

ENERGY EXPORTS: OPPORTUNITIES & CHALLENGES

Stephen J.J. Letwin
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Certain information during this presentation will constitute forward-looking statements. These will include, but are not necessarily limited to, throughput volumes, financial projections, expansion or acquisition projects, external economics and competitive factors. These statements are based on certain assumptions made by management. Accordingly, actual results may differ materially from current estimates. You are referred to the Enbridge Energy Partners' SEC filings, including the annual Form 10-K, for a more detailed discussion of risk factors.

- Overview of Enbridge
- Benefits and Opportunities of Oil and Gas Export and Transmission
- Challenges (market, regulatory, stakeholder, environmental)
- Possible Solutions



Liquids Pipelines

- Currently transporting approx. 1.9 million barrels of liquids per day
- Enbridge moves 67% of all crude oil exports to the U.S. and 20% of U.S. exports to Canada

Gas Pipelines

- Alliance/Vector pipeline system
- Enbridge Offshore (Gulf of Mexico)
- Enbridge Energy Partners (Texas base)

Gas Distribution

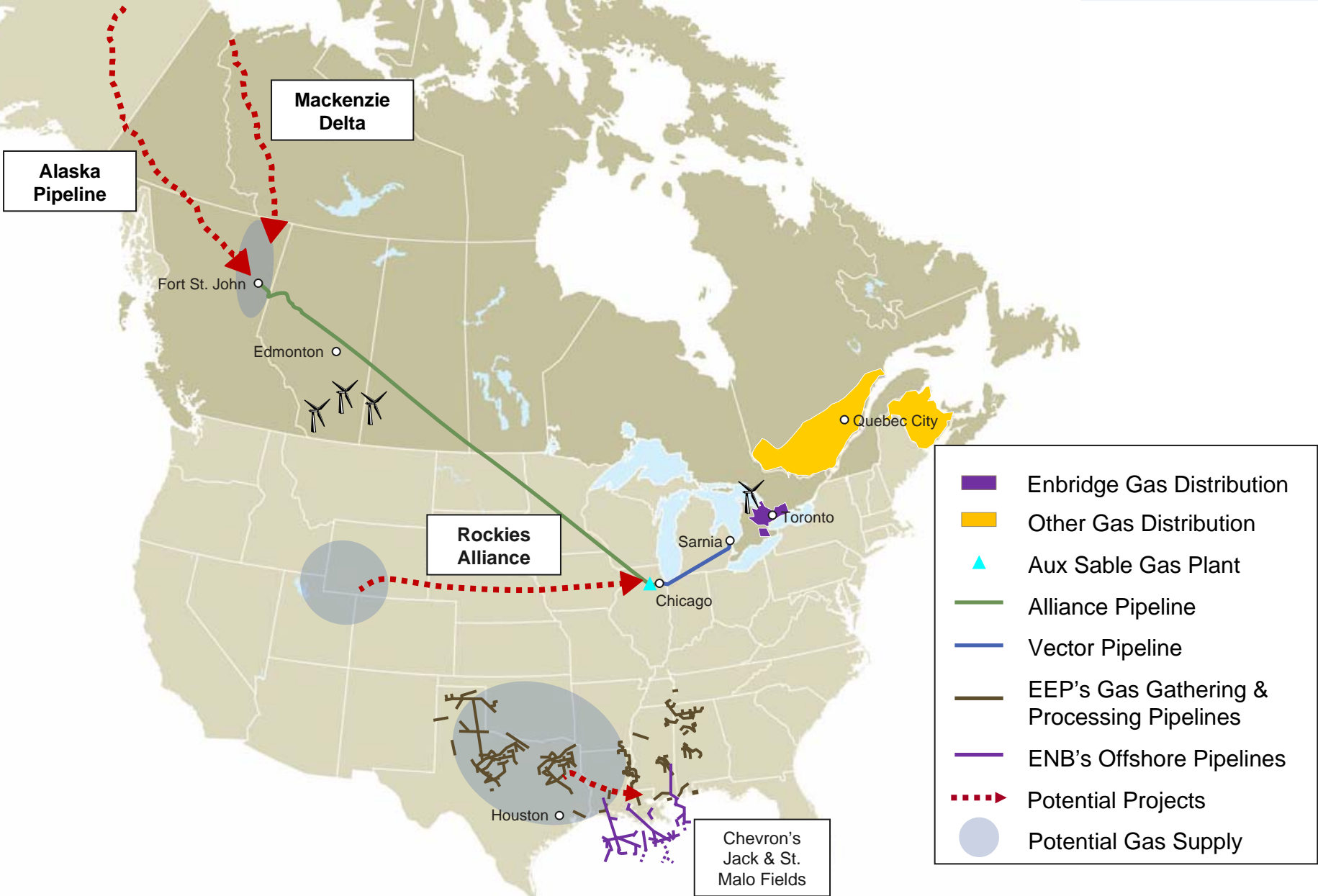
- In business for 160 years
- 1.9 million customers

Wind Farms

- Three substantial wind farms in-service

Employees – Approx. 6,000

ENBRIDGE NATURAL GAS ASSETS AND POTENTIAL PROJECTS



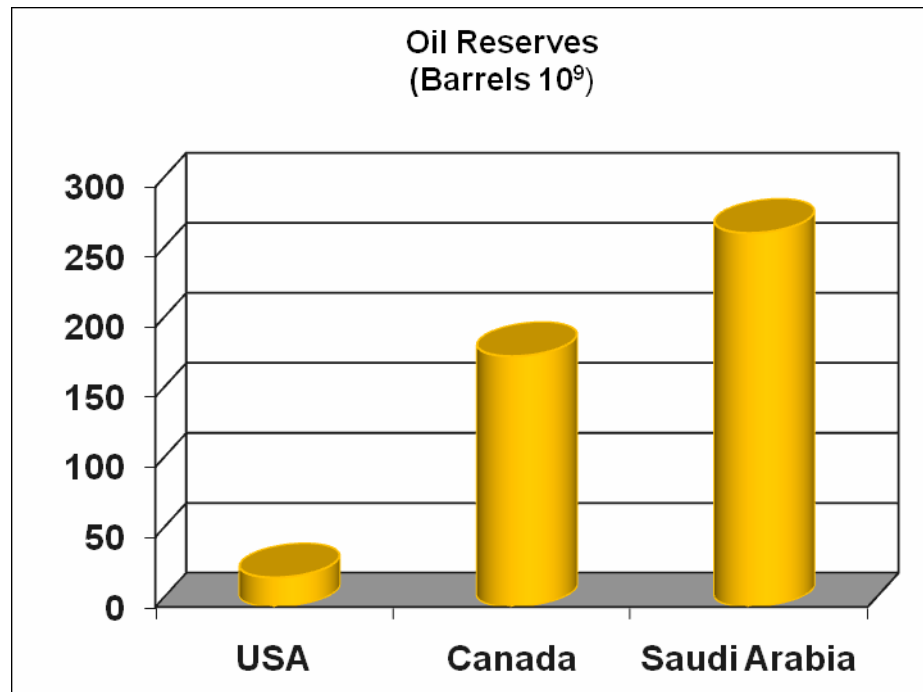
MORE THAN \$12 BILLION INVESTED IN RECENT MAJOR PROJECTS

- Added more than 400,000 barrels per day of capacity
- Series of “mega projects” through three provinces and four states
- Enbridge experienced in executing cross-border energy pipelines



- **Operate in:**
 - 23 states
 - 7 provinces
 - one territory
- **Hundreds of regulatory filings in past two years with:**
 - federal government in Canada and U.S.
 - state
 - provincial/territorial
 - municipal

- Canada is second to Saudi Arabia in oil reserves
- U.S. demand for oil is 20 million bbl/day today
- Security of energy supply a key issue for North America
- Oil sands are the answer to U.S. need for secure energy
- Economic crisis provides incentives for progress
- Time to act is now



- **Alberta royalties**
- **Lack of capital**
- **Lower commodity prices**
- **Slowdown in new projects / investments delayed**

Permitting Issues

Insufficient Canadian-United States cooperation on major cross border infrastructure

Inefficiency in permitting process in Canada

In U.S., liquid pipelines have a-la-carte permitting process

- Different federal agency leads (versus FERC for gas pipelines)
- Various state certificate, eminent domain, routing and permitting

- **Organized landowner groups**
- **Designing a consistent framework for Aboriginal / Crown consultation**
- **Right-of-way issues**
 - Expectations and opposition from organized landowner groups
 - Increasingly litigious
- **Anti-oil sands groups (ENGOS)**
 - Organized to challenge downstream oil sands projects
 - Also seeking answers in the courts
 - Ability to community / organize through internet
 - Evidence: “dirty oil” campaign prior to Obama Ottawa visit

- **Oil sands operations ‘footprint’**
 - Tailings ponds
 - Water use associated with oil sands recovery
 - Land use, reclamation
 - Carbon dioxide emissions
- **The bar for Environmental Assessments and Standards keeps rising**
- **Public expectations and opposition**

- Improving Canada's regulatory regime a vital first step
- MPMO is a major improvement
- Rely on provincial EA authorities and regulators where jurisdiction is predominantly provincial
- Continued improvement of Canadian-United States cooperation on major cross border infrastructure

Minor changes to regulatory framework = major impact on multi-\$Billion project schedules and budgets

- **Leverage ‘new dawn’ of U.S. energy and environment policy to advance cross border cooperation**
- **On the environment front, possibilities include:**
 - a common fuel efficiency standard
 - a single target for GHG emissions
 - cross border cooperation on developing CCS technology
- **Other possibilities:**
 - enhanced cross-border mobility for energy trades people
 - Bilateral efforts to fast-track projects of strategic interest to U.S. Administration; i.e. Alaska-Canada Natural Gas Pipeline
 - Encourage communications between the U.S. and Canadian regulators to share best practices and develop consistent approaches.

- **Stimulates private sector investment – at no cost to government**
- **Provides long-term consumer benefits by lowering infrastructure costs**
- **Gets people, money working faster to combat downturn**
- **Enhances government revenue by getting major projects back on track**