



August 11, 2021

James E. Moore
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Extension 613

VIA E-MAIL

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

patty.vangerpen@state.sd.us

Re: TransCanada Keystone Pipeline Quarterly Report, Docket HP09-001

Dear Ms. Van Gerpen:

I attach for filing KXL Pipeline Project South Dakota Public Utilities Commission Quarterly Report for Quarter Ending June 30, 2021.

Yours very truly,

WOODS, FULLER, SHULTZ & SMITH P.C.

A handwritten signature in blue ink that reads 'James E. Moore'.

James E. Moore

Attachments



KEYSTONE XL PIPELINE PROJECT

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION QUARTERLY REPORT

For the Quarter Ending: **June 30, 2021**

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1.0 EXECUTIVE SUMMARY

This narrative discussion addresses events and activities that have occurred since the last quarterly report was filed.

On June 9, 2021, TC Energy terminated the KXL Pipeline Project. TC Energy has ceased conducting pre-construction activities including pursuing remaining outstanding permits; and acquiring necessary land rights; procuring pipe, materials, equipment, and other long lead-time items; and inspecting and refurbishing workforce camp modules, and associated materials and equipment that was previously purchased. TC Energy is maintaining environmental protections as required by permits and best management practices. Development of the Emergency Response Plan and the Integrity Management Plan has ended. All field offices are closed. KXL officials, as well as the Liaison, are available by phone to address landowner and other stakeholder questions and concerns. TC Energy is in the process of disposing of project-related assets that remain in South Dakota as described in this report.

2.0 WORKFORCE CAMPS

The Opal camp had grading work and some primary electrical work installed, but was never occupied. The Phillip camp was open for workers, but has been closed. Keystone is negotiating with the landowners to terminate the leases and dispose of any remaining assets.

3.0 PUMP STATIONS

Before the project was terminated, construction was underway at PS 18 Haakon in Haakon County, PS 19 Murdo in Jones County, and PS 20 Winner in Tripp County. The pump stations were approximately 80% complete. Keystone owns the real estate in fee simple and is negotiating with a third party for the sale of the real estate and physical assets. The other four pump stations in South Dakota did not have any ground disturbance or construction.

4.0 PIPE AND CONTRACTOR YARDS

Pipe yard 15 in Haakon County still has pipe in storage and security present. None of the other pipe yards in South Dakota are storing pipe. The only construction done at the vacant pipe yards was grading. The leases on the pipe yards expire on December 31, 2021, but are renewable if need be. Keystone is negotiating early termination of the vacant leases with each landowner and expects to turn the sites over to

the landowners as is. Keystone is negotiating with the lessor of pipe yard 15 for termination of the lease and disposition of the pipe.

The Hayes contractor yard had ground disturbance only. No other contractor yards had any construction activity. Keystone is negotiating early termination of the leases with each landowner and has an agreement to terminate the Hayes contractor yard lease and transfer the site as is to the landowner.

5.0 ROADS

Keystone had negotiated haul road agreements with counties and townships containing roads Keystone intended to use for the project. Keystone will be beginning the process of meeting with each county or township to go over the project's use, if any, and will conduct necessary repairs or make improvements before terminating each haul road agreement. Once all of the agreements are terminated, which may not occur until 2022, Keystone will seek a release of the haul route bond required by Condition 23 of Keystone's permit from the South Dakota Public Utilities Commission.

6.0 COMPLIANCE WITH PERMIT CONDITIONS

Because the project has been terminated, this report does not include Appendix A, which had been attached to previous quarterly reports and which addressed the status of implementation of the conditions imposed in the Commission's Amended Final Decision and Order dated June 29, 2010. Keystone will comply with Condition 16 requiring reclamation of areas disturbed by construction and Condition 45 requiring repair or replacement of property removed or damaged during construction