



August 28, 2015
Chair Chris Nelson
Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Thomas A. Pellette
Group President
Construction Industries

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AUG 31 2015

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: South Dakota Docket No. HP14-002

Dear Chair Nelson and Members of the South Dakota Public Utilities Commission:

Caterpillar Inc. would like to express strong support for the Dakota Access Pipeline (Bakken Pipeline) project being proposed by Dakota Access, LLC.

The positive economic impact of the Bakken Pipeline on South Dakota's economy could be significant. The pipeline is expected to employ up to 12,000 people during the construction phase. The project will generate \$55 million in property taxes in North Dakota, South Dakota, Iowa and Illinois.

From a Caterpillar perspective, we and our eight dealers in these four states employ nearly 25,000 people at about 80 locations. In South Dakota, we have two world-class dealers – Butler Machinery and Nebraska Machinery – with a combined employment of more than 300 people at five statewide locations in Aberdeen, Huron, Pierre, Rapid City and Sioux City. We also have a group of employees working on innovative research and development projects in conjunction with the South Dakota School of Mines. Caterpillar and dealer employees would benefit from the construction and ongoing maintenance of this pipeline.

Our suppliers – more than 40 in South Dakota – as well as the state's other manufacturers, businesses and consumers, rely on stable energy resources. The pipeline will also reduce transportation capacity constraints that oil and gas producers have experienced via rail and trucks.

As you may be aware, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. We have a fundamental interest in energy as a global energy consumer, global industrial manufacturer, and a major manufacturer of energy conversion and power generation products. Caterpillar is one of the world's leading technology suppliers to the diverse energy market, and leverages its technology and innovation to meet the world's growing energy needs.

Caterpillar supports balanced and comprehensive energy policies that include the responsible development and utilization of all energy resources, both traditional as well as alternative energy sources. Energy sources need to be developed and used in an environmentally sustainable manner and also delivered in a responsible way, such as through oil and gas pipelines like the Bakken pipeline project. Access to affordable and dependable energy resources is critical for energy security and economic prosperity.

I urge you to grant the permit to construct this pipeline.

Sincerely,

Tom Pellette
Construction Industries Group President