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OCT 30 2007

TO: South Dakota Public Utilities Commission

FROM: Pam Hofer
40916 – 192 Street, Carpenter, SD 57322

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Testimony in the Matter of Application by TransCanada Keystone Crude Oil
Pipeline – HP07-001

I have many concerns about the TransCanada Keystone pipeline. Safety is a big one! At one of the meetings Dusty Johnson said, “this company has thousands of pipelines and they are no strangers to this line”. But Dusty, this is not true. TransCanada does NOT have a crude oil pipeline like this. This is the 1st. At our meeting in Aberdeen in May this year, Nicole Altken said they do not have one at the present. So how do they know so much about the outcome of the Keystone crude oil pipeline?

There are many examples of oil spills and it’s not near as safe they think it is, especially for a company with no previous experience with a crude oil pipeline like TransCanada. I have read information about oil pipeline projects and all their spills. On July 2, 2007 crude oil from a large spill in Coffeyville, Kansas was taken up with flood waters during a high rain and contaminated many homes and a river. And on July 24, 2007 a break in a high pressure oil pipeline in Burnaby, British Columbia shot oil 30 meters into the air like a geyser.

I am very concerned about a break in the oil pipe on our land. A short distance away from the site of the proposed pipeline on our land is a drainage that supplies water for our cattle. This drainage flows into Shue Creek, a fast moving creek that empties down stream into the James River. If this water way gets contaminated from an oil spill where will we get water for our cattle?

TransCanada admits there will be spills from the pipeline. Their report says a spill of 1,000 barrels (42,000 gallons of oil) may occur anywhere along the Keystone Pipeline once in 12 years. A spill of 10,000 barrels (420,000 gallons of oil) may occur in 39 years, and a spill of more than 10,000 barrels might occur in 50 years. The United States

Geological Survey estimated that an average of 83 crude oil spill occurred in the U.S. during the 3 year period of 1994 – 1996 with each spill about 50,000 barrels or 2,100,000 gallons of crude oil. Spills of this size certainly will ruin a lot of land and streams and rivers. A crude oil leak near Bemidji, Minnesota in 1979 was never fully cleaned up, and the soil remains sterile 28 years later.

What if there is a pipeline accident when the pipe is too shallow? TransCanada says they only have to be 2 feet deep, but they will go 1½ feet deeper, that is 3½ feet. In the application to the PUC, other information says 4 feet deep. So what is it 3½ or 4 feet? There is a lot of difference among all these figures. How do we know they will comply with any of these specifications? Can we check on them to see if the pipe is 4 feet deep? The pipelines are too shallow and they are not thick enough to meet acceptable safety standards. TransCanada should have a fund to compensate those affected by pipeline accidents.

I want to see a right-of-way easement for 20 years, not a perpetual easement of more than 100 years. Then if TransCanada does not keep their obligation, the easement is terminated.

The easement says one or more pipelines. TransCanada is talking about only one pipeline. It looks like if we sign the easement they can do whatever they want with our land. We've worked too hard to pay for the land and make a living for our family. I will not sign something that gives someone the right to do what they want to with my land.

TransCanada says they will have 20 employees in the U.S. to operate the 1,077 miles of pipeline, 23 pumping stations and 45 mainline valves with operation staff located in Omaha, Nebraska. If there would be 3 work shifts that would be 6 or 7 employees on duty at one time. If each employee worked alone that would be on the average 1 person to take care of approximately 155 miles of the system including pipeline, pumps and valves. If 2 employees worked together that would be a team of two persons to take care of approximately 310 miles of the system. A team of 3 persons would look after 465

miles of the system on the average. That's not enough. They need to be stationed by each pumping station so if there is a problem they can shut down immediately. TransCanada says computers will be working to do some of the jobs. We know computers. They fail and often and require sophisticated technicians to maintain.

Our property is a mile from a pumping station with 1,400 to 1,700 pounds pressure and 311 miles from Omaha. A pipeline break and major oil spill at the location would pretty much devastate that land before any repairs were made. This is dangerous to us.

The Enviromantal Impact Statement is incorrect regarding the pumping station at Carpenter.

When TransCanada was asked to look at the route along I-29 which provided much better access for pipeline operation and maintenance, and would not have to cross nearly as much private property and productive farm land, TransCanada responded that route would not be safe for the higher populated area. Why then is it any more safe for us. Even through our rural area, TransCanada got a waiver from the oil friendly Bush administration to reduce the thickness of the pipe which makes it even less safe. Why are we not as important as the more populated areas?

These are my feelings on the Keystone oil pipeline project. I do ask you to please deny TransCanada from shoving this project on us.

County of Beadle
State of South Dakota

Signed: Pam Hofer

Date: Oct 29th 2007

Before me Pam Hofer the above named person signed this document on October 29, 2007

My commission expires _____

[Signature]
Notary Public

My Commission Expires 10-13-2010