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December 15, 2014

RECEIVED

DEC 17 2014

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Mr. Chris Nelson  
PUC Vice Chairman  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

Re: Dakota Access Pipeline

Dear Mr. Nelson,

I am writing to bring attention to what I view is a serious threat to the State of South Dakota and its citizens. This letter is concerned with economic threats not environmental. My client's interests are economic.

The Dakota Access Pipeline through its parent company, Energy Transfer Partners, LP, has declared its intention to construct a 1,100 mile crude oil pipeline from the Bakken Oil Fields of North Dakota to a terminal in southern Illinois. The pipeline will cut diagonally across our State. More specifically, preliminary-design maps of the project reveal that a portion of the pipeline will be routed through some of the most valuable and quickly developing real estate in South Dakota. The economic costs will be very serious.

Discussions are ongoing to develop a full interchange at the intersection of 85<sup>th</sup> Street and Interstate 29. In fact, the South Dakota Department of Transportation and Lincoln County recently entered into a memorandum of understanding for the purpose of coordinating efforts aimed at making this interchange a reality. The real estate that surrounds this potential interchange is already some of the most sought after in the State. The addition of a full interchange at 85<sup>th</sup> Street and Interstate 29 is the spark that would ignite the anticipated growth in that area into a full-out commercial boom. This area is no place for an oil pipeline.

From the scant information obtained from Energy Transfer Partners, I can discern that the proposed pipeline route will cross Interstate 29 in the vicinity of the proposed interchange. *See attached project map of route through area, obtained from Energy Transfer Partners.* This pipeline is a major transportation facility, designed to move as much as 570,000 barrels of crude oil per day. An oil pipeline routed through the vicinity of 85<sup>th</sup> Street and Interstate 29 will limit the utilization of development real estate in that area. The pipeline would hinder the momentous growth occurring in the greater Sioux Falls area including Tea and Harrisburg and will

permanently curtail the amount of real estate tax revenues projected to be derived from development of this area. Better routes exist in southeastern South Dakota through which Energy Transfer Partners can route its pipeline that will NOT be detrimental to the continued growth and the economies of both Greater Sioux Falls and South Dakota.

Neither Dakota Access nor Energy Transfer Partners have filed any formal documentation with the Public Utility Commission. No present law requires them to do so. It has not been granted any special status as an entity entrusted with the State's constitutional power of eminent domain. Despite an aura of secrecy surrounding the specific route and design of its project; Dakota Access has engaged with landowners as if it has the right of condemnation. Landowners are being pressured by what are at present only Texas pipeline speculators.

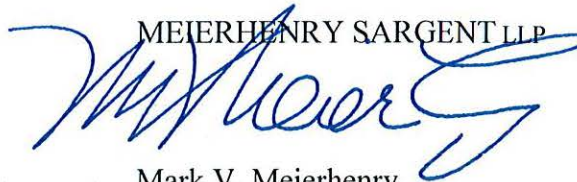
Abundant oil and natural gas exploration in the region is bound to create a greater demand for pipelines across our State. In South Dakota, land is our most valuable permanent resource. The pipelines that cross this state can only exist with easements to operate its business on and/in the property of South Dakota landowners.

It seems prudent that South Dakota protect its landowners and implements some duties and controls upon prospective pipeline companies. We should not permit pipeline executives from afar to control the proper development of our most productive land. Pipeline companies should be required to disclose the proposed location of their project. The PUC should have jurisdiction over all phases of a proposed pipeline. This included pre-permit activities.

Pipelines are a necessary part of our nation's energy policy. However, we need to ensure that they are designed and located wisely for the benefit of our state not others. Rules need to be made – NOW!

Thank you for your consideration. Landowners need your attention to what is now a Wild West attitude toward pipeline locations on behalf of pipeline speculators.

Sincerely yours,

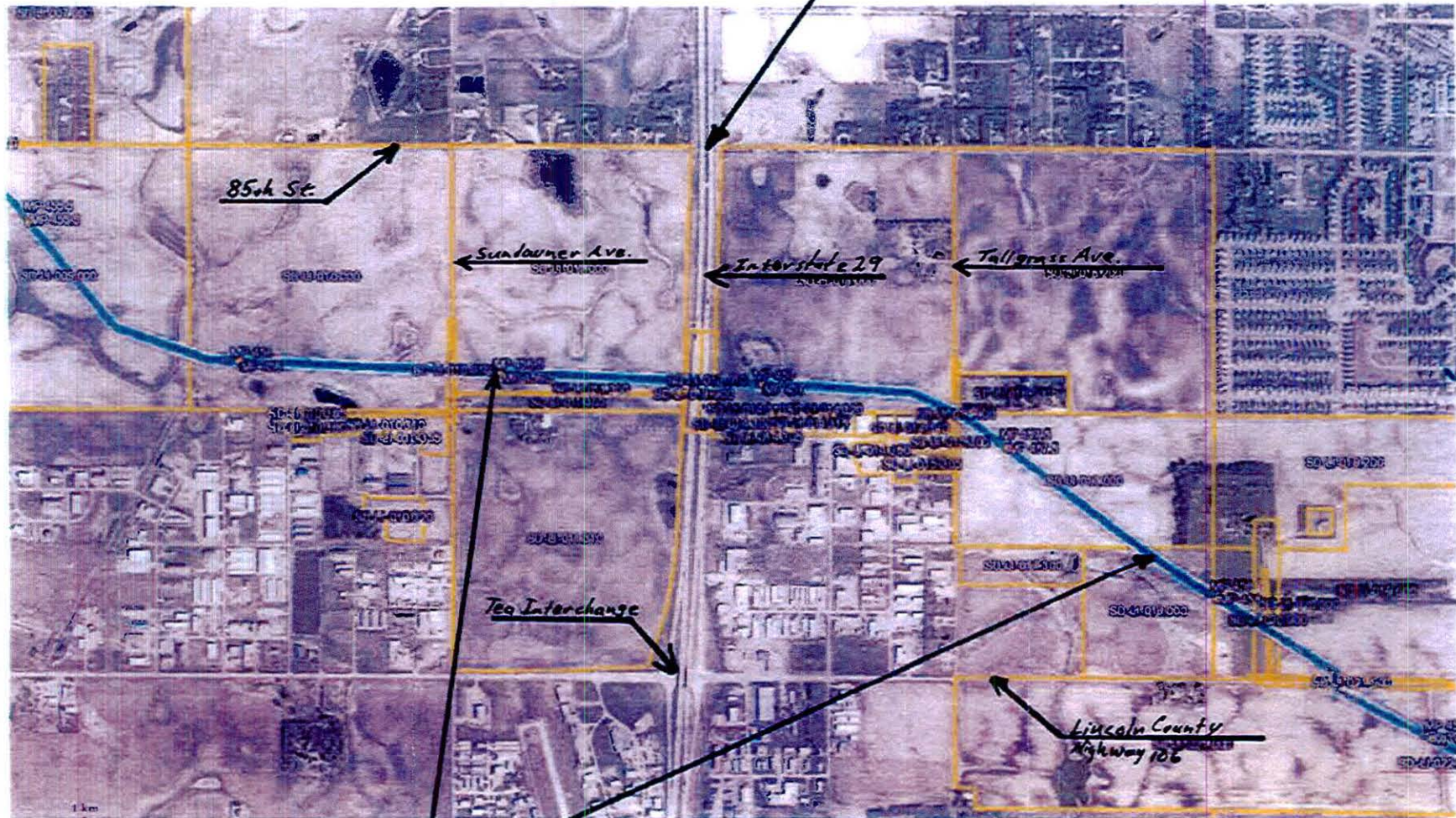
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MVM:sb  
Encl.



Location of proposed I-29 +  
85th St. Interchange



Proposed Dakota Access, LLC  
Pipeline Route