

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION BY)	NOTICE OF APPLICATION;
TRANSCANADA KEYSTONE PIPELINE, LP)	ORDER FOR AND NOTICE OF
FOR A PERMIT UNDER THE SOUTH)	PUBLIC INPUT HEARINGS;
DAKOTA ENERGY CONVERSION AND)	AND NOTICE OF
TRANSMISSION FACILITIES ACT TO)	OPPORTUNITY TO APPLY
CONSTRUCT THE KEYSTONE XL)	FOR PARTY STATUS
PROJECT)	HP09-001

On March 12, 2009, TransCanada Keystone Pipeline, LP (Keystone) filed a siting permit application for the South Dakota portion of the proposed Keystone XL Project (Project). The Project will transport crude oil starting in Hardisty, Alberta, Canada and ending in Port Arthur and East Houston areas of Texas. The proposed 36 inch diameter pipeline will have a nominal capacity of 900,000 barrels of oil per day. The proposed route will enter South Dakota at the Montana/South Dakota border in Harding County. It will extend in a southeasterly direction through portions of Harding, Butte, Perkins, Meade, Pennington, Haakon, Jones, Lyman, and Tripp counties. It will exit the state at the South Dakota/Nebraska border in Tripp County. The length of pipeline through South Dakota is approximately 313 miles. The Project also includes seven pump stations in South Dakota located in Harding (2), Meade, Haakon, Jones, and Tripp (2) counties along with 16 mainline valves. Mainline valves are proposed at each pump station and along the right-of-way with spacing intervals based upon the location of the pump stations, water bodies greater than 100 feet in width, high consequence areas and other considerations.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-41B and ARSD Chapter 20:10:22.

Pursuant to SDCL 49-41B-15 and 49-41B-16, the Commission will hold public hearings on Keystone's application at the following times and places:

Monday, April 27, 2009: 12:00 noon CDT at Winner Community Playhouse, 7th and Leahy Boulevard, Winner, SD

Monday, April 27, 2009: 7:00 p.m. MDT at Fine Arts School, 330 Scottie Avenue, Philip, SD

Tuesday, April 28, 2009: 6:00 p.m. MDT at Harding County Recreation Center, 204 Hodge Street, Buffalo, SD.

The purpose of the hearings will be to hear public comment regarding Keystone's application. At the public input hearings, Keystone will present a brief description of the project, following which interested persons may appear and present their views, comments and questions regarding the application. A copy of the application is on file in the County Auditor Offices in the following counties: Harding County, Butte County, Perkins County, Meade County, Pennington County, Haakon County, Jones County, Lyman County and Tripp County pursuant to SDCL 49-41B-15(5). The application is also on file in the Commission's office in the Capitol Building in Pierre, and the application and all other documents in the case may be accessed on the Commission's web site at www.puc.sd.gov under "Commission Actions," "Commission Dockets," "Hydrocarbon Pipeline Dockets," "2009 Hydrocarbon Pipeline," "HP09-001."

The parties to this proceeding are currently Keystone and the Commission. Pursuant to SDCL 49-41B-17 and ARSD 20:10:22:40, each municipality, county, and governmental agency in the area where the facility is proposed to be sited; any non-profit organization, formed in whole or in part to promote conservation or natural beauty, to protect the environment, personal health or other biological values, to preserve historical sites, to promote consumer interests, to represent commercial and industrial groups, or to promote the orderly development of the area in which the facility is to be sited; or any interested person, may be granted party status in this proceeding by making written application to the Commission. Applications for party status will be available at the public input hearings or may be obtained from the Commission's web site or by contacting the Commission. Applications for party status must be received by the Commission on or before May 11, 2009, unless the deadline is extended by the Commission.

Following the public input hearings, the Commission may schedule one or more subsequent formal evidentiary hearings conforming to SDCL Chapter 1-26 to consider any issues raised by any intervening party, Commission Staff or the Commission itself. At such formal hearing, all parties will have the opportunity to appear, present evidence and cross-examine the other parties' witnesses and exercise all other rights afforded by SDCL Chapters 1-26, 49-1 and 49-41B and ARSD 20:10:01 and 20:10:22. Absent a contested issue, the Commission will schedule the matter for decision at a regular or special meeting of the Commission.

For approval, Keystone must show that the proposed facility will comply with all applicable laws and rules, will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area, will not substantially impair the health, safety or welfare of the inhabitants, and will not unduly interfere with the orderly development of the region with due consideration having been given to the views of governing bodies of affected local units of government. Based upon these factors, the Commission will decide whether the permit should be granted, denied or granted upon such terms, conditions or modifications of the construction, operation or maintenance as the Commission finds appropriate.

The parties will have the right to appeal the final decision in this case to the appropriate Circuit Court by serving and filing a notice of appeal of the decision in accordance with SDCL 1-26-31, within thirty (30) days after the date of service of the notice of entry of decision in this case.

It is therefore

ORDERED, that pursuant to SDCL 49-41B-17.1, a party may receive all material filed in this matter by making a specific request to the Commission for personal service of the material. Absent such a specific request, the County Auditor for the previously listed counties is the designated agent for service of process upon all other parties to this proceeding; and it is

FURTHER ORDERED, that the Commission shall hold public input hearings on the following dates and times:

Monday, April 27, 2009: 12:00 noon CDT at Winner Community Playhouse, 7th and Leahy Boulevard, Winner, SD

Monday, April 27, 2009: 7:00 p.m. MDT at Fine Arts School, 330 Scottie Avenue, Philip, SD

Tuesday, April 28, 2009: 6:00 p.m. MDT at Harding County Recreation Center, 204 Hodge Street, Buffalo, SD; and it is

FURTHER ORDERED, pursuant to SDCL 49-41B-17 and ARSD 20:10:22:40, applications for party status shall be filed within 60 days from the date Keystone's application was filed with the Commission. Therefore, an application for party status must be filed with the Commission on or before May 11, 2009.

Pursuant to the Americans with Disabilities Act, these hearings are being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearings if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 6th day of April, 2009.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.	
By:	<u>Steve Kolbeck</u>
Date:	<u>4/6/09</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Dustin Johnson
DUSTIN M. JOHNSON, Chairman

Steve Kolbeck
STEVE KOLBECK, Commissioner

Gary Hanson
GARY HANSON, Commissioner