



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

December 12, 2008

Re: TransCanada Winterization Plans

Our records show TransCanada has an easement or other agreement to use your property during the construction of the Keystone Pipeline. It appears your property may be affected by weather and other seasonal challenges experienced by the company. As a result of those challenges, TransCanada reports it cannot complete the construction and the land rehabilitation as intended in 2008. The company plans to continue this work next spring. We understand this may complicate your intended land use and require an extended land rehabilitation phase.

You should have received a letter from TransCanada regarding this issue. Although the letter explains additional compensation and/or crop loss will be paid and a land agent will visit affected landowners, you may still have specific questions. We ask that you share those questions or concerns in writing with the South Dakota Public Utilities Commission. For example, you may wish to explain your challenges regarding the following topics:

- 1) Roads: TransCanada not only has an obligation to repair roads, but is committed to do so. Are you concerned about the condition of any local roads? If so, please specify exact roads and issues.
- 2) Drainage: TransCanada has a construction dewatering permit. As the company expressed in its letter to you, it must pay for damages caused as a result of dewatering. Have you been damaged by any dewatering activities? If your land is in a county with drainage ordinances, do you have any specific concerns regarding compliance with these ordinances?
- 3) Crop Loss: Individual land owner agreements specify crop loss damages. Will the recent weather challenges result in an additional year of crop loss for your land? If so and you are uncertain about this compensation, please relay those questions to the PUC.
- 4) Land Use: The delayed construction schedule may result in land that will sit idle during the next growing season. Please share your questions regarding how TransCanada will help you maintain this land. For example, the company has an obligation to help control noxious weeds as part of its land rehabilitation efforts.

Please respond in writing to this inquiry by Friday, February 6, 2009, to the address on this letterhead or via e-mail to puc@state.sd.us. PUC Staff Attorney Kara Semmler and Consumer Affairs Manager Deb Gregg will review your questions with representatives from TransCanada and provide you with answers. We understand spring in South Dakota is a busy time and these issues must be investigated and addressed in advance of the season.

Thank you for your cooperation. We look forward to hearing from you.

Sincerely,

Dusty Johnson
Chairman

Steve Kolbeck
Vice Chairman

Gary Hanson
Commissioner