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April 27, 2007

Ms. Patty VanGerpen
Executive Director
Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: TransCanada Keystone Pipeline, LP- Keystone Pipeline Project
Certificate Application

Dear Ms. VanGerpen:

Pursuant to Chapter 49-41B of the South Dakota Codified Laws and Chapter 20:10:22 of the South Dakota Administrative Rules, TransCanada Keystone Pipeline, LP, (Keystone), hereby submits its application to the South Dakota Public Utilities Commission (Commission) for a permit under the South Dakota Energy Conversion and Transmission Facility Act, authorizing siting and construction of the Keystone Pipeline Project.

Keystone respectfully requests that the Commission issue the requested permit by September 30, 2007. Issuance of the requested permit by that date will permit Keystone to incorporate the permit into the completion of its construction planning, commence construction in the State in April 2008, and meet its in-service date of November 2009. The projected in-service date is consistent with the requirements of Keystone's shippers making the contractual commitments that underlie the pipeline project.

Keystone proposes to construct and operate a crude oil pipeline and related facilities from Hardisty, Alberta, Canada to Patoka, Illinois. The project, known as the Keystone Pipeline Project, initially will have the nominal capacity to deliver 435,000 barrels of oil per day (bpd) of crude oil from an oil supply hub near Hardisty to existing terminals in Wood River and Patoka, Illinois. If market conditions warrant expansion in the future, additional pumping capacity will be added to increase the average throughput to 591,000 bpd. The length of the proposed mainline pipeline in the United States is approximately 1,078 miles from the Canada-North Dakota border to Patoka. If there is sufficient shipper interest, Keystone will also construct an extension in the U.S. to deliver crude oil to Cushing, Oklahoma (Cushing Extension). If the Cushing Extension is constructed, it will consist of an additional 294 miles.

In order to construct pipeline facilities across the international border, Keystone is required to obtain a Presidential Permit from the U.S. Department of State (DOS). As required by the National Environmental Policy Act (NEPA), the proposed facilities are the subject of an Environmental Impact Statement (EIS), which is currently being prepared by the DOS, with the assistance of other cooperating agencies. It is anticipated that the Draft EIS for the Keystone Project will be issued by the DOS in mid-summer 2007. In support of its Presidential Permit application, Keystone has filed studies and other environmental information with the DOS. Keystone's principal environmental submittals to the DOS are included with this application.

As reflected at the Regulatory Requirement Cross Reference Table set forth in the attached application, Keystone has provided all of the required information. Further, based on the information set forth in the attached application, Keystone submits that it has met its burden of proof under SDCL 49-41B-22, as applicable.

Keystone has filed the application in accordance with the rules and procedures in law, and asks generally for all waivers of the rules, which the Commission may deem necessary. Specifically, Keystone asks for a waiver of ARSD 20:10:22:39 and any other rule requiring testimony to be filed with this application. Keystone has listed at Section 7.2 of the application those individuals who would testify to the statements made in the application. Keystone reserves the right to file testimony should a formal hearing become necessary.

Wherefore, Keystone respectfully requests that the Commission grant it a permit as expeditiously as possible and no later than September 30, 2007.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kristine Delkus", followed by a horizontal line extending to the right.

Kristine Delkus
Deputy General Counsel
Pipelines and Regulatory Affairs