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South Dakota

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July 23, 2015

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

RE: In the Matter of the Petition of TransCanada Keystone Pipeline, LP for Order Accepting Certification of Permit Issued in Docket HP09-001 to Construct the Keystone XL Pipeline
HP14-001

Dear Ms. Van Gerpen:

Attached for filing please find Staff's Prefiled Testimony of Darren Kearney (Amended July 23, 2015). Mr. Kearney's testimony was amended in light of the Commission's *Order Denying Yankton Sioux Tribe's and Indigenous Environmental Network's Motion to Preclude Improper Relief or, in the Alternative, to Amend Findings of Fact*, dated June 15, 2015. Mr. Kearney's testimony was amended in the following manner:

- 1) Identified he now has an MBA (page 1, line 9)
- 2) Identified three parties have withdrawn from the docket and added Jeff Jensen (page 5, lines 6-8)
- 3) Deleted question on, and recommendation for, the road bond (page 5).

By copy of this correspondence, Staff is serving the same on all persons listed in the service list on today's date. Please do not hesitate to contact me should you have any questions or concerns.

Sincerely,

Karen E. Cremer

Karen E. Cremer
Staff Attorney

Enc.
Cc: All Parties

021078

BEFORE THE
PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF TRANSCANADA KEYSTONE PIPELINE, LP
FOR ORDER ACCEPTING CERTIFICATION OF PERMIT ISSUED IN DOCKET HP09-
001 TO CONSTRUCT THE KEYSTONE XL PIPELINE

DOCKET HP14-001

PREFILED TESTIMONY OF DARREN KEARNEY
ON BEHALF OF THE COMMISSION STAFF
ORIGINAL APRIL 2, 2015 – AMENDED JULY 23, 2015

1 **Q. State your name.**

2 A. Darren Kearney.

3 **Q. State your employer and business address.**

4 A. South Dakota Public Utilities Commission, 500 E Capitol Ave, Pierre, SD, 57501.

5 **Q. State your position with the South Dakota Public Utilities Commission.**

6 A. I am a Staff Analyst, which is also often referred to as a Utility Analyst.

7 **Q. What is your educational background?**

8 A. I hold a Bachelor's of Science degree, majoring in Biology, from the University of
9 Minnesota. I also hold Masters of Business Administration degree from the University
10 of South Dakota.

11 **Q. Please provide a brief explanation of your work experience.**

12 A. I began my career in the utility industry working as contract biologist for Xcel
13 Energy, where I conducted biological studies around various power plants, performed
14 statistical analysis on the data collected, and authored reports in order to meet National
15 Pollutant Discharge Elimination System (NPDES) permit requirements.

16 After two years of performing biological studies, I then transitioned into an
17 environmental compliance function at Xcel Energy as a full time employee of the
18 company and became responsible for ensuring Xcel's facilities maintained compliance
19 with the Oil Pollution Act of 1990. This involved writing Spill Prevention Control and
20 Countermeasure (SPCC) plans and also ensuring Xcel facilities maintained compliance
21 with those plans. During this time I was also responsible for the company's
22 Environmental Incident Response Program, which involved training Xcel employees on
23 spill reporting and response, managing spill cleanups, and mobilizing in-house and

1 contract spill response resources. I was also responsible for aboveground storage tank
2 permitting during this time.

3 I was in that role for approximately three years and then I transitioned to a coal-
4 fired power plant at Xcel and became responsible for environmental permitting and
5 compliance for the plant. Briefly, my responsibilities involved ensuring that the facility
6 complied with all environmental permits at the plant, which included a Clean Air Act Title
7 V Air Permit, a Clean Water Act NPDES permit, and a hazardous waste permit. I also
8 submitted reports on the plant's operations to various agencies as required by permit or
9 law. After three years at the power plant, I left Xcel Energy to work for the South
10 Dakota Public Utilities Commission (SD PUC).

11 I have been at the SD PUC for just over two years now. During this time I
12 worked on a variety of matters in the telecom, natural gas, and electric industries. The
13 major dockets that I worked on were transmission siting dockets, pipeline siting dockets,
14 and energy efficiency dockets. I also attended a number of trainings on public utility
15 policy issues, electric grid operations, regional transmission planning, electric wholesale
16 markets, and utility ratemaking.

17 **Q. On whose behalf was this testimony prepared?**

18 A. This testimony was prepared on behalf of the Staff of the South Dakota Public
19 Utilities Commission.

20 **Q. Were you involved in the Keystone XL permitting docket, HP09-001?**

21 A. No.

22 **Q. Did you file prefiled testimony in HP09-001?**

1 A. No. However, I adopt the testimony of Staff witness Tim Binder in docket HP09-
2 001. (Exhibit____(DK-1))

3 **Q. Did you provide testimony at the evidentiary hearing in HP09-001?**

4 A. No.

5 **Q. Have you thoroughly reviewed all of the information filed in HP14-001?**

6 A. Yes. I also reviewed the following: relevant sections of the Department of State's
7 Final Supplemental Environmental Impact Statement; relevant background information
8 included in docket HP09-001; South Dakota Codified Laws and Rules applicable to the
9 Petition; and discovery requests and responses of all parties.

10 **Q. Were other Staff involved in the review of this petition?**

11 A. Yes. Other Staff members involved in the review consisted of Brian Rounds
12 (Staff Analyst) and Mary Zanter (Pipeline Safety Inspector).

13 **Q. Explain, in your words, the role of the SDPUC Staff in the Petition**
14 **proceedings.**

15 A. After initial review of the filing, Staff identified the findings of fact changes
16 provided by Keystone XL in Exhibit C of the petition that Staff believed could impact the
17 opinions of Staff's expert witnesses that were provided in docket HP09-001. Staff then
18 procured consultants, making a good-faith effort to utilize the same witnesses or
19 consultants used in docket HP09-001, to review the changes identified by Keystone XL
20 and determine the following: 1) if the changes identified in Exhibit C resulted in a
21 change to the professional opinion provided by Staff's witnesses in HP09-001, 2) if the
22 changes identified in Exhibit C comply with the rules and regulations that the witnesses
23 are subject matter experts of, and 3) whether any other Keystone XL project changes or

1 information in the witnesses' possession resulted in a change to their professional
2 opinion.

3 In regards to processing the Petition by the Commission, Staff made great efforts
4 to educate interveners on the process. Specifically, Staff responded to calls and emails
5 from interveners with questions on a number of matters, including: the role of an
6 intervener, the procedural schedule, the proper form of discovery, what laws and rules
7 are applicable to the proceeding, and other miscellaneous information requests.

8 Staff was also active in discovery, where Staff submitted interrogatories to
9 Keystone XL and responded to interrogatories submitted to Staff by Keystone XL and
10 other interveners. Upon closure of discovery, Staff reviewed all interrogatories and
11 responses communicated between all parties in order to understand the issues that
12 could potentially be contested during the proceeding.

13 **Q. What did Staff focus on during its review of the Petition?**

14 A. In accordance with the Commission's order in this docket to limit the scope of
15 discovery only to issues relevant to whether the proposed Keystone XL Pipeline
16 continues to meet the fifty permit conditions set forth in Exhibit A of the June 29, 2010,
17 Amended Final Decision and Order and the changes identified by Keystone XL in
18 Exhibit C, Staff focused its review on the fifty permit conditions and Exhibit C changes.
19 Moreover, Staff's experts focused their review on the project changes identified in
20 Exhibit C that fell within their areas of expertise.

21 **Q. How many parties were granted party status?**

22 A. The commission granted party status to forty-two parties. All individuals who
23 filed for party status were granted party status, however it is Staff's recollection that

1 during the hearing it was clarified that Jane Kleeb and Benjamin D. Gotschall had both
2 filed for party status on behalf of Bold Nebraska. Therefore, their applications for party
3 status were combined and the Commission approved one application of party status for
4 the Bold Nebraska organization.

5 **Q. How many parties withdrew as interveners?**

6 A. As of the date of writing this testimony, three interveners requested withdrawal of
7 their party status and the Commission so approved. These interveners were the South
8 Dakota Wildlife Federation, the Sierra Club, and Jeff Jensen.

9 **Q. Does this conclude your testimony?**

10 A. Yes.

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

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|---|---|
| IN THE MATTER OF THE PETITION OF) TRANSCANADA KEYSTONE PIPELINE, LP) FOR ORDER ACCEPTING CERTIFICATION) OF PERMIT ISSUED IN DOCKET HP09-001) TO CONSTRUCT THE KEYSTONE XL) PIPELINE) | CERTIFICATE OF SERVICE HP14-001 |
|---|---|

I hereby certify that true and correct copies of Staff's Prefiled Testimony of Darren Kearney (Amended July 23, 2015) and Certificate of Service were served electronically to the Parties listed below, on the 23rd day of July, 2015, addressed to:

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