



INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA PIPELINE AUTHORITY

Governor
John Hoeven
Attorney General
Wayne Stenehjem
Agriculture Commissioner
Roger Johnson

June 27, 2007

The Honorable Susan E. Wefald, President
North Dakota Public Service Commission
State Capitol
Bismarck, North Dakota 58505

The Honorable Kevin Cramer, Commissioner
North Dakota Public Service Commission
State Capitol
Bismarck, North Dakota 58505

The Honorable Tony Clark, Commissioner
North Dakota Public Service Commission
State Capitol
Bismarck, North Dakota 58505

Dear Commissioners Wefald, Cramer and Clark:

The Public Service Commission has before it Case No. PU-06-421 regarding the TransCanada Keystone Pipeline. This case involves the construction of a 1,845 mile crude oil pipeline from Hardisty, Alberta to key United States market centers in the Midwest. This project is expected to initially transport about 435,000 barrels per day of crude oil with future expansion capabilities to increase that volume to 590,000 barrels per day. Approximately 218 miles of this pipeline will cross eastern North Dakota and the siting of this pipeline in North Dakota is being considered by the Public Service Commission.

Pipeline bottlenecks currently exist on the oil pipeline infrastructure in North Dakota which inhibit area producers from readily accessing markets with their production. This situation has created market conditions that have resulted in depressed prices for western North Dakota crude oil. The TransCanada Keystone Pipeline could play a role in resolving this problem by providing another transportation route for moving crude oil to the refineries in the United States. We also want to make you aware that in conversations with the management of the TransCanada Keystone Pipeline we have strongly urged them to allow future connections to this pipeline in North Dakota that could provide additional capacity to move North Dakota production to market.

There are additional North Dakota economic benefits of future property tax and sales tax revenues as well as benefits to local communities during the construction process.



For the above reasons, the North Dakota Industrial Commission acting in its capacity as the North Dakota Pipeline Authority wishes to go on record in support of the TransCanada Keystone Pipeline project. Thank you for your consideration of the Pipeline Authority's position.

Sincerely,

Mark Makelky, Director
North Dakota Pipeline Authority

C: TransCanada Keystone Pipeline