



Dustin Johnson, Chair
Gary Hanson, Vice Chair
Steve Kolbeck, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

September 26, 2007

Robert Jones, Director
TransCanada Keystone Pipeline Project
450 First Street SW, Room 2477B
Calgary, AB, Canada, T2P 5H1

Dear Mr. Jones:

At the South Dakota Public Utilities Commission, as is the case with all regulatory bodies, our statutory authority is limited. Even so, in the spirit of public service, we often attempt to provide assistance in those areas where our authority is not clearly defined.

We have received some complaints from landowners along the proposed Keystone Pipeline route. There have been claims that some land agents working with your company have treated landowners in an unfair or inappropriate manner. At this time, we have no evidence on record to indicate whether or not those claims are true. Even if the Commission had such evidence, it is unclear what authority, if any, it would have over such situations. Nevertheless, we want to make it clear that we as Commissioners would not approve of such behavior.

We have advised some of the landowners that have contacted us that they should discuss their concerns with TransCanada officials. We've further suggested that if that approach is not effective, they should then visit with local law enforcement officials, who have the experience and the authority to deal with such situations.

Again, we do not know if, or to what extent, land agents are acting inappropriately. Our office has heard from a number of landowners indicating that their dealings with your company have been quite positive. We feel, however, that it is our duty to make you aware of this situation so, if needed, it can be rectified.

Mr. Jones, as you look into this issue, if any questions arise with which we may assist, please feel free to contact Kara Semmler, one of our staff attorneys, or Deb Gregg, the director of our consumer affairs staff.

Sincerely,

Dustin Johnson

Gary Hanson

Steve Kolbeck