BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF TRANSCANADA KEYSTONE PIPELINE, LP FOR ORDER ACCEPTING CERTIFICATION OF PERMIT ISSUED IN DOCKET HP09-001 TO CONSTRUCT THE KEYSTONE XL PIPELINE	* * * * * * * * *	**STAFF'S RESPONSE TO DAKOTA RURAL ACTION'S FIRST SET OF INTERROGATORIES AND DATA REQUESTS** **HP14-001**

COMES NOW, Commission Staff by and through its attorney of record, Kristen N. Edwards, and hereby provides the following Response to Dakota Rural Action's First Set of Interrogatories and Data Requests ("Response"). For the purpose of this response any reference to "dockets" refers to HP09-001 and HP14-001, unless otherwise stated.

Dated this 6th day of February, 2015.

Kristen N. Edwards, Staff Attorney
PUC Staff
500 East Capitol Avenue
Pierre, SD 57501

INTERROGATORIES

INTERROGATORY NO. 1. Please identify the person or persons providing each answer to an Interrogatory or portion thereof, giving the full name, address of present residence, date of birth, business address and occupation. *[Applicable Finding or Condition No.: all]*

RESPONSE: OBJECTION. Staff objects as to the relevance of the address of present residence and date of birth for each person providing each answer. Subject to and without waiving its objection, Staff will provide the name, occupation, and business address of the persons providing each answer to the Interrogatories.

Kristen Edwards
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

Darren Kearney
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

Brian Rounds
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

Mary Zanter
Pipeline Safety Program Manager
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

INTERROGATORY NO. 2. Prior to answering these interrogatories, have you made due and diligent search of all books, records, and papers of the Applicant with the view of eliciting all information available in this action? *[Applicable Finding or Condition No.: all]*

RESPONSE: Staff has exercised due diligence, however, we will continue to review the evidence throughout the certification processes and as new information becomes available.

INTERROGATORY NO. 3. Describe the current status of the following permits and plans required prior to the start of construction of the KXL Pipeline:

A. Permits from US Army Corps of Engineers, S.D. Regulatory Office, including under:

1) §§404/401 of Clean Water Act, for authorization of discharge of fill material into waters of the United States including wetlands or other action;
2) §10 Rivers and Harbors Act, for authorization of pipeline crossings of navigable waters of the United States or other action;
3) Section 106 of the Natural Historic Preservation Act (NHPA), including consultation with potentially impacted Tribes and/or other action;

B. Permits from U.S. Fish and Wildlife Service, S.D. Ecological Services Field Office, including under the Endangered Species Act, Section 7 Consultation, to consider lead agency findings of impacts on federal-listed species, to provide a Biological Opinion if the Project is likely to adversely affect federally-listed or proposed species or their habitats, or other action;

C. Permits from Farm Service Agency of the Natural Resources Conservation Service, including the Crop Reserve Program, for authorization of crossing areas enrolled in the Crop Reserve Program, or other action;

D. Permits from the Pipeline and Hazardous Materials Safety Administration (PHMSA), including under 49 CFR Parts 194 and 195, for development of an Integrity Management Plan (IMP) and Emergency Response Plan (ERP), or other action;

E. Permit(s) from or Plan(s) Required to the South Dakota Department of Environment and Natural Resources (DENR), including under:

1) National Pollutant Discharge Elimination System General Permit for Discharges of Hydrostatic Test Water, regarding proposed discharge into waters of the United States and construction dewatering of waters of the State, or other action;
2) Surface Water Withdrawal Permit, for temporary surface water withdrawal, or other action;
3) SDCL Chapter §34A-18, required submission of an Oil Spill Response Plan or Updated Plan to DENR, or other action;

F. Consultation with SD Game Fish and Parks Department, under State Listed Threatened and Endangered Species;

G. Any Updated Review and Comment from South Dakota State Historical Society, State Preservation Office, under §106 of the NHPA, on activities regarding jurisdictional cultural resources;

H. Crossing Permits from South Dakota Department of Transportation for crossing State highways;

I. Crossing Permits from County Road Departments for crossing of county roads;

J. Flood plain, Conditional Use, and building permits where required from County and Local Authorities.

[Applicable Finding or Condition No.: Conditions 1, 2; Findings 12(1)-(3), 60, 88, 90, 97-99]

RESPONSE: OBJECTION. This question improperly attempts to shift the burden to produce permits from the Company to Staff. Subject to and without waiving the objection, Staff provides the following answer.

Staff does not have this information, nor is it readily obtainable. The PUC is neither the issuer nor the issuee of the permits listed in Interrogatory No. 3. The only information Staff has regarding the status of permits is the information provided by Keystone in its Quarterly Report. This most recent information can be found in Section 5.0 of the December 31, 2014 Quarterly Report, filed in docket HP09-001.

As for consultation with SD Game Fish and Parks Department (GF&P), as described in subpart F of the interrogatory, Staff does not have this information, but does intend to call a witness from GF&P and will continue to work with that witness to gather information. Therefore, no additional information, beyond what is available in Docket No. HP09-001 is available at present. Staff will supplement this response if necessary in the future.

In response to subparts H and I, this information is included in Keystone's Quarterly Report, which the PUC has made available online. For current information, see the most recent quarterly report filed in HP09-001

INTERROGATORY NO. 4. Do you agree that diluted bitumen spills require different spill response techniques and different equipment types and amounts as compared to (a) a spill of conventional crude oil and (b) a spill of Williston Basin light crude oil? Please explain your answer and list any scientific study(ies) providing the basis for your answer. *[Applicable Finding or Condition No.: Amended Condition 31-42]*

RESPONSE: OBJECTION. The question calls for a legal conclusion. Subject to and without waiving the objection, Staff provides the following answer.

Staff does not have an opinion at this time but will continue to work with its experts to investigate this issue.

INTERROGATORY NO. 5. Do you agree that diluted bitumen is heavier than conventional crude and results in greater expenses to remediate leaks or spills? Please explain your answer and identify any known scientific study(ies) providing the basis for your answer. *[Applicable Finding or Condition No.: Amended Condition 31-42/]*

RESPONSE: OBJECTION. This question improperly attempts to shift the burden concerning whether the project continues to meet the conditions upon which the permit was granted from the Company to Staff. Subject to and without waiving the objection, Staff provides the following answer.

Staff does not have an opinion at this time but will continue to work with its experts to investigate this issue.

INTERROGATORY NO. 6. Do you agree that soil and rocks that are contaminated by oil spills cannot be cleaned but instead must be removed and disposed of in hazardous waste facilities? Please explain your answer and list any scientific study(ies) providing the basis for your answer.

A. If so, do you agree that reclamation efforts for oil spills of the magnitude of the worst case discharge amount for the Keystone XL Pipeline fail to recover 100% of the oil contaminating the ground?

B. Identify the Documents created by or on your behalf which would show the basis for your answer to this Interrogatory.

[Applicable Finding or Condition No.: Amended Condition 32-38]

RESPONSE: OBJECTION. This question improperly attempts to shift the burden concerning whether the project continues to meet the conditions upon which the permit was granted from the Company to Staff. Subject to and without waiving the objection, Staff provides the following answer.

Staff does not have an opinion at this time but will continue to work with its experts to review this issue.

INTERROGATORY NO. 7. Describe how the PUC Staff plans to monitor compliance of TransCanada with all conditions imposed by the PUC, together with all applicable laws, and regulations:

A. During construction;
B. During proposed operation;

[Applicable Finding or Condition No.: Amended Condition 1; Finding 73]

RESPONSE: As per the Amended Final Decision and Order in HP09-001, Keystone must provide quarterly reports to the Commission. In addition, the Commission has a formal complaint process available to any person who has a grievance against the company. Staff will also be reviewing compliance filings and following up with any issues we find.

INTERROGATORY NO. 8. Does the PUC Staff have inspectors who will monitor on-site construction of the KXL pipeline?

A. State the number of inspectors;
B. Describe the expertise of each of these inspectors in relevant fields regarding crude oil pipeline construction and operation;
C. Describe how often and what type of inspectors will be on-site:
   i. During construction of the KXL Pipeline;
   ii. During operation of the KXL Pipeline.

[Applicable Finding or Condition No.: Amended Condition 1; Finding 73]

RESPONSE: No. Keystone XL would operate as an interstate pipeline and would, therefore, be under federal jurisdiction for purposes of inspection. The authority to grant siting permits is the sole authority of the PUC with respect to interstate pipelines. Please refer to page 4 of the prefiled testimony of William Walsh in HP09-001.

INTERROGATORY NO. 9. State whether or not the PUC Staff monitors or tracks spill/leak incidents involving operations of TransCanada and its Affiliates:

A. Within South Dakota?

B. Outside South Dakota?
   i. Within the United States;
   ii. Within Canada;

C. To the extend PUC Staff monitors or tracks any of the foregoing, describe the monitoring and tracking procedures engaged in and identify any documents regarding monitoring or tracking procedures, processes or instructions.

[Applicable Finding or Condition No.: Amended Condition 1; Finding 73]

RESPONSE: The PUC does not monitor or track spill/leak incidents involving operations of TransCanada and its Affiliates within or outside of South Dakota. This task is within the jurisdiction of the federal government. Staff suggests contacting either the company itself or the South Dakota Department of Environment and Natural Resources.

INTERROGATORY NO. 10. For each incident since January 1, 2010 in which any pipeline transporting crude oil constructed by TransCanada and its Affiliates in South Dakota leaked or spilled pipeline contents, the:

A. Date;

B. Location:

C. Amount of materials leaked or spilled;

D. Actions taken by the PUC to prevent re-occurrence which did not involve design or construction procedure changes in pipeline material composition or dimensions, or construction procedures for use in the pipeline which suffered the incident.

E. Actions taken to prevent re-occurrence which involved design or construction procedure changes in pipeline material composition or dimensions, or construction procedures for use in construction of the proposed KXL Pipeline;

F. Identify and produce the documents which support your answers, above, including any incident reports.

[Applicable Finding or Condition No.: Findings 12(2)-(3), 41-45, 47, 103; Amended Condition 32-38]

RESPONSE: OBJECTION. This question attempts to shift the regulatory burden from the federal government and the South Dakota Department of Environment Natural Resources (DENR) to the PUC. Subject to and without waiving the objection, Staff provides the following answer.

Because TransCanada reports to the federal government, specifically to agencies such as the Pipeline and Hazardous Materials Safety Administration, Staff does not have this information. Staff suggests contacting either the company itself or DENR. This information may also be accessible through DENR's website (http://arcgis.sd.gov/server/denr/spillsviewer/). However, PUC Staff cannot vouch for the accuracy of the information on DENR's website.

INTERROGATORY NO. 11: Identify all other crude oil pipeline operations of TransCanada and its Affiliates in South Dakota which, since 2009, have or are operating at a maximum operating pressure (MOP) of equal to or greater than 1,440 psig generally and/or 1,600 psig MOP for specific low elevation segments of pipeline with the same design factor and pipe wall thickness as described in Finding 19, close to the discharge of pump stations:

A. For each such pipeline which subsequently developed a leak or spill, regardless of the psig MOP the pipeline was operating at the time, giving date, location, amount spilled/leaked, psig MOP at which pipeline was operating at the time, and describe the amount and nature of damage caused by such a leak or spill;

B. Identify any documents upon which your answers to these Interrogatories were based;

[Applicable Finding or Condition No.: Findings 19, 28]

RESPONSE: The Keystone Pipeline in eastern South Dakota is the only crude oil pipeline operated by TransCanada and its Affiliates in South Dakota of which Staff has knowledge. The PUC sited this pipeline in Docket HP07-001. For information on leaks and spills on this pipeline, see Staff's answer to Interrogatory No. 10.

INTERROGATORY NO. 12: For each spill/leak incident which has occurred from a pipeline transporting Western Canadian Sedimentary Basin (WCSB) crude oil operated by TransCanada and its Affiliates since 2009 in South Dakota, state the dates on which transportation of the crude oil through that pipeline was disrupted by planned maintenance, unplanned maintenance, power outages, spills, leaks, or any other causes. Identify any documents upon which your answers to this Interrogatory was based. *[Applicable Finding or Condition No.: Finding 28]*

RESPONSE: OBJECTION. This question attempts to shift the regulatory burden from the federal government to the state. Subject to and without waiving the objection, Staff provides the following answer.

Because this information is not reported to the PUC, Staff does not have this information.

INTERROGATORY NO. 13: Explain why TransCanada has reduced the maximum operating pressure of the KXL pipeline at most locations to 1,307 psig;

A. State whether the PUC Staff has received information or a commitment from TransCanada about any future plans to subsequently increase this general operating pressure;

B. If your answer to subpart A of this interrogatory is yes, what is the subsequent maximum operating pressure being contemplated for general use during pipeline operations?

C. Explain the PUC Staff's understanding of why TransCanada wants to construct the KXL pipeline pump stations with pumps of sufficient capacity to meet the maximum design flow rate of 830,000 bpd.

[Applicable Finding or Condition No.: Conditions 31-38; Findings 19, 20]

RESPONSE: OBJECTION. This question improperly attempts to shift the burden concerning whether the project continues to meet the conditions upon which the permit was granted from the Company to Staff. Subject to and without waiving the objection, Staff provides the following answer.

This is information that Staff has requested of TransCanada in the discovery process. If necessary, Staff will supplement its response to this interrogatory as more information becomes available.

INTERROGATORY NO. 14: With regard to the plan for mainline valves to be remotely controlled, what guarantee has been received from TransCanada that it is capable of preventing any cyber-security attack on the control system?

A. Describe the worst case scenario which could occur in the event of a computer systems security breach on the control system for the KXL Pipeline.

B. Describe the data security systems TransCanada has indicated to the PUC Staff that it has or plans to be put in place to prevent any such system breach, identify any third-party vendor(s) providing system security software, hardware or monitoring, and identify the particular components or scopes of services such vendors will provide.

C. Identify any documents used to support your answer to this Interrogatory.

[Applicable Finding or Condition No.: Conditions 31-38; Finding 20]

RESPONSE: At this time, Staff does not have the information to answer this question but will continue to investigate this issue throughout the discovery process.

INTERROGATORY NO. 15: Provide the dates on which pipe segments to be used in South Dakota were delivered to storage location in South Dakota or adjacent states and state whether the PUC Staff has or plans to independently inspect the integrity of the stockpiled pipe lengths. If PUC Staff is planning to conduct inspections, describe how those inspections would occur and what factors or information would be reviewed during the course of such inspections.

A. Identify any documents which would support your answers.

[Applicable Finding or Condition No.: Finding 18]

RESPONSE: OBJECTION. The question is argumentative, as it requires the adoption of the assumption that pipe segments have, in fact, been delivered to South Dakota. Subject to and without waiving its objection, Staff provides the following answer.

Staff has no knowledge of pipeline segments being delivered to South Dakota for use on the Keystone XL Pipeline. However, federal regulations do provide for how pipe must be stored, and TransCanada must comply with those regulations.

INTERROGATORY NO. 16: State whether any power lines have been permitted and constructed to provide power to pump stations by local power providers;

A. Identify each such power line;

B. If any State or Tribal permit or other authorization is required for any planned construction of power lines to pump stations:

i. Identify the permits which have been obtained, together with date permit granted;
ii. Identify permits which have not yet been obtained;
iii. Identify which permits have been applied for and are pending.

C. Identify any documents which would support your answers to this interrogatory.

[Applicable Finding or Condition No.: Finding 20; Amended Condition 1]

RESPONSE: No permits have been sought from the PUC for power lines in connection with the Keystone XL pipeline at this time. It is Staff's understanding that Basin Electric Power Cooperative will need to file for a permit to construct a proposed 230-kV transmission line from Big Bend substation to Witten substation. This project is discussed in the Department of State's Final Supplemental Environmental Impact Statement and the Environmental Assessment prepared specifically for the transmission line project.

INTERROGATORY NO. 17: List the changes in the KXL Project route since 2010 and identify any documents which would support your answers. *[Applicable Finding or Condition No.: Finding 33]*

RESPONSE: Staff has sought this information from TransCanada in a discovery request. We do not have this information at this time.

INTERROGATORY NO. 18: Identify paleontological studies within the Upper Cretaceous or Tertiary strata of which you have knowledge were conducted after 2009 in the proximate location of the currently proposed KXL pipeline route and identify any documents which would support your answers. *[Applicable Finding or Condition No.: Findings 34, 36; Conditions 43, 44]*

RESPONSE: OBJECTION. The interrogatory attempts to illicit an answer that would incorrectly have the burden of proof concerning environmental issues to Staff. It is the Company's burden to provide this information.

At this time Staff only has knowledge of certain paleontological studies conducted after 2009 that were completed in order to prepare the Department of State's Final Supplemental Environmental Impact Statement (FSEIS). Descriptions of the studies performed are included in section 3.1.2.3 of the FSEIS.

INTERROGATORY NO. 19: Identify Section 106 type "cultural resource" studies of which you have knowledge that were conducted after 2009 in the proximate location of the currently proposed KXL pipeline route and identify any documents which would support your answers. *[Applicable Finding or Condition No.: Conditions 43, 44]*

RESPONSE: At this time, Staff has knowledge of certain cultural resource studies conducted after 2009 that were completed in order to prepare the Department of State's Final Supplemental Environmental Impact Statement (FSEIS). Descriptions of the studies performed are included in section 3.11.3.3 of FSEIS.

INTERROGATORY NO. 20: TransCanada is to identify the exact locations of active, shut-in, and abandoned wells and any associated underground pipelines in the construction ROW. What is the status of such identification procedures?

A. How long does TransCanada expect such an identification process will take before the Company would be willing to assure the PUC that all such wells and pipelines have been identified;

B. Has TransCanada communicated to the PUC Staff how long it expects such an identification process will take before TransCanada would be willing to assure the PUC that all such wells and pipelines have been identified;

C. How does the PUC Staff intend to ensure compliance by TransCanada with regulations, laws and PUC conditions, in order to protect water resources from contamination?

D. Identify any documents which would support your answers.

[Applicable Finding or Condition No.: Conditions 15, 16, 21, 22, 42]

RESPONSE: OBJECTION. The interrogatory attempts to illicit an answer that would incorrectly have the burden of proof concerning environmental issues to Staff. It is the Company's burden to provide this information.

INTERROGATORY NO. 21. Describe the worst case scenario for landowners of a spill from the proposed pipeline onto only land, as well as other risks deemed "low" by the PUC. Identify any documents which would support your respective answer. *[Applicable Finding or Condition No.: Findings 57; Conditions 16, 31-38]*

RESPONSE: OBJECTION. This question improperly attempts to shift the burden concerning whether the project continues to meet the conditions upon which the permit was granted from the Company to Staff. Subject to and without waiving the objection, Staff provides the following answer.

Staff has requested that TransCanada update that information.

INTERROGATORY NO. 22. Provide a list of claims or complaints (of any kind) made to the Commission by landowners along the existing Keystone I pipeline corridor since 2008. Identify any documents which would support your respective answer. *[Applicable Finding or Condition No.: Finding 57; Conditions 49-50]*

RESPONSE: There have been no formal complaints to the PUC, however, landowner concerns were included in the Liaison Annual Report filed in Docket No. HP09-001. See Section 5 of the most recent Liaison Annual Report.

INTERROGATORY NO. 23. What is the understanding of PUC Staff as to why TransCanada has sought a special permit from the PHMSA for authorization "to design, construct, and operate the Project up to 80% of the steel pipe specified minimum yield strength at most locations."

A. Identify and describe all spills/leaks from TransCanada (or its Affiliates) pipeline operations since 2009 in South Dakota which have involved a "0.8 design factor" and therefore involving use of steel pipe up to 80% of the specified minimum yield strength.

B. Identify documents upon which your answers are based.

[Applicable Finding or Condition No.: Findings 60-61]

RESPONSE: TransCanada is no longer seeking a special permit. TransCanada now seeks to operate at 70% of SMYS.

INTERROGATORY NO. 24. Explain the PUC's understanding of how application of the "0.8 design factor and API 5L PSL2 X70 high-strength steel pipe" with thinner walls would "provide a level of safety equal to or greater than that which would be provided if the pipeline were operated under the otherwise applicable regulations." *[Applicable Finding or Condition No.: Finding 63]*

RESPONSE: This is no longer relevant, as TransCanada is no longer seeking a special permit.

INTERROGATORY NO. 25. Describe how the PUC Staff plans to ensure that TransCanada will thoroughly implement procedures in the CMR to minimize impacts on cultivated lands, grasslands, wetlands, streams, and waterways? Identify documents upon which your answers are based. *[Applicable Finding or Condition No.: Finding 73]*

RESPONSE: There are three methods identified in the *Amended Final Decision and Order; Notice of Entry* that will ensure TransCanada fully and thoroughly implements the CMR. These methods include self-monitoring by TransCanada, self-reporting by TransCanada, and the Commission's formal complaint process.

First, TransCanada will self-monitor the implementation of the CMR through the use of Environmental Inspectors on each construction spread. (Condition 14 and Section 2.2 of the CMR). The Environmental Inspector has the authority, subject to approval from the Chief Environmental Inspector, to stop work and order corrective action if activities violate the CMR. (Section 2.2 of CMR).

Second, TransCanada is required to submit quarterly reports to the Commission until reclamation is complete. According to Condition 8 of the *Amended Final Decision and Order; Notice of Entry*, the quarterly reports must summarize "the status of land acquisition and route finalization, the status of construction, ***the status of environmental control activities***, including permitting status and Emergency Response Plan and Integrity Management Plan development, ***the implementation of the other measures required by these conditions***, and the overall percent of physical completion of the project and design changes of a substantive nature." [***emphasis added***]. PUC Staff expects TransCanada to self-report its implementation of the CMR, or any deviations in the implementation of the CMR, in the quarterly reports in accordance with Condition 8. Should TransCanada self-report any deviations from the CMR, PUC Staff can follow-up with the company in order to ensure proper corrective actions were taken. If issues with CMR implementation remain unresolved, PUC Staff can file a formal complaint against TransCanada as discussed in the following paragraph.

Third, Condition 50 of the *Amended Final Decision and Order; Notice of Entry* identifies that "the Commission's complaint process as set forth in ARSD 20:10:01 shall be available to landowners, other persons sustaining or threatened with damage or the consequences of Keystone's failure to abide by the conditions of the permit or otherwise having standing to obtain enforcement of the conditions of the Order and Permit." Should a landowner or other affected person report to the PUC Staff that TransCanada failed to properly implement the CMR, PUC Staff can either bring a formal complaint against TransCanada or instruct the affected person on how to file a formal complaint. If a complaint is brought before the Commission, the Commission will make its decision on how to resolve the matter based on the specific facts presented during the complaint proceeding.

INTERROGATORY NO. 26. Since 49 CFR Part 195 would require TransCanada Keystone to conduct an "internal inspection" of any pipe section(s) potentially moved by abnormal ground movement, describe the PUC's understanding of the timeframe within which an inspection would take place considering the time required to transport personnel and equipment from their staging area to the most distant segment of the KXL Pipeline in South Dakota, and the time required to notify and mobilize inspectors to their staging area. Identify documents upon which your answers are based.

[Applicable Finding or Condition No.: Finding 101; Conditions 31-38]

RESPONSE: OBJECTION. This question attempts to shift the regulatory burden from the federal government to the state. Subject to and without waiving the objection, Staff provides the following answer.

South Dakota does not have jurisdiction of hazardous liquid lines. Enforcement of 49 CFR is under federal jurisdiction of PHMSA.

INTERROGATORY NO. 27. Identify and produce the most recent IMP submitted to the Commission by TransCanada, including but not limited to section in it related to HCAs. *[Applicable Finding or Condition No.: Finding 102; Conditions 1-2]*

RESPONSE: OBJECTION. This question attempts to shift the regulatory burden from the federal government to the state. Subject to and without waiving the objection, Staff provides the following answer.

South Dakota does not have jurisdiction of hazardous liquid lines. Enforcement of the IMP and related HCAs is under federal jurisdiction of PHMSA.

INTERROGATORY NO. 28. Itemize the property tax payments paid by TransCanada and its Affiliates to respective South Dakota towns, cities, and counties each year since 2010 for the existing Keystone I pipeline and identify the documents upon which you relied to answer these questions;

[Applicable Finding or Condition No.: Finding 23, 102, 108; Conditions]

RESPONSE: The PUC does not have access to this information. It is Staff's belief that this information is held by the Dept. of Revenue.

INTERROGATORY NO. 29. With respect to the jobs TransCanada has alleged it will bring to South Dakota by its proposed pipeline project, describe the most current information provided by TransCanada:

A. As to the number, job title, and expected duration of the temporary construction related jobs provided, and:

i. The percentage of South Dakota citizens are expected to be hired for each job title. ii. Is there any preference for South Dakota citizens to obtain any or all of these
temporary jobs?
iii. State the number and percentage of the total construction jobs expected to be already be filled by out-of-state workers.

B. Describe the most recent information provided by TransCanada as to the number, type, and expected duration of the permanent jobs expected, and;

i. State the number of permanent jobs it expects to be held by current South Dakota citizens, as opposed to someone who moves from out of state to South Dakota to take the job, and;
ii. Will there any preference for South Dakota citizens to obtain any or all of the permanent jobs in South Dakota?

C. Identify the documents upon which you relied to answer these questions;

[Applicable Finding or Condition No.: Finding 23, 102, 108; Conditions 1-2]

RESPONSE: All information the PUC has relevant to this question is posted in Docket No. HP09-001 and is available to the public.

INTERROGATORY NO. 30. Should there be a worst case discharge or even a substantial release of crude oil into farmland and/or water resources and/or an explosion of the pipeline near homes or towns with people, would the PUC Staff still have confidence the proposed KXL Pipeline Project would have only a "minimal" effect on the health, safety, or welfare of its inhabitants. Identify the documents upon which you relied to answer these questions.

[Applicable Finding or Condition No.: Finding 23, 102, 108; Conditions 1,2, 31-36]

RESPONSE: OBJECTION. Staff objects to this interrogatory as it calls for a legal conclusion. Subject to and without waiving its objection, Staff provides the following answer.

SDCL 49-41B-22 does not require the Commission to conclude that the project would have a "minimal" effect on the health, safety, or welfare of the inhabitants. The statute identifies that the company must prove the facility will not "substantially" impair the health, safety, or welfare of the inhabitants.

REQUESTS FOR PRODUCTION

1. All documents identified or referred to in your Answers to DRA's First Interrogatories to you. ***[Applicable Finding or Condition No.: all]***

a. The December 31, 2014 Quarterly Report can be accessed at http://www.puc.sd.gov/commission/dockets/hydrocarbonpipeline/2009/hp09-001/quarterlyreport123114.pdf. All Quarterly Reports submitted by Keystone are available in Docket HP09-001.

b. The Department of State's Final Supplemental Environmental Impact Statement, which can be accessed at: http://keystonepipeline-xl.state.gov/finalseis/

c. The Liaison Annual report, referenced in Staff's answer to Interrogatory No. 22 is also available in Docket HP09-001, and can be accessed at http://www.puc.sd.gov/commission/dockets/HydrocarbonPipeline/2009/HP09-001/liasonreport2014.pdf.

d. U.S. Department of Agriculture Rural Utilities Service's Big Bend to Witten 230-kv Transmission Project Environmental Assessment, which can be accessed at: http://www.wapa.gov/ugp/Environment/documents/BigBendtoWitten_EA_Nov_2014_Final.pdf

2. All documents and correspondence presented to any expert in connection with the above-captioned proceedings, or received from any expert, including but not limited to emails, letters, engagement documents, resumes, curriculum vitaes, reports, analysis, spreadsheets, schedules, and any drafts thereof. ***[Applicable Finding or Condition No.: all]***

a. OBJECTION. Staff objects to the request for all correspondence presented to

any expert or received from any expert. All correspondence was conducted by Staff's attorney of record and is, therefore, attorney work product.

b. OBJECTION. Staff objects to the request for production of engagement documents as not relevant to the proceedings. Subject to and without waiving its objection, staff provides the following subpoenas:

   i. Attachment 9, Subpoena of Brian Walsh

   ii. Attachment 10, Subpoena of Derric Iles

   iii. Attachment 11, Subpoena of Kimberly McIntosh

   iv. Attachment 12, Subpoena of Paige Olson

   v. Attachment 13, Subpoena of Tom Kirschenmann

c. Staff provides the following resumes and curriculum vitae, and will provide the same for its other witnesses as they are received:

   i. Attachment 1, Resume of Darren Kearney

   ii. Attachment 2, Resume of Kimberly McIntosh (not attached, as not been received by Staff)

   iii. Attachment 3, Resume of Brian Walsh

   iv. Attachment 4, Resume of Paige Olson

   v. Attachment 5, Resume of Tom Kirschenmann

   vi. Attachment 3, Resume of Daniel Flo

   vii. Attachment 7, Resume of Jenny Hudson (not attached, has not been received by Staff)

   viii. Attachment 8, Resume of Derric Iles

d. At this time, Staff has not received any reports, analysis, spreadsheets, schedules,

or drafts at this time.

3. The most recent resume or curriculum vitae of each expert whom you expect to call as an expert witness at the hearing before the Commission. ***[Applicable Finding or Condition No.: all]***

See previous answer.

4. The written reports of experts who are expected to testify on behalf of the PUC. ***[Applicable Finding or Condition No.: all]***

Staff has not received any reports at this time.

5. All correspondence between TransCanada or its Affiliates and the Commission or Commission Staff concerning the Project. ***[Applicable Finding or Condition No.: all]***

OBJECTION. Staff objects to this request on the grounds of attorney work product. All communications between Staff and TransCanada have been conducted by attorneys and are, therefore, the subject of attorney work product. Furthermore, Staff operates as a party, separate from the Commission and does not have access to or knowledge of Commission communications.

6. All documents concerning a change in routing of the Project between 2010 and the present date, including but not limited to, any parcel maps showing the precise location of the proposed Project through South Dakota. ***[Applicable Finding or Condition No.: Finding 16]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff asserts that it does not have this information and this time, but has requested updated maps and information from the Company.

7. All documents setting forth TransCanada's proposed construction schedule for the Project, and all contracts for construction of the proposed Project. ***[Applicable Finding or Condition No.: Finding 17]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff.

8. All documents showing location of power lines for pumping stations proposed for the Project, the location of proposed pumping stations and mainline valves for the Project in South Dakota, and including, but not limited to all communications between TransCanada's or its Affiliates' staff, consultants, advisors, or other parties and the PUC concerning location and operation of pumping stations, mainline valves, and the proposed conversion of valves to remote control operations. ***[Applicable Finding or Condition No.: Finding 20]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff submits that it does not have any relevant information.

9. All documents describing soil types and conditions along the currently-proposed Project route through South Dakota. ***[Applicable Finding or Condition No.: Finding 33]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

10. All documents describing, discussing, or setting forth plans for the Project to cross perennial streams and rivers, intermittent streams, and ephemeral streams in

South Dakota, including but not limited to all documents concerning the methodology used by TransCanada (and its Affiliates) or its agents in determining construction plans for the Project across such waterways. ***[Applicable Finding or Condition No.: Finding 41]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

11. All documents concerning the reduction in the length of the proposed Project potentially affecting High Consequence Areas. ***[Applicable Finding or Condition No.: Finding 50]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

12. All documents concerning TransCanada's (or its Affiliates') decision to withdraw its request to the PHMSA for a special permit referenced in Finding 60. ***[Applicable Finding or Condition No.: Finding 60]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

13. All documents containing information concerning construction/reclamation unit mapping referenced in Finding 80, including but not limited to the construction/reclamation unit mapping. ***[Applicable Finding or Condition No.: Finding 80]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not

have any information supplementary to what has been made publicly available in the dockets.

14. All documents, including but not limited to forecasts and projections of tax revenue accruing to the State of South Dakota should construction and operation of the Project commence, together with all documents reflecting payments to towns, cities, counties in South Dakota since 2008 along the operating portions of the original Keystone I pipeline. ***[Applicable Finding or Condition No.: Finding 107]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

15. All documents submitted to the PUC by TransCanada evidencing TransCanada's or its Affiliates' compliance efforts with applicable laws and regulations related to construction and operation of the Project. ***[Applicable Finding or Condition No.: Condition 1]***

See Quarterly Reports available in HP09-001. Staff has no additional documentation. Every document submitted by TransCanada is made publicly available in the appropriate docket.

16. All documents submitted to the PUC by TransCanada concerning TransCanada's or its Affiliates' efforts to obtain and comply with applicable permitting referenced in Condition 2, including but not limited to copies of any permits obtained. ***[Applicable Finding or Condition No.: Condition 2]***

See Quarterly Reports available in HP09-001. Staff has no additional documentation. Every document submitted by TransCanada is made publicly available in the appropriate docket.

17. All documents submitted by TransCanada to the PUC concerning TransCanada's or its Affiliates' compliance with the recommendations set forth the DOS's Final Environmental Impact Statement, including but not limited to documents discussing or concerning compliance with Section 106 of the National Historic Preservation Act. ***[Applicable Finding or Condition No.: Condition 3]***

See Quarterly Reports available in HP09-001. Staff has no additional documentation. Every document submitted by TransCanada is made publicly available in the appropriate docket.

18. All documents submitted by TransCanada to the PUC concerning or discussing proposed adjustments or deviations in the route of the Project, including but not limited to copies of notices to affected land owners. ***[Applicable Finding or Condition No.: Condition 6]***

See Quarterly Reports available in HP09-001. Staff has no additional documentation. Every document submitted by TransCanada is made publicly available in the appropriate docket.

19. All documents submitted by TransCanada to the PUC concerning the appointment of a public liaison officer by TransCanada for the Project, and all documents containing information regarding communications between the public liaison officer and landowners affected by the Project. ***[Applicable Finding or Condition No.: Condition 7]***

See Motion for Approval of Public Liaison Officer in docket HP09-001, http://www.puc.sd.gov/commission/dockets/hydrocarbonpipeline/2009/hp09-001/042710.pdf; Letter from Jerry Roitsch regarding the Liaison's Role,

http://www.puc.sd.gov/commission/dockets/hydrocarbonpipeline/2009/hp09-001/050410.pdf; and all Liaison Annual Reports submitted in docket HP09-001.

20. All documents containing information with respect to contacts or communications with state, county and municipal emergency response, law enforcement and highway, road and other infrastructure management agencies regarding the Project. ***[Applicable Finding or Condition No.: Condition 10]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

21. All documents containing information concerning TransCanada's or its Affiliates' efforts to comply with mitigation measures set forth in the Construction Mitigation and Reclamation Plan submitted to the Commission, regarding the KXL Pipeline and the existing Keystone I pipeline. ***[Applicable Finding or Condition No.: Condition 13]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

22. All documents containing information regarding consultations, including but not limited to communications, with Natural Resources Conservation Services ("NRCS") regarding development of construction/reclamation units ("Con/Rec Units"). ***[Applicable Finding or Condition No.: Condition 15]***

OBJECTION. The request attempts to shift the burden for production from the

Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

23. All documents containing information regarding consultations between TransCanada (or its Affiliates) and South Dakota Game, Fish and Parks. ***[Applicable Finding or Condition No.: Condition 20(c)]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

24. All documents submitted by TransCanada to the PUC describing the development of frac-out plans in areas where horizontal directional drilling will occur in connection with the Project, including but not limited to any frac-out plans developed. ***[Applicable Finding or Condition No.: Condition 21]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

25. All documents describing or containing information regarding TransCanada's or its Affiliates' efforts to comply with conditions regarding construction of the Project near wetlands, water bodies, and riparian areas, such documents including but not limited to compliance plans, construction plans, mitigation plans, and communications with any regulatory agency in such regard. ***[Applicable Finding or Condition No.: Condition 22]***

OBJECTION. The request attempts to shift the burden for production from the

Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

26. All documents containing or referencing adverse weather land protection plans developed in connection with the Project. ***[Applicable Finding or Condition No.: Condition 25]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

27. All documents that reference or identify private and new access roads to be used or required during construction of the Project. ***[Applicable Finding or Condition No.: Condition 28]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

28. All documents referencing agreements reached with landowners, including but not limited to any agreements reached with landowners modifying any requirements or conditions established by the Commission in connection with the Project. ***[Applicable Finding or Condition No.: Condition 30]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

29. All documents containing information regarding assessments performed in

connection with TransCanada's activities in "high consequence areas", including but not limited to documents referencing efforts by you to comply with 49 C.F.R. Part 195, and any communications or consultations with the South Dakota Geological Survey, the Department of Game Fish and Parks ("SDGFP"), affected landowners and government officials. ***[Applicable Finding or Condition No.: Condition 34]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

30. All documents where TransCanada has identified hydrologically sensitive areas as required by Condition Number 35. ***[Applicable Finding or Condition No.: Condition 35]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

31. All documents containing information regarding noise-producing facilities in connection with the Project, including but not limited to any studies conducted regarding noise levels, and any noise mitigation measures. ***[Applicable Finding or Condition No.: Condition 39]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets,

see Quarterly Reports available in Docket HP09-001.

32. All documents containing information regarding TransCanada's or its Affiliates' efforts to comply with protection and mitigation requirements of the US Fish and Wildlife Service ("USFWS") and SDGFP with respect to any endangered species. ***[Applicable Finding or Condition No.: Condition 41]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.

33. All documents containing information or details regarding location of drain tiles, including but not limited to all documents containing information regarding the potential for drain tiles to operate as conduits for contaminants in connection with construction or operation of the Project. ***[Applicable Finding or Condition No.: Condition 42]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets.

34. All documents referencing or containing information concerning cultural or paleontological resources along the Project route, including but not limited to all documents identifying cultural and paleontological resources, consultations and communications with the Bureau of Land Management and Museum of Geology at the South Dakota School of Mines and Technology. ***[Applicable Finding or Condition No.: Condition 44]***

OBJECTION. The request attempts to shift the burden for production from the Company to Staff. Subject to and without waiving its objection, Staff informs that it does not have any information supplementary to what has been made publicly available in the dockets, see Quarterly Reports available in Docket HP09-001.