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Nebraska OKs re-routed Keystone XL pipeline

Posted By [Darren Campbell](#) On January 22, 2013 @ 2:02 pm In [Energy Ink](#) | [No Comments](#)

One big obstacle has been removed from TransCanada Corp.'s plan to build the Keystone XL pipeline.

Today, Nebraska Governor Dave Heineman approved the re-route of the proposed pipeline through the state.

Approval of the pipeline, designed to move 830,000 barrels per day from Alberta, Montana, North Dakota and South Dakota to Steele City, Nebraska and then on to the U.S. Gulf Coast, has been held up partly because Nebraska raised concerns that the original route for Keystone XL would have passed through the state's Sandhills area and the Ogallala Aquifer.

That route wasn't kosher with many Nebraskans who feared an oil spill along the route would potentially contaminate the aquifer's water supply.

But the new route avoids the Sandhills, and after getting a report from the Nebraska Department of Environmental Quality on the new route, Heineman was satisfied enough to conclude that the building and operation of Keystone XL would have "minimal environmental impacts in Nebraska."

But before producers in Western Canada strike up the marching bands to celebrate Keystone XL's approval, which they hope will help ease a supply glut that is resulting in their crude being sold at a steep discount to other benchmark blends such as Brent and West Texas Intermediate, there is the matter of getting a presidential permit.

The permit is the final regulatory stamp of approval TransCanada needs before it can start building Keystone XL.

However, U.S. President Barack Obama [denied the permit](#) ^[2] roughly a year ago on environmental grounds.

Fresh off an election victory, and no longer worried about getting re-elected, there is no guarantee Obama will grant a permit for the re-routed Keystone XL.

The concern in industry circles is Obama could deny Keystone XL again to buff up his green street cred.

That view is nothing more than an educated guess at this point, but it's worth noting that in [his inauguration speech](#) ^[3] on Monday, Obama made no mention of oil and gas development or pipelines.

He did, however, specifically talk about the importance of responding to the "threat" of climate change and that in moving towards more sustainable energy resources, "America cannot resist this transition, we must lead it."

TransCanada – make of those words what you will.

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[2] denied the permit: <http://articles.latimes.com/2012/jan/18/nation/la-na-keystone-20120119>

[3] his inauguration speech: <http://news.nationalpost.com/2013/01/21/full-text-of-president-barack-obamas-inauguration-speech/>

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