

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
MEERA KOTHARI, P.ENG.

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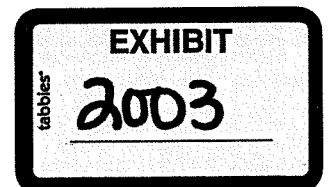
Pursuant to the Commission's Order Granting Motion to Define Issues and Setting Procedural Schedule, Petitioner TransCanada Keystone Pipeline, LP, offers the following direct testimony of Meera Kothari.

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

Answer: My name is Meera Kothari. My business address is 700 Louisiana Street, Houston, Texas 77002.

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 currently Manager, U.S. Business Development, Liquids Pipelines, for TransCanada, as well as Manager, Technical Services Pipeline Engineering for Keystone Oil Projects. I have oversight responsibility for design and engineering for the Keystone XL Pipeline 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. In general, I am a Professional Engineer, with a degree in mechanical and manufacturing engineering. Beginning in October, 2005, I served as the Lead Project Engineer for the Keystone Pipeline Project. I was the Project Manager for the Cushing Extension Pipeline Project from April 2010 to January 2011. I was the Reclamation Project Manager for the Cushing Extension Pipeline from January 2011 to November 2011. I have testified before the Commission in the permit proceedings concerning the Keystone Pipeline in Docket HP07-001 and concerning the Keystone XL Pipeline in Docket HP 09-001.

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 60, 61, 62, 63, 68, 83, 90, and 107. In general, I can testify to design and construction of the Keystone XL Pipeline and PHMSA compliance.

5. Please summarize the updated information regarding Finding No. 60.

Answer: Since the Amended Final Order dated June 29, 2010, Keystone withdrew its request to PHMSA for a special permit ("Special Permit") on August 5, 2010. The decision was explained in a media advisory issued on August 5, 2010, a copy of which is attached as Exhibit B. As a result of the withdrawal, Keystone will implement 59 additional safety measures as set forth in Appendix Z to the Department of State Final Supplemental Environmental Impact

Statement. These measures provide an enhanced level of safety equivalent to or greater than those that would have applied under the previously requested Special Permit.

6. Please summarize the updated information regarding Finding No. 61.

Answer: This finding is no longer relevant as Keystone has withdrawn its request for a Special Permit.

7. Please summarize the updated information regarding Finding No. 62.

Answer: This finding is no longer relevant as Keystone has withdrawn its request for a Special Permit.

8. Please summarize the updated information regarding Finding No. 63.

Answer: As a result of withdrawing the Special Permit application, Keystone will build the Keystone XL Pipeline using the as-proposed high strength steel, API 5L grade X70M steel with a nominal wall thickness of 0.465 inches, but will operate the pipeline at a lower pressure of 1,307 psig to comply with internal pressure design requirements in accordance with federal code of regulation title 49 CFR 195.106. For location specific low elevation segments close to the discharge of pump stations, the maximum operating pressure will be 1,600 psig. Pipe associated with these segments of 1,600 psig MOP will have a design factor of 0.72 and a nominal pipe wall thickness of 0.572 inches (X-70M).

9. Please summarize the updated information regarding Finding No. 68.

Answer: This Finding was updated because TransCanada has four more years of experience in the use of FBE coated pipe. On one occasion when TransCanada excavated pipe to validate FBE coating performance, there was one instance in which an adjacent foreign utility interfered with the cathodic protection system in a shared utility corridor. The situation was

remedied, and no similar situation could exist in South Dakota because there are no shared utility corridors.

10. Please summarize the updated information regarding Finding No. 83.

Answer: Keystone will use Horizontal Directional Drilling (“HDD”) for the Bridger Creek and Bad River crossings, in addition to the Little Missouri, Cheyenne, and White River crossings. Attachment B to Keystone’s Tracking Table of Changes contains the preliminary site-specific crossing plans for the HDD crossings of the Bad River and Bridger Creek.

11. Please summarize the updated information regarding Finding No. 90.

Answer: The updated information for this finding is based on the withdrawal of the Special Permit application. Keystone will comply with the 59 additional conditions as set forth in the FSEIS, Appendix Z, which provide an enhanced level of safety equivalent to or greater than those that would have applied under the Special Permit.

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

Answer: To the extent that Finding No. 107 included reference to the Special Permit, Keystone has withdrawn its application, but will comply with the 59 additional conditions as set forth in the FSEIS, Appendix Z.

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

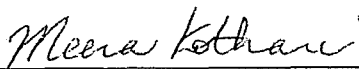
Answer: No. I have reviewed the conditions contained in the Amended Final Decision and Order dated June 29, 2010. The changes discussed in Finding Nos. 60, 61, 62, 63, 68, 83, 90, and 107 do not affect Keystone’s ability to meet the conditions on which the Permit was granted.

Case Number: HP 14-001
Direct Testimony of Meera Kothari, P.Eng.

14. Does this conclude your prepared direct testimony.

Answer: Yes.

Dated this 1 day of April, 2015.



Meera Kothari P.Eng.

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 Meera Kothari, P.Eng., to the following:

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Attorneys for Applicant TransCanada

Meera Kothari P.Eng.

Professional Experience

TransCanada Corp. Houston, TX

October, 2014 – Present

Manager, U.S. Business Development, Liquids Pipelines

- Manage TransCanada's existing customer relationships, and develop new customers for future business opportunities.
- Market of capacity on TransCanada's existing oil pipeline system, and extending the reach of TransCanada's oil pipeline network through the development of transportation and terminalling opportunities.
- Perform market research and provide analysis supporting strategy development.
- Prepare business strategies and plans.
- Provide analytical and due diligence support.
- Prepare marketing material and proposals.
- Assist with development of key valuation assumptions and related analysis.
- Interact with key internal clients: Engineering, Supply Chain, Construction, Operations, Legal, Finance, Accounting, Tax, and Risk.
- Transition successful development projects to execution.

TransCanada Corp. Houston, TX

October, 2012 – Present

Manager, Technical Services Pipeline Engineering for Keystone Oil Projects

- Guide, review and sign off on pipeline designs and facility interface designs for oil project portfolios worth up to \$12B.
- Oversight of 8 engineering firms dealing with all facets of pipeline engineering (inclusive of specialty items such as routing, civil design, E&I, welding, ECA, coating, welding, NDE technology, stress analysis, cathodic protection design, AC mitigation design, risk and spill analysis, thermal modeling, etc.)
- Oversight of construction technical execution for a 860 km 36" pipeline project inclusive of mechanize and flux core welding, automated girth weld coating application, high risk HDDs applications (7500 ft+ in length), AUT/RTR nondestructive examination, automated inspection record capturing
- Performance management for team of 15 direct reports/10 contract staff (engineers, technologists, resident inspectors).
- Technical representative interfacing with construction contractors and major pipe/material suppliers.
- Preparation of permit applications, data responses and meetings with Canadian/US Federal and State agencies (NEB, PHMSA, Department of State, Bureau of Reclamation/Land Management ,etc.),

TransCanada Corp. Houston, TX

November 2011 - October 2012

Technical Advisor, Keystone XL Pipeline Project

- Technical advisor during pipeline detail design phase, construction contractor bid process, material procurement, and preconstruction planning activities for 36" 2,798 km cross border pipeline project.

TransCanada Corp. Houston, TX

January 2011 - November 2011

Reclamation Project Manager, Cushing Extension Pipeline

- Management of ROW reclamation activities for 482 km pipeline.

TransCanada Corp. Houston, TX

April 2010 - January 2011

Project Manager, Cushing Extension Pipeline Project

- Construction execution of \$110M, 36" 171 km pipeline project in Kansas.
- Delivery of safety performance results and ensured management visibility on the construction site.
- Ensured the project was constructed with the approved design, plans, and standards; and in accordance with environmental regulations and all project permit conditions.
- Delivered within budget and on-time performance meeting project safety, environmental, and quality requirements.
- Ensured positive and professional relationships are enhanced and maintained with contractors, unions, landowners, communities, aboriginal, governmental and regulatory bodies.
- Facilitation of Board of Directors and External Stakeholder visits to the ROW.

TransCanada Corp. Calgary, AB

October 2005 - April 2010

Lead Project Engineer, Keystone Pipeline Project

- Development and review of DBM, FEED, detail design, specifications, standards, procedures for new construction, pipeline change of service conversion and above ground facilities in accordance with applicable industry codes and standards (Canada & USA).
- Pipeline route planning, HCA development, integrity management plans, spill analysis.
- Construction technical support for design, coating, NDE (AUT/RTR), ECA, mechanized/manual welding, hydrostatic testing, In-Line Inspection (ILI), and materials.
- Commissioning support.
- Engineering and Integrity assessment for conversion of 864 km circa 1950, 34" gas pipeline to crude oil service in Canada. Converted without hydrotesting through the use of ultrasonic in-line inspection
- Engineering assessment for the design, construction and operation of 30"/36" 2,215 km crude pipeline at 80% SMYS in the USA. First liquid line to be granted a waiver in the US.
- Plan, review and ensure timely completion of regulatory baseline data collection, permit application preparation and submittal in Canada (NEB Section 74, Section 52, Section 58) and the US (NEPA and State).
- Preparation and analysis of project budgets & expansion cases.
- Generation of terms, conditions, scope, analysis and award and completion of project RFP for major materials and services.
- Expert witness testifying at multiple Department of State (DOS) hearings, State hearings, technical spokesperson at public consultation project open houses.
- Preparation of permit applications, data responses and meetings with Canadian/US Federal and State agencies (NEB, PHMSA, Department of State etc),

TransCanada Energy. Trois Rivières, Québec

May 2005 - October 2005

Project Engineer, Becancour 500 MW Cogeneration Power Plant

- Development & implementation of inside battery limit/outside battery limit construction quality plan for \$550M project.
- Witness point inspections and audit of equipment fabrication & equipment installation.
- Conducted plant hazard assessment recommendation close out.
- Validation of work package estimates for outside battery limit pipeline project bid award.
- Development hazardous material philosophy.

Meera Kothari – Resume - Page 2 of 4

- RFP preparation for gas and chemical supply.
- Development of community investment risk matrix.
- French guided plant tours for various stakeholders.
- Preparation of monthly project status report, management presentations and HS&E statistics
- Analysis and validation of cost and schedule for various work packages
- Development of management operating system compliance tracking report

TransCanada Corp. Calgary, AB

July 2001 - April 2005

Pipeline Integrity Engineer for Asset Reliability, Technical Support and Technology Management

- Technical specification support for new capital pipeline projects (coating, welding, materials, NDE).
- Engineering critical assessment for pipeline defect assessment, maintenance repair, pipeline pressure de-rating, unsupported pipe lengths, blasting/explosives, coating systems for 40,000 miles of operating pipeline.
- Urban development encroachments, foreign utility, road and vehicle crossing application review focused in the areas of integrity verification, stress analysis, population growth tracking for the purpose of code compliance and conflicts with facilities that may impact the ability to maintain integrity, access for maintenance purposes, emergency response accessibility and compatible land uses for 40,000 miles of operating pipeline.
- Failure analysis of in service pipe body leaks, pipeline ruptures and hydrostatic test failures
- Research & Development of SCC & MFL In-Line Inspection, NDT techniques, pipeline repair techniques, mainline and joint coating systems, welding of new materials.
- Risk analysis for new pipeline construction projects.
- Development of engineering & integrity budget and programs for due diligence and acquisitions.
- Development of commercial agreements & contracts with Provincial Governments, private developers and construction contracts for pipeline upgrade/rehabilitation project.
- Coordination of Facilities Integrity R&D Program reviews and budgeting cycles.
- Liaison with Regulators (National Energy Board, Transportation Safety Board and Alberta Energy and Utilities Board) with respect to integrity management issues and incidents.
- Providing direction during emergency maintenance activities to various groups within the organization.
- Developed annual integrity maintenance program using quantitative risk modeling software.
- Coordination of research & development projects for risk management, corrosion and SCC.
- Coordination of peer review team for evaluation of projects feasibility and cost management.
- Performed value/benefit analysis for integrity projects.
- Directing contractors & field technicians to perform technical tasks.

Education

Bachelor of Science (BSc) – Mechanical & Manufacturing Engineering, University of Calgary, AB May 2001

- Four (4) Summer Student Program Terms with Petro-Canada Oil & Gas Ltd performing data and technology architecture development for various projects: McKay River Bitumen Recovery Scheme, Desulfurization upgrade facility, transportation developments and Natural Gas Liquids (NGL) facilities June 1998 - May 2001

Special Skills

- **Team and Individual Leadership** – Can fully utilize the capabilities of direct reports to ensure effectiveness of own department. Empowers and motivates the team to set and achieve goals despite significant obstacles.
- **Project Management** – Utilize time management skills to meet deadlines for numerous major projects and demonstrated ability to engage and collaborate with team members effectively.
- **Communication & Collaboration** – Possess strong oral and written communication skills; able to research and present ideas effectively as shown through publications, speeches, and presentations.
- **Languages** – Write and speak fluent English and French

Publications & Industry

M. Kothari, S. Tappert, U. Strohmeier, J. Larios and D. Ronsky, "Validation of EMAT In-Line Inspection Technology for SCC Management," Proceedings of the International Pipeline Conference, Calgary, 2004.

R. Worthingham, M. Cetiner, M. Kothari, "Field Trial of Coating Systems for Arctic Pipelines," Proceedings of the International Pipeline Conference, Calgary, 2004.

Chair Person: In-Line Inspection Session, Banff Pipeline Integrity Workshop, Banff, 2005

Professional Member of APEGGA

Media Advisory

Special Permit Application Withdrawn for Keystone Gulf Coast Expansion Pipeline

Calgary, Alberta – August 5, 2010 – TransCanada has withdrawn its request to the Pipeline and Hazardous Materials Safety Administration (PHMSA) for a special permit. The permit would have allowed TransCanada to operate the proposed Keystone XL pipeline at a slightly higher pressure than current federal regulations for oil pipelines in the United States, subject to building the pipeline using stronger steel and operating under additional safety conditions.

After listening to concerns from the public and various political leaders, TransCanada made the decision to withdraw the permit application. The company will build Keystone XL using the as-proposed stronger steel but will operate it at a lower level of pressure, consistent with current U.S. regulations.

The company recognizes it needs to take more steps to assure the public and stakeholders that the parameters of the special permit would result in a safer pipeline. The company will continue to establish an operating record which will demonstrate the strength and integrity of the Keystone Pipeline System, which has been granted a special permit.

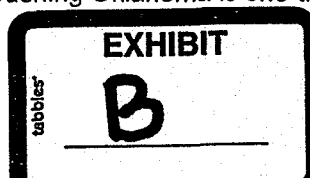
Keystone XL will implement the additional safety measures that would have been required under the special permit. These measures offer an enhanced level of safety and would allow TransCanada to request a special permit in the future. These safety measures also will be consistent with those that have been implemented on the existing Keystone Pipeline. In issuing the special permit for Keystone, PHMSA concluded the permit would provide a level of safety equal to or greater than that provided if the pipeline were operated under the current standard.

Without the special permit, Keystone XL will meet all of its initial commercial commitments to serve Gulf Coast refineries. Keystone also will continue to work with U.S. producers in the Bakken and broader Williston Basin area to provide needed transport for growing production in Montana and the Dakotas.

The Keystone XL project received approval in March 2010 from both the South Dakota Public Utility Commission and the National Energy Board in Canada. Pending receipt of additional permits, construction is planned to begin in 2011.

When completed, the Keystone XL project will increase the commercial capacity of the overall Keystone Pipeline System from 590,000 barrels per day to approximately 1.1 million barrels per day. The \$12 billion system is 83 percent subscribed with long-term, binding contracts that include commitments of 910,000 barrels per day for an average term of approximately 18 years.

Commercial operations of the first phase of the Keystone system began June 30. Construction of the extension from Steele City Nebraska to Cushing Oklahoma is one-third complete and the pipeline is expected to be operational in 2011.



KEYSTONE 0647

Keystone XL is a planned 1,959-mile (3,134-kilometre), 36-inch crude oil pipeline stretching from Hardisty, Alberta and moving southeast through Saskatchewan, Montana, South Dakota and Nebraska. It will connect with a portion of the Keystone Pipeline that will be built through Kansas to Cushing, Oklahoma and facilitate take away capacity from U.S. hubs located on the pipeline. The pipeline will then continue on through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace.

To view a map of the proposed pipeline route, please visit the project web page at www.transcanada.com/keystone

With more than 50 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's network of wholly owned natural gas pipelines extends more than 60,000 kilometres (37,000 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 approximately 380 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, or has interests in, over 11,700 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

TransCanada Forward-Looking Information

This news release may contain certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this document are intended to provide TransCanada securityholders and potential investors with information regarding TransCanada and its subsidiaries, including management's assessment of TransCanada's and its subsidiaries' future financial and operations plans and outlook. Forward-looking statements in this document may include, among others, statements regarding the anticipated business prospects, projects and financial performance of TransCanada and its subsidiaries, expectations or projections about the future, and strategies and goals for growth and expansion. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of TransCanada's pipeline and energy assets, the availability and price of energy commodities, capacity payments, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments and economic conditions in North America. By its nature, forward looking information is subject to various risks and uncertainties, which could cause TransCanada's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission (SEC). Readers are cautioned to not place undue reliance on this forward looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.

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