October, 2012

Dear Reader:

The Nebraska Department of Environmental Quality (NDEQ) is pleased to provide you this Draft Evaluation Report (DER) on the Keystone XL Pipeline Nebraska Reroute. This report was prepared in response to Nebraska law that directed the NDEQ to analyze the environmental, economic, social, and other impacts of a pipeline in Nebraska. The report analyzes the proposed 194.5 mile long Nebraska Reroute starting one mile south of the South Dakota border in Keya Paha County and terminating in the northwestern corner of York County. The proposed Reroute, which avoids the Sand Hills region of Nebraska, was developed in response to concerns raised by the State of Nebraska and its citizens.

The DER sets forth potential impacts associated with the Nebraska Reroute and discusses mitigation plans and measures required by law and additional measures provided by Keystone. The DER also reflects the comments of Nebraska citizens – more than 1,000 comments received to date.

NDEQ invites public comment on all aspects of the DER and is providing a comment period that extends until December 4, 2012. Instructions on where the document is available for viewing and how to submit comments can be found on the final page of the Executive Summary included in the DER. In addition, information is presented concerning the Information Session and Public Hearing to be held on December 4, 2012, in Albion, NE. We would appreciate your comments. Comments from Nebraskans to date have had a substantial effect on the project and we urge your continued diligence. The more specific your comments are, the more accurately we are able to respond to them.

After the close of the comment period on December 4, 2012, NDEQ will prepare a Final Evaluation Report that includes responses to comments received on this DER. The NDEQ will then submit the final report to the Governor who will inform the U.S. Department of State of his decision to approve or disapprove of the proposed Nebraska Reroute.

NDEQ appreciates your efforts in reviewing the Nebraska portion of the pipeline. We look forward to receiving your comments.

Sincerely,

[Signature]

Mike Linder, Director