

19. Provide a description of the impacts of increased imports into the US of crude oil from the WCSB on US domestic crude oil production in both the near and long term. The purpose of this request is to assist the Commission, impacted landowners, local governments, and the public to understand the demand for the proposed Keystone XL pipeline and its potential impacts on domestic crude oil production.

~~OBJECTION AND RESPONSE:~~ Keystone objects to this request seeks information that is beyond the scope of the PUC's jurisdiction and Keystone's burden of proof under SDCL § 49-41B-22. It is within the purview of the United States Department of State to make a determination whether the proposed project is in the national interest, under the applicable Presidential Executive Order.

20. Provide the number of South Dakota workers employed to date for construction of the Keystone pipeline currently under construction in South Dakota, as well as the number of workers who are not South Dakota residents employed to date for construction of the Keystone pipeline currently under construction; categorize the foregoing data using the categories contained in Table 10 (page 55) of your application dated April 2007 for the eastern South Dakota Keystone crude oil pipeline; describe the methodology used to estimate South Dakota employment in the preparation of your pipeline applications to the Commission; and explain any difference between estimated employment and actual employment to date in the eastern South Dakota Keystone

Pipeline construction effort. The purpose of this request is to assist the Commission, impacted landowners, local governments, and the public in their understanding of the economic benefits to the State of South Dakota of your past employment of South Dakota workers as a means of understanding your estimates of future employment by you of South Dakota workers in the possible construction of the proposed Keystone XL pipeline.

RESPONSE: Keystone, through the use of third-party contractors, has employed 2,580 workers in the State of South Dakota, including 282 South Dakota permanent residents over the project life through July, 2009 for the Pipeline and Facilities construction. For a further breakdown of the job positions of these workers see Exhibit 20.1.

Exhibit 20.1: Number of South Dakota Staff Employed to Date for Keystone Construction

Position Type	# of South Dakota Resident Workers	# of Non South Dakota Resident Workers	Total Workers
Supervision (Superintendents, foremen, office manager, clerical, etc.)	20	281	301
Welders, Welder Helpers, Pipe Fitters, etc.)	3	395	398
Truck drivers	32	241	273
Equipment operators	27	542	569
Laborers	110	691	801
Construction management, surveyors, inspectors, etc.	90	148	238
Total	282	2298	2580

A comparison of the actual labor to the amount submitted in the Keystone April 2007 application is detailed below:

Exhibit 20.2: Actuals Labor Compared to Table 10 (Page 55) of April 2007 Application

Position Type	Required Range of Workers	Actual Total Workers	Variance
Supervision (Superintendents, foreman, office manager, clerical, etc)	180 to 225	301	+ 76 to 121
Welders, Welder Helpers, Pipe Fitters, etc)	270 to 330	398	+ 68 to 128
Truck Drivers	90 to 120	273	+ 153 to 183
Equipment Operators	340 to 405	569	+ 164 to 229
Laborers	300 to 360	801	+ 441 to 501
Construction management, surveyors, inspectors, etc	120 to 150	238	+ 88 to 118
Total	1300 to 1900	2580	+ 680 to 1280

As indicated in ¶ 6.1.1.3 of the April 2007 permit application, Keystone estimated that 10-15% of the total construction workforce could be hired locally. The actual percentage was approximately 11%.

The methodology used to estimate employment in the preparation of the pipeline application to the commission was to utilize a resource loaded construction schedule and manpower plan that was derived from various sources including contractor work plans and estimating databases. The actual number of workers has been derived from actual payroll and cost information from our contractors.

The increase in estimated to actual employment has been primarily the result of greater than anticipated construction labor requirements. This is partially due to increased

construction duration caused by the inclement weather. Keystone would estimate that during a typical construction and weather season, that the actual number of workers would be more consistent with the estimates provided in the April, 2007 filing. 21.

Provide the dollar figure for expenses paid to date by you to South Dakota businesses related to construction of the Keystone pipeline currently under construction in South Dakota, including but not limited to for purchases of construction consumables, fuel, equipment maintenance, equipment rental, space leasing, and miscellaneous construction-related materials, as well as for other goods and services. The purpose of this request is to assist the Commission, impacted landowners, local governments, and the public in their understanding of the economic benefits to the State of South Dakota and South Dakota businesses of construction of the eastern South Dakota Keystone pipeline, as a means of determining the accuracy of the expenditure estimates contained in Section 6.1 of your Application.

RESPONSE: Through July, 2009, Keystone through the use of its third party contractors has contributed approximately \$45,956,000 in reimbursed costs incurred by third-party contractors to the state of South Dakota. A further breakdown of expenses paid to date related to South Dakota pipeline and facilities construction is in exhibit 21.1.