherwise consult with the Cheyenne River Sioux Tribe?

ANSWER: Keystone is planning no road use or closures which may affect the Cheyenne River Sioux Tribe. In order to ensure public and worker safety traffic in areas outside of the Cheyenne River Sioux Reservation will be interrupted or restricted from time to time to permit crew and equipment mobilization and demobilization at ancillary sites, to access the construction ROW, and during certain construction activities. For example, if permitted by local regulators and landowners, smaller gravel roads and driveways would likely be crossed (i.e. pipe installed) using an open-cut method that would typically take between one and two days to complete. This would require temporary road closures and establishment of detours for traffic. If no reasonable detour is feasible, trenching would be staged such that at least one lane of traffic would be kept open at any point in time. Keystone would post signs at these open-cut crossings and (01815261.1)

would implement traffic control plans to reduce traffic disturbance and protect public safety. (Final SEIS, Section 2.1.8.1 Road, Highway, and Railroad Crossings, page 2.1-58.)

42. Pursuant to Condition Thirty-One, (a) how many permanent jobs will be created in South Dakota as a result of the operation of the pipeline? For this question, a "permanent" job is considered to be a non-construction-related job that will remain once construction of the pipeline is complete. (b) How many construction-related jobs will be created in South Dakota as a result of the construction of the pipeline? (c) How many of the construction positions does Keystone anticipate will be filled by South Dakota residents? (d) How many of the construction positions will be filled by non-South Dakota residents? (e) What is the expected length of employment for each of the various types of construction jobs needed for the project?

ANSWER:

(a) Approximately 25 permanent employees and 15 temporary contractors will be distributed along the proposed pipeline route, including the route in South Dakota. It is estimated that a total of 50 people will be employed during the operational phase of the proposed Project across the Keystone system, of which approximately 35 will be permanent employees and 15 will be temporary contractors. Approximately 10 permanent employees will be located outside of South Dakota in the Omaha, Nebraska {01815261.1}

office, with the remaining 25 permanent employees and 15 temporary contractors distributed along the proposed pipeline route, including the route in South Dakota (Final SEIS, 4.10-31 available at <u>http://keystonepipeline-xl.state.gov/finalseis/</u>.

(b) Assuming this question refers to "average annual jobs", it is estimated that Project construction in South Dakota will support 3,500 jobs across all sectors, of which between 1,038 and 1,500 jobs will be directly construction related. The term "job" refers to average annual jobs, defined as one position that is filled for one year (Final SEIS, 4.10-14 available at http://keystonepipeline-xl.state.gov/finalseis/. For example, two temporary construction positions filled for a period of six months, or three positions filled for four months each, equates to one single job. (Final SEIS, 4.10-14.) In South Dakota, an estimated 3,500 jobs (1,700 direct and 1,800 indirect and induced) will be supported by construction of the Project across all sectors, excluding jobs held by non-residents as part of the temporary construction workforce (Final SEIS, 4.10-17 available at http://keystonepipeline-xl.state.gov/finalseis/. Of the 1,700 direct jobs supported by construction in South Dakota, it is estimated that between 1,038 and 1,500 jobs will be directly construction related. The calculations and assumptions used to derive these estimates are presented in the following table:

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

South Dakota Estimate	Estimate Low	Estimate High
Total 'jobs' supported by Project construction	3,500	3,500
Direct	1,700	1,700
Indirect + Induced	1,800	1,800
Temporary workforce positions per spread (Final SEIS, 4.10-2)	900	1,300
Temporary workforce 'positions' in total, over 3 spreads (Final SEIS, Table 3.10-8)	900 x 3 spreads = 2,700	1,300 x 3 spreads = 3,900
Number of weeks of construction (Final SEIS Table 4.10-3)	19	21
'Jobs' created as a result of the temporary workforce	2,700 x 20 [average] construction weeks / 52 weeks per year = 1,038 average annual jobs	3,900 x 20 [average] construction weeks / 52 weeks per year = 1,500 average annual jobs

(c) It is estimated that between 270 and 390 temporary construction positions created in South Dakota will be filled by residents of the State. Keystone, through its construction contractors and subcontractors, would attempt to hire temporary construction staff from the local population. Assuming qualified personnel are available, Keystone conservatively estimates that 10 percent of the temporary construction positions created in South Dakota will be filled by residents of the State (Final SEIS, 4.10-11), although this may not be possible in rural areas or areas with low unemployment (Final SEIS, 2.1-69). By applying this 10% assumption we can assume that between 90 and 130 residents of South Dakota will be employed for each of the three planned construction spreads, for a total of between 270 and 390 people.

(d) It is estimated that between 2,430 and 3,510 temporary construction
 positions created in South Dakota will be filled by non-South Dakota residents.
 Assuming that qualified personnel are available, approximately 10% of the temporary

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

construction positions could be filled by the local workforce (Final SEIS, 4.10-11-12 available at <u>http://keystonepipeline-xl.state.gov/finalseis/</u>, implying that 90% of these positions will be filled by non-South Dakota residents. It is anticipated that Project construction will require approximately 900 to 1,300 personnel for each spread (Final SEIS, 4.10-11), with three spreads contemplated for South Dakota (Final SEIS, Table 3.10-8). Therefore, it is estimated that between 2,430 and 3,510 temporary construction positions created in South Dakota will be filled by non-South Dakota residents (900 x 3 x $0.9 = 2,430; 1,300 \times 3 \times 0.9 = 3,510$).

(e) The 3,500 jobs supported by construction of the Project are considered "average annual jobs," defined as one position that is filled for one year, while the 2,700 to 3,900 temporary construction personnel are expected to be employed for the four to eight-month seasonal construction period over one to two years. (Final SEIS, 4.10-14 available at <u>http://keystonepipeline-xl.state.gov/finalseis/</u>). The 3,500 jobs supported by Project construction in South Dakota are considered 'average annual jobs', defined in the Final SEIS as one position that is filled for one year. An average annual job could, however, consist of two positions filled for a period of 6 months each, three positions filled for 4 months each, or any combination that sums to a year of employment (Final SEIS, 4.10-14).

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

Construction is expected to take one to two years, and length of employment will vary. While construction-related activities may occur across all five states concurrently, actual time to complete construction in South Dakota is uncertain. Various factors including weather, workforce constraints, and timing of permits would influence the duration of construction, as would finalization of the number of construction spreads that could be operated concurrently. In general, it is expected that the 2,700 to 3,900 temporary construction positions created in South Dakota will occur over two years, during the four to eight month seasonal construction period (Final SEIS, 4.10-15 available at http://keystonepipeline-xl.state.gov/finalseis/).

Dated this 5th day of February, 2015.

TRANSCANADA KEYSTONE PIPELINE, LP by its agent, TC Oil Pipeline Operations, Inc.

By Its

Subscribed and sworn to before me this day of February 2015

John W. Love, Lawyer Notary Public - Canada

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. All documents that Keystone intends to offer as exhibits at the evidentiary hearing in this matter.

ANSWER: Keystone has not yet identified hearing exhibits. Keystone will disclose its hearing exhibits as required by the PUC.

2. All non-privileged documents relating to environmental and hydrological surveys in the Bridger Creek area. Changed Finding of Fact Number Forty-One.

ANSWER: The wetland delineation datasheets for Bridger Creek (File: S8AHK003.pdf and S312HK001.pdf) have been provided as Keystone 0638-0641.

3. All non-privileged documents relating to cultural and historic surveys, training, and response plans. Conditions Number Forty-Three and Forty-Four.

OBJECTION: This request is overlybroad and unduly burdensome. It is not limited in time. It is not specific to what kind of training and to whom, or what kind of response plans. To the extent that it requests Keystone's emergency response plan, it seeks information that is beyond the scope of the PUC's jurisdiction and Keystone's burden under SDCL § 49-41B-27. This request also seeks information addressing an issue that is governed by federal law and is within the province of the PHMSA. The PUC's jurisdiction over the emergency response plan is preempted by federal law. *See* 49 C.F.R. Part 194; 49 U.S.C. § 60104(c). This request further seeks information that is (01815261.1)

Keystone's Responses to Cheyenne River Sioux Tribe's First Interrogatories and Request for Production of Documents

confidential and proprietary. Public disclosure of the emergency response plan could commercially disadvantage Keystone. Without waiving the objection, all cultural resources survey reports are listed in Section 3.11 of the FSEIS, with results of the SD surveys detailed in Table 3.11-3. Paleontological fieldwork methodology, literature search information, and results can be found in Sections 3.1.2.2 and 3.1.2.3 of the Department of State FSEIS (2014). A list of reports detailing the results of all pre-construction paleontological field surveys can be found in Table 3.1-4 of the Department of State FSEIS (2014). The paleontological mitigation report is confidential.

 All non-privileged documents relating to required permits, both in South Dakota and outside South Dakota, including permit applications which were denied.
 Condition Number One.

OBJECTION AND RESPONSE: This request is overlybroad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving the objection, no permit applications have been denied.

 Keystone's Unanticipated Discoveries Plan, as referenced in Condition Number 43.

ANSWER: The Unanticipated Discovery Plan can be found within the Programmatic Agreement in Appendix E of the Department of State FSEIS (2014).

{01815261.1}

OBJECTIONS

The objections stated to Cheyenne River Sioux Tribe's Interrogatories and Request

for Production of Documents were made by James E. Moore, one of the attorneys for

Applicant TransCanada herein, for the reasons and upon the grounds stated therein.

Dated this 6th day of February, 2015.

WOODS, FULLER, SHULTZ & SMITH P.C.

Amesthoor By

William Taylor James E. Moore Post Office Box 5027 300 South Phillips Avenue, Suite 300 Sioux Falls, SD 57117-5027 Phone: (605) 336-3890 Fax: (605) 339-3357 Email: <u>Bill.Taylor@woodsfuller.com</u> James.Moore@woodsfuller.com Attorneys for Applicant TransCanada

CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of February, 2015, I sent by e-mail transmission,

a true and correct copy of Keystone's Responses to Cheyenne River Sioux Tribe's First

Interrogatories and Request for Production of Documents, to the following:

Tracey A. Zephier Fredericks Peebles & Morgan LLP 910 5th Street, Suite 104 Rapid City, SD 57701 tzephier@ndnlaw.com

guertum

One of the attorneys for TransCanada