

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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HP 14-001

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,

DIRECT TESTIMONY OF
COREY GOULET

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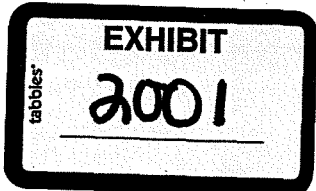
Pursuant to the Commission’s Order Granting Motion to Define Issues and Setting
Procedural Schedule, Petitioner TransCanada Keystone Pipeline, LP, offers the following direct
testimony of Corey Goulet.

1. Please state your name and address for the record.

Answer: My name is Corey Goulet. My business address is 450 1st Street S.W.,
Calgary, AB Canada T2P 5H1.

**2. Please state your position with Keystone and provide a description of your areas of
responsibility with respect to the Keystone XL Project.**

Answer: I am President, Keystone Projects, with overall accountability for the
implementation and development of the Keystone Pipeline system, including the Keystone XL
Project (Project). In that capacity, I am responsible for overall leadership and direction of the
Project.



3. Please state your professional qualifications and experience with pipeline operations.

Answer: My professional background is stated in my resume, a copy of which is attached as Exhibit A. I have a degree in mechanical engineering.

4. Are you responsible for portions of the Tracking Table of Changes attached as Appendix C to Keystone's certification petition?

Answer: Yes. I am individually or jointly responsible for the information provided with respect to Finding Numbers 14, 15, 16, 17, 18, 19, 20, 22, 23, and 107 related to the Project. In general, I can testify to the Project purpose; overall description; construction schedule; operating parameters; overall design; cost; and tax revenues.

5. Please summarize the updated information regarding Finding Number 14.

Answer: The Bakken Marketlink project was developed after Keystone's permit application in HP 09-001. The update to this finding reflects that the Project's purpose include transporting domestic production from the Williston Basin and supporting the growth of crude oil production in the United States.

6. Please summarize the updated information regarding Finding No. 15.

Answer: The Gulf Coast Segment of the original Keystone XL Project and the Houston Lateral were constructed as a stand-alone project. The update to this finding reflects that change, meaning that the Project consists of the Steele City Segment, from Hardisty, Alberta, Canada, to Steele City Nebraska, where it will interconnect with the Keystone Cushing Extension segment of the Keystone Pipeline. The Project's current design is based on a maximum capacity to transport 830,000 barrels per day.

7. Please summarize the updated information regarding Finding No. 16.

Answer: Because the Project is limited to the Steele City Segment, the mileage decreased to approximately 1202 miles, with 876 miles through Montana, South Dakota, and Nebraska. The mileage has changed slightly in South Dakota due to minor route variations made at the request of landowners or for engineering reasons. The right of way passes through the same counties as indicated in the Permit Application.

8. Please summarize the updated information regarding Finding No. 17.

Answer: Keystone does not currently have a construction schedule for the Project, pending issuance of the Presidential Permit. The Project's inservice date is uncertain for the same reason.

9. Please summarize the updated information regarding Finding No. 18.

Answer: Due to minor route variations, the mileage in South Dakota and the mileposts have changed slightly. The pipeline will be constructed using API 5L X70M high-strength steel, which was one of the design options presented in the original Permit Application. Keystone's final design determinations were made after TransCanada withdrew its application to PHMSA for a special permit and adopted 59 special conditions developed by PHMSA as set forth in Appendix Z to the Department of State Final Supplemental Environmental Impact Statement (FSEIS).

10. Please summarize the updated information regarding Finding No. 19.

Answer: This update reflects final design determinations based on the decision to withdraw the special permit application and the requirements of 49 CFR 195.106.

11. Please summarize the updated information regarding Finding No. 20.

Answer: This update reflects a change in the number of mainline valves in South Dakota from 16 to 20 due to PHMSA requirements. All of the valves will be remotely controlled for purposes of emergency response.

12. Please summarize the updated information regarding Finding No. 22.

Answer: The 59 special conditions are set forth in Appendix Z to the FSEIS. Keystone has committed to meet these conditions.

13. Please summarize the updated information regarding Finding No. 23.

Answer: The estimated cost of the Project in South Dakota increased to \$1.974 billion due to new technical requirements, inflation, and additional costs due to the delay in receipt of federal approval and commencing construction.

14. Please summarize the updated information regarding Finding No. 107.

Answer: Although I am not a tax expert, the increased cost of the Project reflected in Finding No. 23 is likely to result in increased tax revenues to the affected counties. To the extent that tax revenues are an issue at the hearing, Keystone may present rebuttal testimony addressing tax issues from Steve Klekar, Manager, Property Taxation for TransCanada – US Pipelines.

15. Are you aware of any reason that Keystone cannot continue to meet the conditions on which the Permit was granted by the Commission?

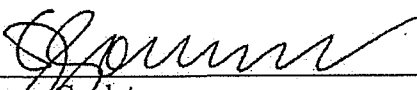
Answer: No. As stated in the Certification that I signed, Keystone is or will be able to satisfy all of the conditions imposed by the Commission as part of its Amended Final Decision and Order dated June 29, 2010.

16. Does this conclude your prepared direct testimony?

Answer: Yes.

Case Number: HP 14-001
Direct Testimony of Corey Goulet

Dated this 1 day of April, 2015.



Corey Goulet

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of April, 2015, I sent by United States first-class mail, postage prepaid, or e-mail transmission, a true and correct copy of the foregoing Direct Testimony of Corey Goulet, to the following:

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Corey Goulet

President, Keystone Projects

As President, Keystone Projects, Corey Goulet has overall accountability for the development and implementation of all phases of the Keystone Pipeline including securing land and permits, engineering, procurement, construction, commissioning, start-up and testing.

Prior to his current role, Mr. Goulet was Vice-President of the Facilities and Pipeline Projects department where he was responsible for leading the technical development and implementation of power plant, compression, metering and pipeline projects in Canada and the United States.

Mr. Goulet has 27 years of energy infrastructure experience. His experience is varied and has focused on the development, construction, operation and maintenance of natural gas, wind, hydro, nuclear and transmission power facilities; gas, oil and refined products pipelines; and oil and gas production facilities. He joined the company in 1998 as a manager in the international business unit where he was responsible for developing projects. Since that role, he has lead various departments including pipeline engineering, energy projects, and nuclear technical development.

Mr. Goulet is a former member of the Operations and System Integrity subcommittee for CSA Z662 Oil and Gas Pipeline Systems. In addition, he represented TransCanada for two years as a Board member, Executive Committee member, and Planning Committee member with the Pipeline Research Council International, Inc. (PRCI). Mr. Goulet has also been a Board member for two joint venture companies.

Born and raised near Edmonton, Alberta, he graduated with a Bachelor of Science in Mechanical Engineering (with Distinction) from the University of Alberta in 1985.

With more than 60 years' experience, TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada operates a network of natural gas pipelines that extends more than 68,500 kilometres (42,500 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with more than 400 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns or has interests in over 11,800 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP. For more information visit: www.transcanada.com or check us out on Twitter @transcanada or <http://blog.transcanada.com>.

Biography (September 10, 2014)



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