

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION : HP 14-001  
BY TRANSCANADA KEYSTONE  
PIPELINE, LP FOR A PERMIT UNDER : KEYSTONE’S RESPONSES TO  
THE SOUTH DAKOTA ENERGY : GARY F. DORR’S FINAL  
CONVERSION AND TRANSMISSION : INTERROGATORIES AND  
FACILITIES ACT TO CONSTRUCT THE : REQUEST FOR PRODUCTION OF  
KEYSTONE XL PROJECT : DOCUMENTS  
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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.

GENERAL OBJECTION

Keystone objects to the instructions and definitions contained in Gary Dorr’s Final 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.

{01844225.1}

Keystone's answers are based on the requirements of SDCL §§ 15-6-26, 15-6-33, 15-6-34, and 15-6-36.

#### INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

1. TransCanada has publicly stated through its Tribal Liaison with the United States, Calvin Harlan, that it has a process of reaching out to a tribe "as a priority." Calvin Harlan further said "First, TransCanada researches the tribal historical jurisdictions of each tribe along a proposed project. Next, meetings are set up with the tribe, providing TransCanada the opportunity to introduce themselves and explain their reason for meeting. Tribes are then advised of all project details, ensuring they understand that the project's goal is to have little effect on their traditional lands." This was reported in the online edition of The Vindicator at [http://www.thevindicator.com/news/article\\_5c63b1ee-e643-11e2-ad3a-001a4bcf887a.htm](http://www.thevindicator.com/news/article_5c63b1ee-e643-11e2-ad3a-001a4bcf887a.htm).

Provide any and all documentation that TransCanada or Keystone complied with its publicly stated policy of consultation with Tribes and met with the Rosebud Sioux Tribal Council. The Tribe has a distinct National Government represented by an elected Tribal Council.

ANSWER: See Keystone Documents numbered 1122, 1129-30, 1135-1140, 1145-1146, 1148-1150, 1170-1181.

2. Provide any and all documentation that TransCanada or Keystone met with Rosebud Sioux tribal communities other than the Rosebud Sioux Tribal Council.

ANSWER: See Keystone Documents disclosed in answer to Interrogatory No. 1 above.

3. Provide any all documentation of any benefit or gift that was offered to Rosebud Sioux tribal communities as part of meetings with TransCanada or Keystone.

ANSWER: : See Keystone Documents disclosed in answer to Interrogatory No. 1 above, in particular Documents numbered 1135-1138 and 1170-72.

4. Provide proof of TransCanada's or Keystone's compliance with the United States Easement Agreements held in South Dakota County Recorders' Offices between the United States and South Dakota Landowners whose land the Oglala Sioux Rural Water Supply System crosses, whereby permission must be granted by the United States to cross the Oglala Sioux Rural Water Supply System, otherwise known as the "Mni Wiconi" water line.

OBJECTION AND ANSWER: Keystone objects to interrogatory number 4 on the grounds that it is argumentative, is an incorrect expression of law, and assumes facts not in evidence. Notwithstanding the objection and without waiving, the United States Department of Interior, acting through the Bureau of Reclamation, secured easements for the construction of the Oglala Sioux Rural Water Supply System core pipeline. Keystone's proposed route crosses the Oglala Sioux Rural Water Supply System core line in Haakon County and in Jones County. Discussions have been held between Keystone and the Bureau of Reclamation with respect to construction of the crossings and criteria governing the same.

5. Provide all easement agreements made by TransCanada or Keystone between TransCanada or Keystone and landowners on land where the Keystone XL pipeline will cross the Oglala Sioux Rural Water Supply System, otherwise known as the Mni Wiconi Waterline.

ANSWER: Responsive documents are attached as Keystone 1539-1564.

6. In TransCanada or Keystone's required criteria for crossing Reclamation facilities, TransCanada said "TransCanada shall receive OSRWSS and Reclamation's review and approval of crossing specifications and drawings prior to starting work, including on the cathodic protection design to assure it does not impact the OSRWSS Core System or its cathodic protection system." Provide proof that TransCanada or Keystone gained approval of crossing specifications from the Oglala Sioux Rural Water Supply System and the Bureau of Reclamation in accordance with TransCanada's or Keystone's own reclamation plan.

ANSWER: Keystone and the Bureau of Reclamation have agreed on crossing criteria. The Bureau of Reclamation has discussed the crossing criteria with both the executive and engineering staff of the Oglala Sioux Rural Water Supply System.

7. In the same Criteria for Crossing Reclamation facilities TransCanada said "OSRWSS has a buried fiber optic cable installed with its pipeline that was placed by plow; its precise location is unknown. The burial depth information provided on the drawings is for information purposes only. TransCanada shall undertake exploratory excavations (potholing) to determine the exact burial depth for both the OSRWSS core pipeline and fiber optic line prior to starting crossing designs and construction of their pipeline." Provide proof that TransCanada or Keystone has received permission from the United States to "undertake exploratory excavations (potholing)" inside the Oglala Sioux Rural Water Supply System Right of Way, whereby permission must be gained from both the United States and the Oglala Sioux Rural Water Supply System to disturb the ground, as stipulated in the Oglala Sioux Rural Water Supply System

Easement Agreement which was signed by the United States, and is held in a South Dakota County Recorder's Office.

ANSWER: The construction of the pipeline has not yet begun. Accordingly, Keystone has not yet asked to undertake exploratory investigations within the easements held by the Bureau of Reclamation. Keystone disagrees with the contention that permission must be gained from "both the United States and the Oglala Sioux Rural Water Supply System to disturb the ground."

8. Provide maps showing for every single place where the Keystone XL pipeline will cross a Core Line of the Oglala Sioux Rural Water Supply System, providing Latitude and longitude or Public Land Survey System information to identify those locations.

OBJECTION AND ANSWER: The request for latitude and longitude seeks information that is confidential for security reasons. Without waiving the objection, see the map marked as Keystone 1633.

9. Provide a map showing every single place where the Keystone XL Pipeline will cross a Branch of the Core Lines of the Oglala Sioux Rural Water Supply System, providing Latitude and longitude or Public Land Survey System information to identify those locations.

OBJECTION AND ANSWER: The request for latitude and longitude seeks information that is confidential for security reasons. Without waiving the objection, see the map marked as Keystone 1633.

10. Provide a map showing every single place where the Keystone XL Pipeline will cross the Core Lines of the Lyman-Jones Rural Water Supply System, providing Latitude and longitude or Public Land Survey System information to identify those locations.

OBJECTION AND ANSWER: The request for latitude and longitude seeks information that is confidential for security reasons. Without waiving the objection, see the maps marked as Keystone 1633.

11. Provide all easement agreements between TransCanada or Keystone and those landowners who have both the Oglala Sioux Rural Water System and will have the proposed Keystone XL Pipeline situated on their land and also have a previous easement agreement with the Oglala Sioux Rural Water Supply System.

ANSWER: Responsive documents are attached as Keystone 1565-1588.

12. Provide copies of all communication TransCanada has had with the Bureau of Reclamation regarding the Keystone XL pipeline crossing South Dakota.

OBJECTION AND ANSWER: To the extent that the responsive documents include a site-specific draft Emergency Response Plan for the Oglala Tribal Water Supply Pipelines, the request seeks information that is confidential and proprietary. Without waiving the objection, responsive documents are attached as Keystone 1729-1921.

13. Provide a map of all specific areas of frac-out along the Oglala Sioux Rural Water System Core and Branch Lines providing Latitude and longitude or Public Land Survey System information to identify those locations.

OBJECTION AND ANSWER: This interrogatory does not make sense. A frac-out is an unplanned event that may occur during horizontal directional drilling. Without waiving the objection, Keystone previously provided its HDD frac-out contingency plan to the Commission in Docket HP09-001 as part of Exhibit TC-17. Keystone does not plan to use HDD in connection with any crossing of Oglala Sioux Water System lines.

14. Provide a map showing where all areas of horizontal drilling will take place in South Dakota, providing Latitude and longitude or Public Land Survey System information to identify those locations.

OBJECTION AND ANSWER: The request for latitude and longitude seeks information that is confidential for security reasons. Without waiving the objection, see the maps marked as Keystone 1634.

15. Provide documentation showing proof that the Colome City Water Wells are upgradient from the Keystone XL Pipeline.

ANSWER: As discussed in the March 2009 Keystone XL Project Application to South Dakota Public Utilities Commission: "The Mellette County Reroute crossed directly through a groundwater Zone A SWPA near Colome, South Dakota. A reroute to the northeast will avoid, and by hydrologically down gradient from, the SWPA. As a result of the realignment, risk to the SWPA will be reduced to negligible levels." (TransCanada Keystone, LP 2009).

16. Provide copies of any lease, or easement agreement that been executed for the construction or use of a new substation or powerline on or through the Lower Brule Sioux Reservation.

ANSWER: Keystone has no responsive documents. It is up to the power provider to obtain necessary easements to provide power to pump stations or valve sites on the Keystone XL Pipeline.

17. Is construction of a new substation or powerline through the Lower Brule Sioux Reservation necessary for operation of the Keystone XL pipeline based on current plan or updates to the final decision and order HP09-001?

ANSWER: Unknown. It is up to the power provider to obtain necessary easements to provide power to pump stations or valve sites on the Keystone XL Pipeline.

18. Provide documentation of all spills or leaks on the southern leg of the Keystone XL pipeline.

ANSWER: Attached as Keystone 774-784 is a spreadsheet showing spills associated with the Keystone Pipeline. The following spills occurred on the Gulf Coast Project:

December 20, 2013, Winnsboro; January 7, 2014, Bryan PS; January 24, 2014, Cromwell PS; March 19, 2014, Nederland; March 26, 2014, Nederland; March 27, 2014, Nederland; April 12, 2014, Cushing 01A valve; April 15, 2014, Nederland; June 3, 2014, Cushing; June 23, 2014, Cushing; July 7, 2014, Nederland; July 9, 2014, Bryan PS; July 9, 2014, Nederland; July 24, 2014, Nederland; July 29, 2014, Bryan PS; August 10, 2014, Nederland; August 12, 2014, Lufkin; August 27, 2014, Cushing; September 15, 2014, Cushing; October 2, 2014, Lucas Terminal; October 29, 2014, Lufkin PS; November 10, 2014, Nederland; January 13, 2015, Cushing; January 16, 2015, Cushing.



19. Describe the nature, circumstances, cause, and magnitude, and impact of each spill or leak and identify with specificity substances that were spilled or leaked from the Southern leg of the Keystone XL pipeline.

ANSWER: Please see the spreadsheet marked as Keystone 1635-1636.

20. Did Keystone or its contractors experience difficulty or problems with the welding of seams on the Southern Leg of the Keystone XL pipeline?

ANSWER: During 2013 construction a portion of the Gulf Coast Pipeline Project experienced a high weld reject rate upon start-up (first 3 weeks) of mainline manual welding of pipe joints.

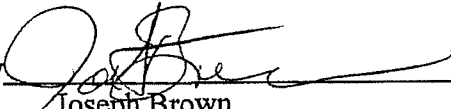
21. If so, describe the nature and cause of the problems, how they were discovered, and describe what steps were taken to resolve the problems.

ANSWER: The nature of the issue was thoroughly investigated and found to occur when the weld bead did not fuse with the base metal. Key contributing factors that causes this type of weld defect were weld preparation and welding technique. The weld defects were discovered through the use of non-destructive examination performed on completed welds per Project specifications and Federal Code requirements. Any welds exhibiting defects as defined by API 1104 were removed and new welds made and examined. Final examination of welds was performed through the use of hydrostatic testing with no defects found. The Project implemented various changes during start-up such as use of mechanical end facing over manual facing to improve cleanliness of the pipe bevel, requiring line up clamps to remain on the pipe joints through completion of the first weld pass, adjustment of the weld gap, refinement (within the

qualified ranges) of welding parameters (amps, volts and travel speed) and additional training of crews.

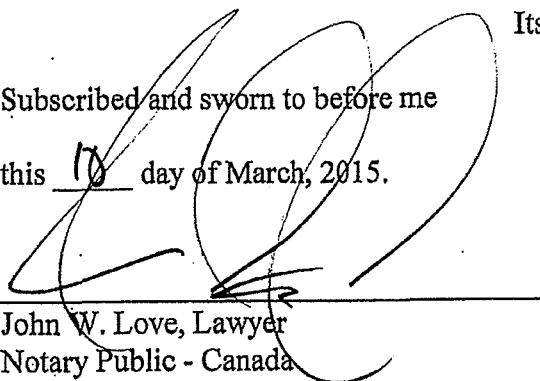
Dated this 10 day of March, 2015.

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

By   
Joseph Brown  
Its Director, Authorized Signatory

Subscribed and sworn to before me

this 10 day of March, 2015.

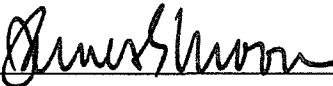
  
John W. Love, Lawyer  
Notary Public - Canada

OBJECTIONS

The objections stated to Gary Dorr'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 10<sup>th</sup> day of March, 2015.

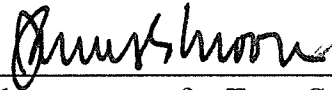
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**CERTIFICATE OF SERVICE**

I hereby certify that on the 10<sup>th</sup> day of March, 2015, I sent by e-mail transmission, a true and correct copy of Keystone's Responses to Gary F. Dorr's Final Interrogatories and Request for Production of Documents, to the following:

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One of the attorneys for TransCanada