

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

IN THE MATTER OF THE APPLICATION BY)	ORDER GRANTING MOTION
TRANSCANADA KEYSTONE PIPELINE, LP)	FOR APPROVAL OF
FOR A PERMIT UNDER THE SOUTH DAKOTA)	CONSTRUCTION BOND
ENERGY CONVERSION AND TRANSMISSION)	
FACILITIES ACT TO CONSTRUCT THE)	HP07-001
KEYSTONE PIPELINE PROJECT)	

On April 27, 2007, TransCanada Keystone Pipeline, LP, (Applicant) filed a siting permit application for the South Dakota portion of the Keystone Pipeline Project (Project). The Project will transport crude oil starting in Hardisty, Alberta, Canada and ending in Patoka, Illinois. The proposed 30 inch diameter pipeline will have a nominal capacity of 435,000 barrels of oil per day (bpd) with a possible expansion to 591,000 bpd. The proposed route will enter South Dakota at the North Dakota/South Dakota border in Marshall County and extend in a southerly direction, exiting the state at the South Dakota/Nebraska border in Yankton County. The length of the pipeline in South Dakota will be approximately 220 miles and it will cross the counties of Marshall, Day, Clark, Beadle, Kingsbury, Miner, Hanson, McCook, Hutchinson and Yankton. The Project also includes four pump stations in South Dakota located in Day, Beadle, Miner and Hutchinson counties along with 15 mainline valves with an average spacing of 15 miles between valves.

On April 25, 2008, the Commission issued its Final Decision and Order; Notice of Entry. On April 29, 2008, the Commission received a Motion for Approval of Public Liaison Officer from Applicant. On April 30, 2008, the Commission received a Motion for Approval of Construction Bond from Applicant.

At its regularly scheduling meeting of May 6, 2008, the Commission considered the Motion for Approval of Public Liaison Officer and the Motion for Approval of Construction Bond. The Commission voted unanimously to grant the Motion for Approval of Public Liaison Officer. Action on the Motion for Approval of Construction Bond was deferred.

At its regularly scheduling meeting of May 20, 2008, the Commission considered the Motion for Approval of Construction Bond. Action on the Motion for Approval of Construction Bond was deferred. On May 27, 2008, the Commission received Rider No. 1 to Bond from Applicant.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-41B, specifically 49-41B-1, 49-41B-2, 49-41B-2.1, 49-41B-4, 49-41B-11, 49-41B-12, 49-41B-13, 49-41B-15, 49-41B-16, 49-41B-17, 49-41B-17.1, 49-41B-21, 49-41B-22, 49-41B-26, 49-41B-33, 49-41B-38, and ARSD Chapter 20:10:22.

At its ad hoc meeting of May 28, 2008, the Commission considered the Motion for Approval of Construction Bond as modified by Rider No. 1 to Bond. The Commission voted unanimously to grant the Motion for Approval of Construction Bond, subject to Applicant's filing of the originals of the South Dakota Energy Facility Permit Act Bond and Rider No. 1 to Bond with the Commission prior to commencing construction in South Dakota. It is therefore

ORDERED, that the Motion for Approval of Construction Bond is hereby granted, subject to the condition set forth above.

Dated at Pierre, South Dakota, this 4th day of June, 2008.

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>Aldine Kolbo</u>
Date: <u>6/4/08</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson

GARY HANSON, Chairman

Steve Kolbeck

STEVE KOLBECK, Commissioner

Dustin M. Johnson

DUSTIN M. JOHNSON, Commissioner