

1123 Northeast Drive  
Rapid City, S. Dak. 57701  
July 30, 2007

Hon. Steve Kolbeck  
Public Utilities Commission  
500 E. Capitol  
Pierre, S. Dak. 57501

RECEIVED  
AUG 01 2007  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Dear Mr. Kolbeck:

I supported your candidacy for Public Utilities Commissioner in the last election, because of my respect for your brother-in-law Mike Wilson, and also because we clearly needed to restore some partisan balance to the PUC.

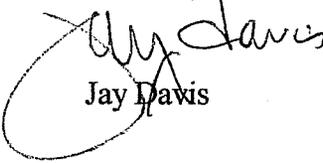
Now I am writing to ask you for something, but not in the nature of a personal favor. I'm enclosing a copy of my letter to the editor that was just printed in the *Rapid City Journal*. While I am living hundreds of miles from the proposed Trans Canada pipeline, I still have friends East River who will be affected by it. Also, since this will be the first time that such a pipeline crosses our state, the protections that are afforded to the affected landowners will be a precedent for future developments.

As I stated in my letter, I realize that the pipeline itself may be inevitable. If that is the case, it is all the more reason to do it right. Trans Canada's track record does not exactly instill confidence. The alternate route, along I-29, would make it far easier to monitor spills and other trouble. And Trans Canada should be required to post a bond that is adequate to cover any foreseeable mishaps.

The State of South Dakota permitted Brohm Mining Company here in the Black Hills, knowing that there were considerable environmental hazards to Brohm's plan, without an adequate bond. Brohm went bankrupt, and the taxpayers will be cleaning up the mess in perpetuity. While Trans Canada is a different type of enterprise, the experience should be instructive.

As our "watch dog" on the PUC, you can ask relevant and probing questions, and insist that the Trans Canada pipeline, if it crosses our state, is done right and with adequate bond and other safeguards. And that is all I am asking of you.

Sincerely,

  
Jay Davis

RC Journal 7-29-07

## S.D. must not be Trans Canada's lapdog

While Governor Rounds' promotion of an oil refinery on prime Union County farmland gets more attention, Trans Canada plans a huge crude oil pipeline across South Dakota en route from Alberta oil sands to Illinois. Oil sands produce very dirty oil, below Texas or Middle East standards. Trans Canada has a history of spills and environmental violations. Crude oil pipelines are inherently dangerous.

Our Public Utilities Commission must decide whether to issue a permit before Trans Canada can condemn farmland. An alternative would be to run the pipeline down I-29, where spills would be detected and stopped sooner. Trans Canada prefers to cross farmland and wetlands further west. On the PUC website, key data (work plans, safety risks, cultural impacts, ect.) is blocked out as confidential.

Let's assume that this pipeline is inevitable. If it's coming, our elected PUC and Governor should stand up for us. They shouldn't be lap dogs for Trans Canada.

They could insist that the corporation post an adequate bond to cover mishaps. They could insist on the I-29 route, as easier to monitor.

South Dakota could assess a tax, since at least \$15 billion worth of highly volatile crude oil will come through our state annually.

JAY DAVIS  
Rapid City