

Alternate Route for Keystone XL Pipeline Approved by Nebraska Public Service Commission

By Colette Gulick, J.D. Candidate 2018 | November 24, 2017

The Nebraska Public Service Commission provided approval for TransCanada Corporation’s Keystone XL pipeline that would travel over [1,700](#) miles, transporting crude oil from Hardisty, Alberta, Canada to Steele City, Nebraska. However, the commission did not approve TransCanada’s preferred and proposed route. Rather, the commission approved a modified route that is farther east, adds [five miles](#) of pipeline, and is more expensive. This regulatory approval for the [\\$8 billion project](#), initially proposed in 2008, came through as a 3-2 vote by the commission.

Due to the commission’s approval of an alternate route and not TransCanada’s proposed route, TransCanada has not yet committed to constructing the pipeline. TransCanada Chief Executive Officer Russ Girling said that TransCanada will examine how the new route would “[impact the cost and schedule of the project](#).” This new route introduces a problem for TransCanada, as the company would need to approach landowners affected by the new route and procure new easements. TransCanada had [already accomplished this task](#) with many of the landowners that were to be affected by the preferred route.

Another question looms over whether the construction of the project will move forward: whether there is [sufficient demand](#) for the pipeline and interested customers that will contract with TransCanada to ship oil over the pipeline. TransCanada did not specifically identify any customers who committed during the [open season](#) that was launched in October, but a company statement reflected that TransCanada expects commercial interest to match up with interest initially expressed when the company applied for the pipeline permit.

The construction of the Keystone XL pipeline has long been the center of controversy and protest. Environmental advocates, farmers, ranchers, and other opponents argue that the project will damage the natural resources, endanger available drinking water, and contribute to climate change. Proponents of the pipeline predict that it will provide substantial economic benefits, tax revenue for [local governments](#), reduced fuel prices, and will [stimulate job creation](#).

This commission’s decision comes shortly after an already existing TransCanada pipeline [spilled 210,000 gallons of oil](#) in South Dakota.

To challenge the commission’s decision for the newly approved route, opponents can still attempt to stop the construction of the pipeline by attempting to secure an [injunction granted by the state court](#).