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June 12, 2007

Patricia Van Gerpen, Executive Director
SD Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RE: HP07-001 -In the Matter of the Application by TransCanada Keystone Pipeline,
LP for a Permit under the South Dakota Energy Conversion and Transmission Facility
Act to Construct the Keystone Pipeline Project.

Dear Ms. Van Gerpen:

As you know, I represent TransCanada Keystone Pipeline, LP in the above captioned matter. This letter with attachment is a response to the filing made by staff last week with respect to Exhibits C and D to the TransCanada application for a pipeline siting permit.

As you also know, Keystone's original application was filed with a DVD containing an enormous amount of information, and much of that in very large files. Those files included Exhibits C and D, which are central to staff's motion. The very large files were unable to be uploaded to the Commission's website, and Keystone representatives discussed the alternatives with Commission Staff on several occasions over the ensuing weeks, in order to put information online for sharing with the public in a manner which was accessible. That final product was produced as a DVD, dated May 31, and marked Exhibits C and D, Confidential.

Within Exhibits C and D, there is confidential information. That information is marked as confidential because it's been deemed in the PUBLIC's interest to be kept as confidential by other state and federal agencies. Those include the US State Dept., The US Fish and Wildlife Service, the the Pipeline and Hazardous Materials Safety Administration, and the State Historical Preservation Office, to name most, if not all.

In fact our state legislature recognized that concept in passing HB 1286 during the 2007 session regarding confidentiality of records maintained on archaeological sites, for example.

In Keystone's zeal to respect the public interest in confidentiality as deemed by governmental agencies both within the state and without, we may have erred on the side of caution.

Attached to this letter is a list of the files contained on the DVD to which I referred above. We are prepared to release the files so marked on that attachment as of today. The remaining files will undergo a rigorous process to remove the specific references to information deemed confidential by other agencies, again in the public's interest, not that of Keystone, and we hope to be able to amend our filing within the week.

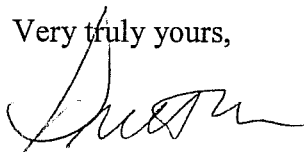
The areas as to which Keystone expects to maintain confidentiality include:

1. High Consequence Area (HCA) maps. These maps identify the location of High Consequence Areas (49 CFR 195.450), including Unusually Sensitive Areas (49 CFR 195.6). The HCA maps are prepared using National Pipeline Mapping System (NPMS) maps maintained by the US DOT (PHMSA). The maps are made available to agencies and pipeline operators, on a password protected basis. After the events of 9/11/01, DOT recognized the additional security concerns and restricted access to these maps. TransCanada accesses these maps under the understanding that it will maintain them on a confidential basis.
2. Cultural Resource Location Information. Under section 106 of the National Historic Preservation Act, the federal agency reviewing an application for a federally authorized project is required to consider the impact of the project on sites eligible for listing in the National Register of Historic Places. The Applicant conducts surveys to identify sites on behalf of the federal agency. The Advisory Council on Historic Preservation regulations (36 CFR 800.11(c)(1)) authorize the federal agency to withhold public disclosure of the location, character, and ownership of historic properties. The State Historical Preservation Offices also generally prefer that this information be kept confidential. The Applicant maintains this information on a confidential basis, so as not to preempt the Federal agency's ability to claim confidentiality.
3. Location of Threatened and Endangered Species. Under Section 7 of the Endangered Species Act, the federal permitting agency is required to consider the impact of the project on Threatened and Endangered Species. The Applicant conducts surveys on behalf of the agency to locate these species. The US Fish and Wildlife Service, which oversees Endangered Species Act compliance, desires that the locations of T&E species not be publicly disclosed, to protect those species. Therefore, the applicant maintains that information on a Confidential basis.

Further, the pump stations line list contains a tremendous amount of personal information including landowners names and addresses and telephone numbers which Keystone argues should be maintained as confidential, and expects the Commission would agree as well.

Thank you for your consideration of this letter. We look forward to the orderly procession of this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brett Koenecke". The signature is fluid and cursive, with a prominent initial "B" and a long, sweeping tail.

Brett Koenecke
MAY, ADAM, GERDES and THOMPSON, LLP

Attachment to Brett Koenecke's letter of June 12, 2007

Exhibit C

1 July 06—All can be released
DNV Frequency Study
Pipeline Risk Assessment
Emergency Response plan

2 Sept 06
1 Biological 091506 stays confidential
2 Wetlands 091506 may be released
3 Cultural 091506 stays confidential
pumpstation line list—contains many addresses and phone numbers etc.
The two pdf files may be released.

4 Jan 07
Biological Consults
Summary and contents—may be released
SD—stays confidential
FWS—Stays confidential
Other states--extraneous
Biological Surveys
Topeka Shiner report stays confidential
MO Bat and Snake and IL Bat are extraneous
Overview may be released.
Cultural
Binder 2, SD stays confidential
Overview stays confidential.
Binders 1 and 3-6 are extraneous
Supplemental Material
Alternatives stay confidential
Cushing extension tables appear extraneous

5 Mar 07
3 Cultural Surveys 033007
Cultural overview--ok
2 Contents Supp #5--ok
4 SD—ok
5 ND SD Tribe letters--OK
3 ND, 6 MO, 7 REX deviations, 8 Cushing, all extraneous
Consult Bio_Wet
1 Summary TOC
summary—may be released
TOC—may be released
2 Biological Consult
FWS—stays confidential
SD—stays confidential

- All else is extraneous
- 3 Wetlands—may be released
- 4 NPS Consultation
 - 1 Mo River Crossing Summary—may be released
 - 2 Mo River Crossing HDD Map—may be released
 - 3 NPS meeting -22207F—may be released
- Risk Assessment
 - HCA Maps—must stay confidential (High consequence areas)
 - Remainder—may be released
- Survey Bio_Wet_Cult
 - 2 Bio Wetland Surveys
 - 1 bio overview—may be released
 - 2 Table of Contents—may be released
 - 3 Biological Reports
 - Snake, Prairie Chicken, King Rail, Raptor—must stay confidential
 - MO Bat, IL Bat—extraneous
 - 4 Wetland Survey reports—may be released
- 3 Cultural Surveys 033007
 - Overview—may be released
 - Contents—may be released
 - 4 SD—may be released
 - 5 ND SD Tribe Letters—may be released
 - 3 ND, 6 MO, 7 Rex Deviations, 8 Cushing--extraneous
- 1 Bio Field survey—must remain confidential
- 2 Wetlands Survey can be released

Exhibit D

- Raptor Report stays confidential
- Bio Field Survey stays confidential
- Wetlands Survey may be released