

# Oil Pricing and Production Panel: Energy and Telecommunications Interim Committee Meeting



*Enbridge Energy Company, Inc.*

*Pipeline Developments in North America and the Bakken  
& A Pipeline's Role in Oil Economics*

*Beth Claude*

*Manager, State Government Affairs*

*September 4, 2008*

*Montana Legislature*

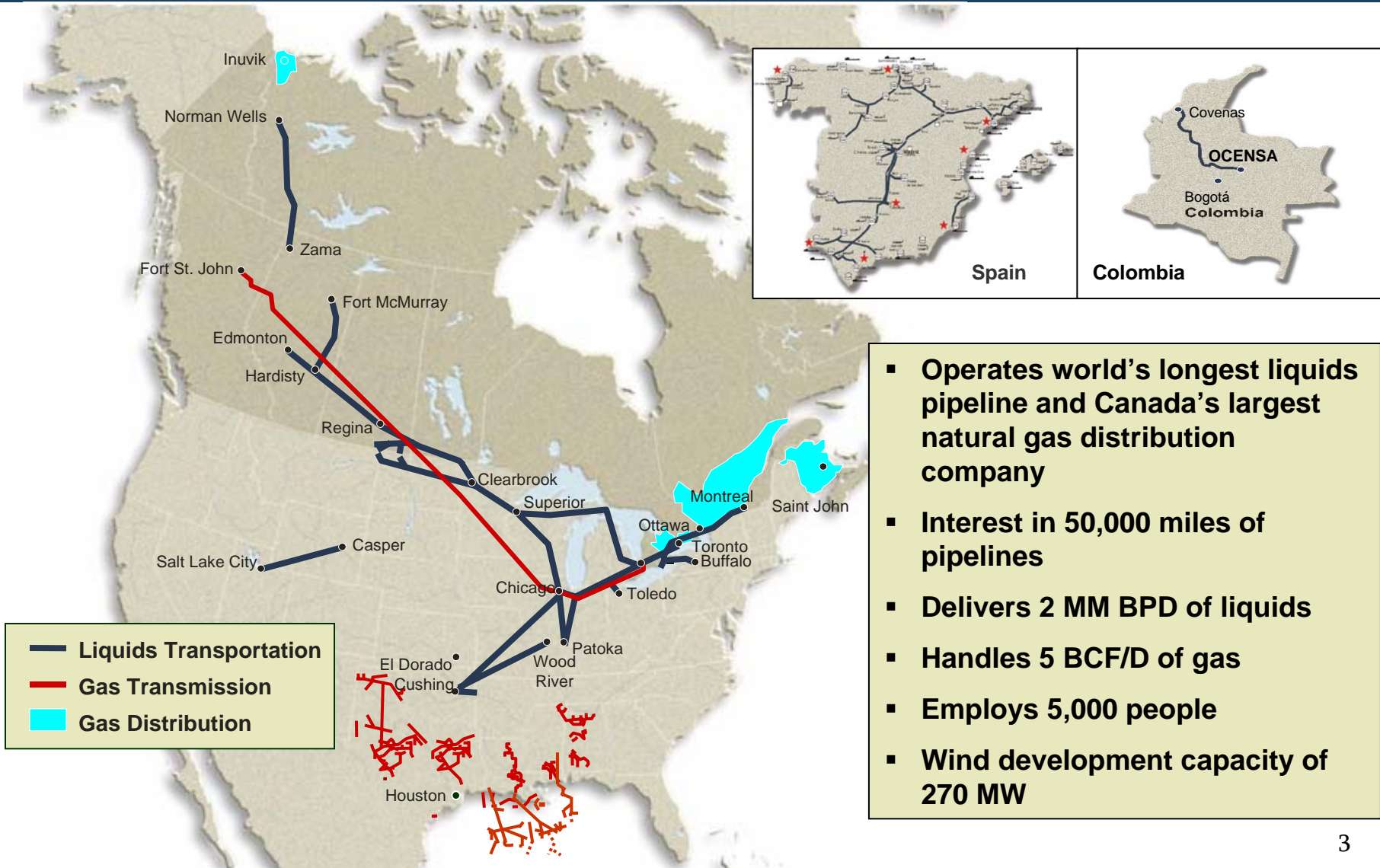
*Helena, Montana*

# Forward Looking Statements



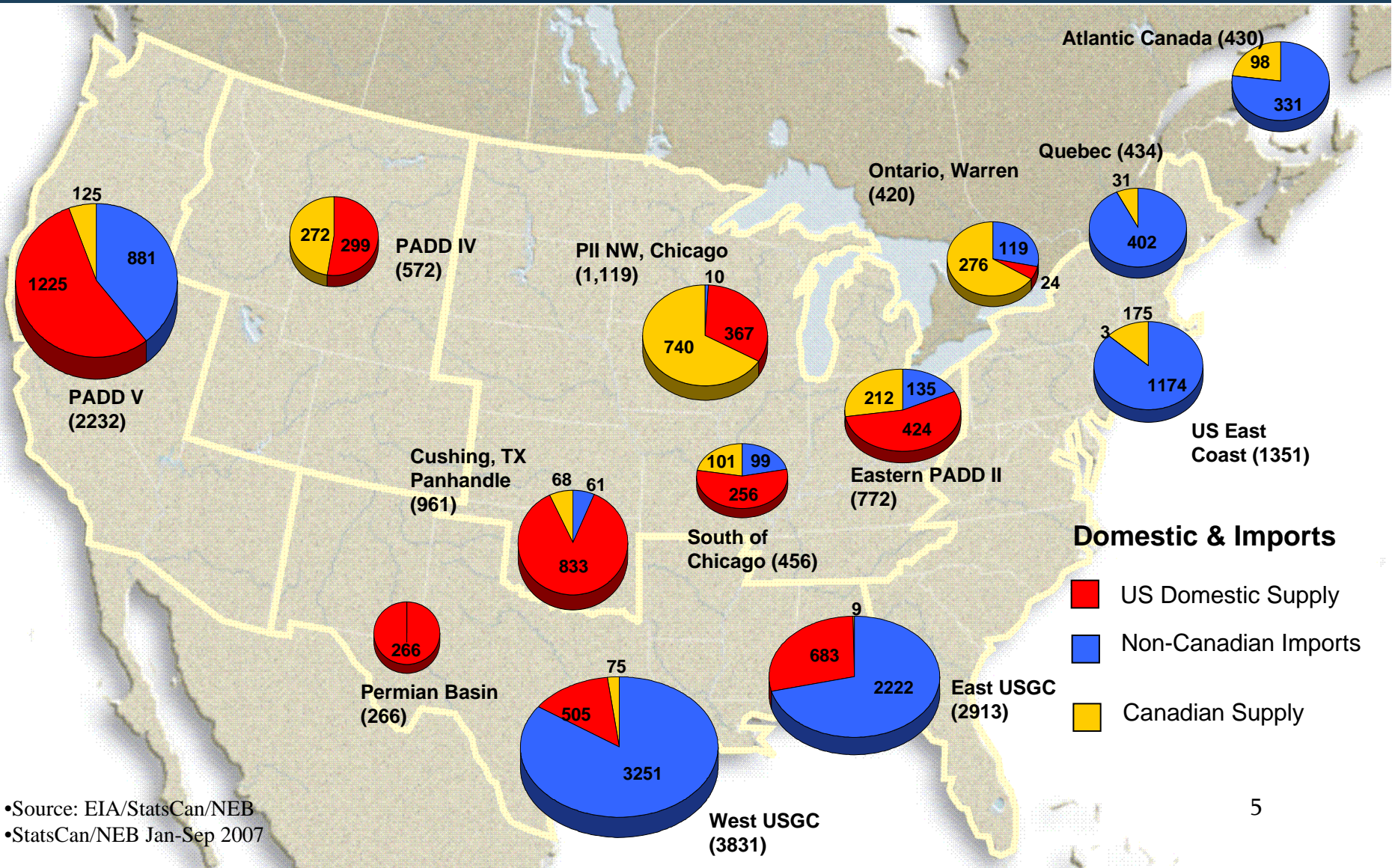
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# About Enbridge



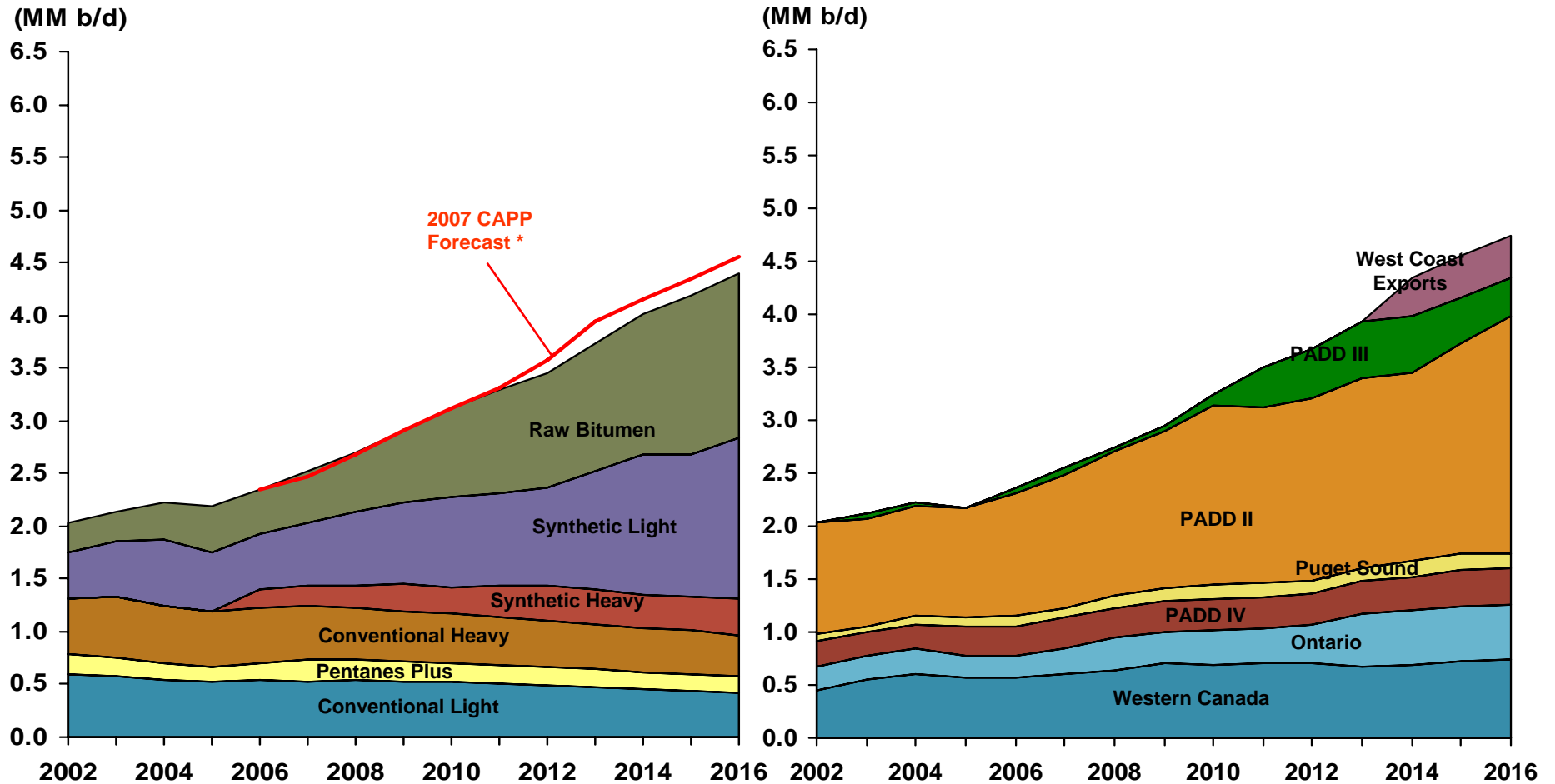
- Operates world's longest liquids pipeline and Canada's largest natural gas distribution company
- Interest in 50,000 miles of pipelines
- Delivers 2 MM BPD of liquids
- Handles 5 BCF/D of gas
- Employs 5,000 people
- Wind development capacity of 270 MW

# 2007 Domestic and Imports by Region (kbpd)



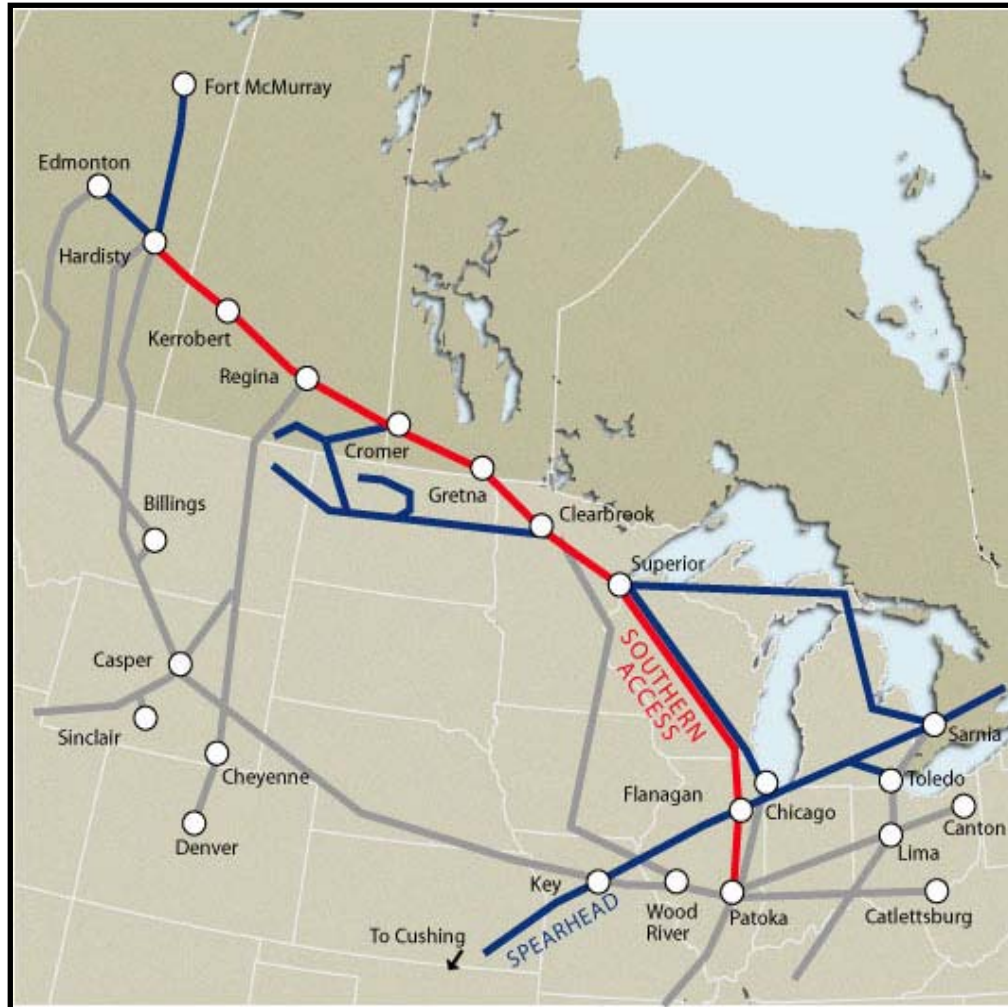
•Source: EIA/StatsCan/NEB  
 •StatsCan/NEB Jan-Sep 2007

# WCSB Production and Disposition



\* Pipeline Planning Case

# Southern Access



## Upstream

- Current capacity is 120 kbpd
- Increase capacity of 63 kbpd in Q1 2008

## Downstream

- 460 miles of 42" pipe Superior to Flanagan, IL
- 400 kbpd in service in Q1 2009
- Future expansions to 1,200 kbpd

## Extension

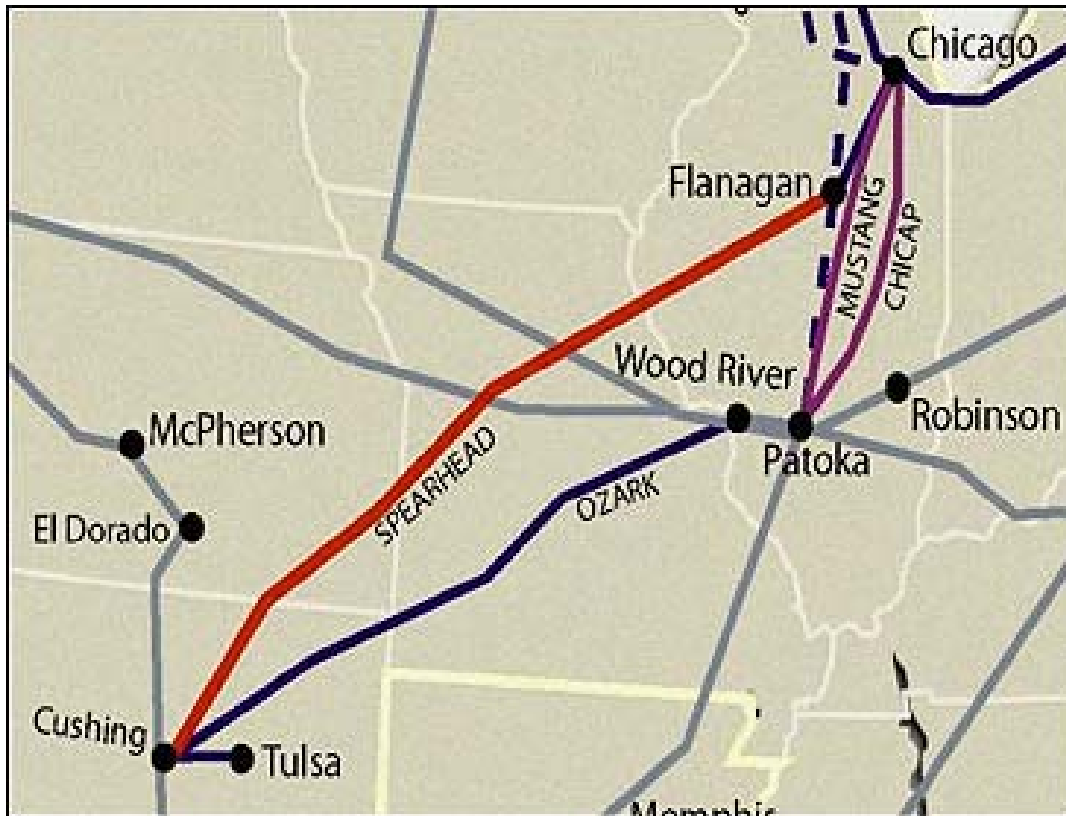
- 175 miles of 36" pipe from Flanagan to Patoka, IL
- 400 kbpd in service in Q1 2009
- Future Expansions to 800 kbpd

# Alberta Clipper



- 990 miles of 36" pipe  
Hardisty, AB to Superior, WI
- Capacity
  - 450 kbpd initial
  - 800 kbpd ultimate
- In-service mid-2010
- Pursuing regulatory approvals

# Spearhead Pipeline Expansion



- Griffith, IN to Cushing, OK
- Capacity increase of 65 kbpd
  - 125 kbpd to 190 kbpd
  - 30 kbpd contracted on a long term basis
- Construction of a number of pumping units at existing stations and 3 new locations
- In service - 2009



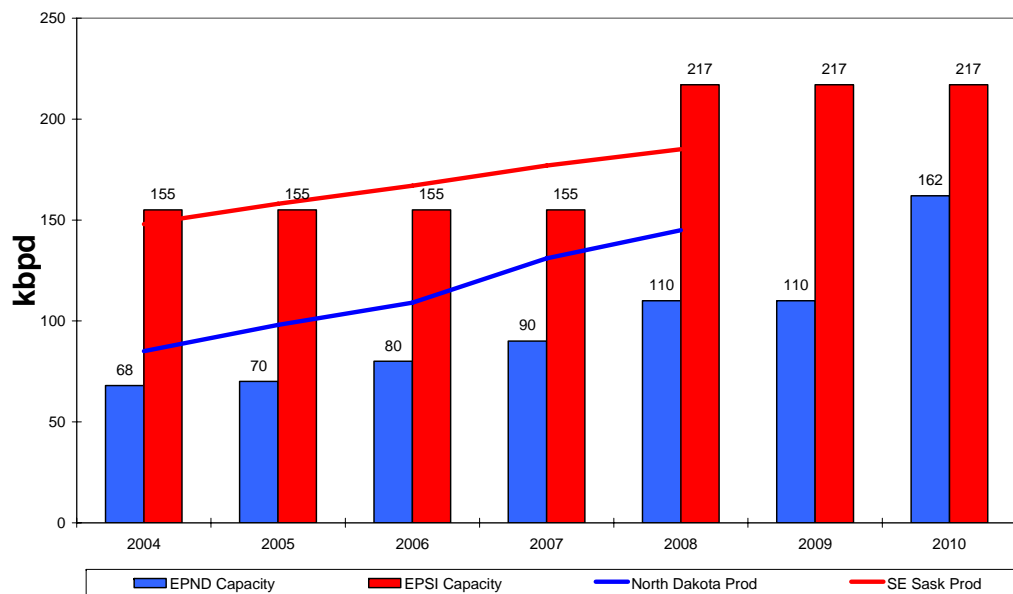
# Southern Lights



- 20" light sour crude pipeline from Cromer, MB to Clearbrook
  - Q4 2008
- 674 miles of 20" diameter pipe from Manhattan, IL to Clearbrook, MN
  - Q4 2009
- Reversal of Line 13 to run Northbound from Clearbrook, MN to Edmonton, AB
  - 180 kbpd diluent capacity
  - mid 2010
- Major regulatory filing complete

# Williston Basin Pipeline Systems: EPND (North Dakota) and EPSI (Sask)

***Enbridge making rapid response to the Williston Basin's production growth***



## ENB Williston Basin Pipeline Capacity

EPSI Capacity Today: 155 kbpd

EPSI Capacity in 2008: 217 kbpd

***40% Increase***

EPND Capacity 2006: 80 kbpd

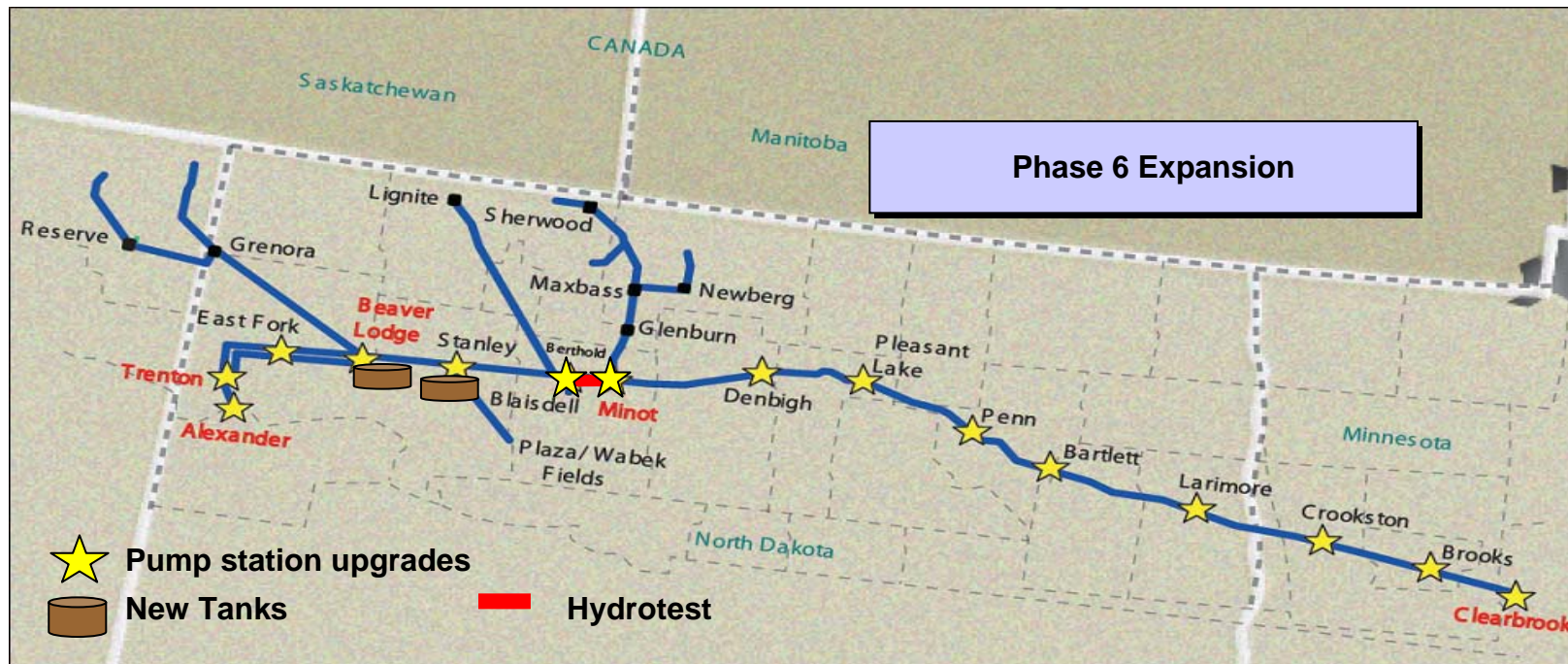
EPND Capacity Today: 110 kbpd

EPND Capacity in 2010: 161 kbpd

***100% Increase since 2006***

***Enbridge's goal is to continually monitor production growth, and identify new projects designed to increase pipeline capacity to meet customer needs.***

# Pipeline Expansions in North Dakota



## ENBRIDGE PIPELINES (NORTH DAKOTA) EXPANSION UPDATE

- Phase 5 Expansion went in service Jan 2008. Added 30,000 bpd capacity from 80,000 bpd to 110,000 bpd into Clearbrook.
- Phase 6 Expansion underway with expected completion by 2010. Will add 51,000 bpd capacity from 110,000 bpd to 161,000 bpd into Clearbrook.

# Phase 6 Expansion Updates



- **\$145 Million Project – Pump & DRA Intensive – Pumps & Equip Orders Placed**
- **Petition filed with FERC in January, 2008.**
  - **Substantial shipper and other third party support letters filed**
  - **No protests or complaints received**
  - **Expect decision by FERC in next few months**
- **Received regulatory approval to install required facilities from North Dakota Public Service Commission and expecting approval from Minnesota Public Utilities Commission in September, 2008**
- **Civil construction began in August, 2008. Mechanical construction to begin in September, 2008.**
- **Pipeline repair program and hydrotesting complete. Hydrotest was successful.**

# Our Commitment in the Bakken



## ***ENBRIDGE:***

- As a first expansion effort, voluntarily withdrew shipping Canadian crude into the ND system when the system began to fill up with U.S. local production from the Bakken.
- Maximized the use of DRA (drag reduction agents) to improve rates on the near term.
- Spent internal time and resources on defining various expansion options as production continued to grow.
- Maintains ongoing communications and meetings to educate shippers and stakeholders on the bigger picture and why further expansions will take time and need to be explored sooner.
- Invested in a more in depth production forecasting process to stay ahead of where growing production is coming from and how fast, versus natural declines.
- Completed expansions to date without any major safety or environmental incidents and respected the needs and concerns of landowners.

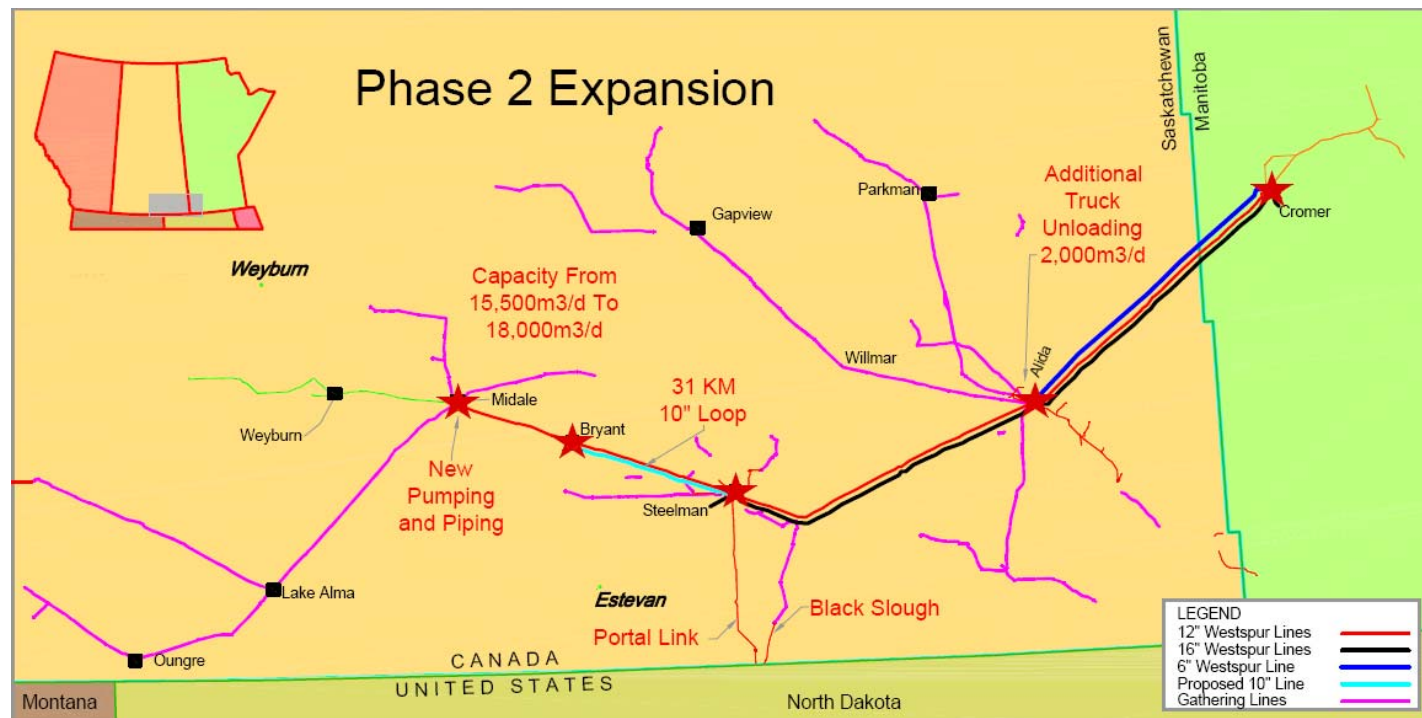
# Our Commitment in the Bakken



## **ENBRIDGE:**

- Has almost doubled its staff at regional office in Minot, ND to insure the presence of local manpower and other resources
  - to operate the base business
  - address the growth and expansion challenges.
- Relocated senior management to Minot to ensure executive oversight of an important growth basin, and has utilized our expertise from U.S. and Canadian offices to address challenges and provide clear solutions.
- Has strategically planned the North Dakota Pipeline expansions to insure that Bakken production will have sufficient capacity through the Enbridge Lakehead system to allow access to multiple market outlets.
- Will increase system capacity in separate expansions that have, to date, are finished on time and within budget. Enbridge Pipeline (ND) capacity will double from 80,000 bpd to 161,000 bpd upon Phase 6 completion.

# Pipeline Expansions in Saskatchewan



## Phase 1 Expansion Start-Up: June 2008

- Adds 62 kbpd; Total 217 kbpd into Cromer
- \$40 Million Total Project Cost
- Multiple Pump and Power Upgrades

## EPSI Phase 2 Expansion (early 2010 est)

- Adds 15.5 kbpd into Steelman (10" Loop)
- \$23 Million Total Project Cost
- Additional Pumps and Piping
- Alida Truck capacity added (12.5 kbpd)

### Major Crude Oil Pipelines Serving Upper Midwest

- Enbridge pipelines, including Waupisoo
- Enbridge's Southern Access/Extension to Patoka
- Enbridge's Alberta Clipper
- Enbridge's LSR Expansion
- Enbridge's North Dakota System Phase 6 pump station expansion
- Enbridge/BP proposed Gulf Coast system
- Enbridge/ExxonMobil proposed Texas Access
- True Companies
- Kinder Morgan Express/Platte
- Rocky Mountains/Plains
- Chevron
- Minnesota Pipeline
- ExxonMobil Mustang-Pegasus
- White Cliffs (under construction)
- Suncor
- Marathon
- Tesoro
- Frontier





# Development Plan Summary



- 1) Athabasca Pipeline (2010)
- 2) Waupisoo Pipeline (2008)
- 3) Spearhead Pipeline (2009)
- 4) Southern Access Mainline Expansion (2006-2009)
- 5) Southern Access Extension (2009)
- 6) Eastern PADD II Access (2009)
- 7) Texas Access (2010)
- 8) Alberta Clipper (2009)
- 9) Gateway Pipeline (2012-2014)
- 10) Southern Lights (2009)
- 11) Lines 6B & 6C (2010-2012)
- 12) Line 5 Expansion (2008)
- 13) Line 9 Reversal (2010)

*Represents over \$12 billion in approved capital projects*