



## **2011 ITS – Schedule A**

# **2011 Revenue Requirement Schedules and Statements**

# **2011 ITS Revenue Requirement**

**ENBRIDGE PIPELINES INC.**  
**NET REVENUE REQUIREMENT SUMMARY CALCULATIONS**  
**Forecast 2011**

**\$000**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Total</b>
(a)	(b)	(c)	(d)
1	Negotiated Elements	Schedule 2	316,062
2	Forecast Elements	Schedule 2	394,170
3	Prior Year Adjustments (incl. Carrying Charges)	Schedule 2	<u>90,363</u>
4	<b>NET REVENUE REQUIREMENT</b>		<b>800,595</b>

**ENBRIDGE PIPELINES INC.**  
**NET REVENUE REQUIREMENT COMPONENTS**  
**Forecast 2011**

**\$000**

Line No.	Description	Reference	Amount
(a)	(b)	(c)	(d)
1	Negotiated Elements		316,062
2	Forecast Elements:		
3	Forecast Income Tax Allowance		8,600
4	Forecast Power	Schedule 3	184,711
5	Forecast Depreciation		71,502
6	Forecast Operating Cost Elements		34,732
7	Forecast Non-Routine Adjustments	Schedule 4	21,650
8	Forecast Transportation Revenue Variance Differential	Schedule 5	72,975
9	Sub-Total Forecast Elements		394,170
10	Prior Year Adjustments		
11	Power Variance	Statement 201	702
12	Operating Cost Elements Variance	Statement 202	(5,395)
13	Depreciation Expense Variance	Statement 203	5,269
14	Negotiated Elements Variance	Statement 204	2,161
15	Income Tax Allowance Variance	Statement 205	3,842
16	Non-Routine Adjustment Variance	Statement 206	(1,232)
17	Transportation Revenue Variance	Statement 207	99,254
18	Producers' / Shippers' Share of Shared Allowance Oil Revenue	Statement 209	(15,000)
19	Refund of Non Performance Penalty Charge		-
20	Sub-total Prior Year Adjustments		89,601
21	Carrying Charges 1	Statement 210	762
22	Sub-total Prior Year Adjustments incl Carrying Charges		90,363
23	<b>Net Revenue Requirement</b>		<b>800,595</b>

<sup>1</sup> Carrying Charges at 0.85%

**ENBRIDGE PIPELINES INC.**  
**FORECAST POWER**  
**Forecast 2011**

**\$ 000**

Line No.	Description	Reference	Total
(a)	(b)	(c)	(d)
1	SEP II At Capacity		
2	Power Consumption (GWh)		2,726
3	Forecast Mill Rate (\$/GWh)		64,314
4	Electricity		175,320
5	Prior Year SEP II At Capacity DRA / NG	Statement 201	9,115
6	GDPP Forecast Inflation	3.030%	276
7	SEP II At Capacity DRA / NG		9,391
8	<b>Forecast Power (Line 4 + Line 7)</b>		<b>184,711</b>

**ENBRIDGE PIPELINES INC.**  
**FORECAST NON-ROUTINE ADJUSTMENTS (NRA's)**  
**Forecast 2011**

\$000

Line No.	Description	Schedule Reference	Payment Transfers	Operating and Other Costs	Deprec	Interest Expense	Earnings	Income Tax	Total Forecast
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	<b>Existing NRA Projects</b>								
1	System Expansion Phase I (SEP I)	Schedule 4.1	-	874	2,001	1,169	1,342	967	6,353
2	System Expansion Phase II (SEP II)	Schedule 4.1	-	1,663	4,158	3,027	4,438	2,345	15,631
3	Spearhead Payment Transfer		1,683	-	-	-	-	-	1,683
4	Mobil Payment Transfer		1,683	-	-	-	-	-	1,683
5	Plains CRW Delivery Connection – Edmonton Terminal	Schedule 4.1	-	-	-	-	-	-	-
6	2012 Receipt Tanks - Edmonton Terminal	Schedule 4.1	-	-	-	-	-	(5,043)	(5,043)
7	Meter Manifold 150 Expansion - Hardisty Terminal	Schedule 4.1	-	-	370	705	1,058	(888)	1,245
8	Pembina Nipisi Heavy Receipt Connection - Edmonton Terminal	Schedule 4.1	-	-	140	167	250	(459)	98
9	<b>Total Forecast NRA</b>		<b>3,366</b>	<b>2,537</b>	<b>6,669</b>	<b>5,068</b>	<b>7,088</b>	<b>(3,078)</b>	<b>21,650</b>

**ENBRIDGE PIPELINES INC.**  
**INTEREST AND EQUITY COMPONENT OF FORECAST NON-ROUTINE ADJUSTMENTS (NRA's)**  
**Forecast 2011**

**\$000**

Line No.	Description	Schedule Reference	13 point average Rate Base	Debt Component	Cost of Debt	Interest Expense	Equity Component	Return on Equity	Earnings	
(a)	(b)	(c)	(d)	(e)	(f)	(g)=(d)*(e)*(f)	(h)	(i)	(j)=(d)*(h)*(i)	
<b>Existing NRA Projects</b>										
1	System Expansion Phase I (SEP I)		38,065	56.37%	5.45%	1,169	43.63%	8.08%	1,342	
2	System Expansion Phase II (SEP II)	Schedule 4.2	95,588	58.10%	5.45%	3,027	41.90%	11.08%	4,438	
3	Plains CRW Delivery Connection – Edmonton Terminal		-	55.00%	5.45%	-	45.00%	10.00%	-	
4	2012 Receipt Tanks - Edmonton Terminal		-	55.00%	5.45%	-	45.00%	10.00%	-	
5	Meter Manifold 150 Expansion - Hardisty Terminal		23,517	55.00%	5.45%	705	45.00%	10.00%	1,058	
6	Pembina Nipisi Heavy Receipt Connection - Edmonton Terminal		5,559	55.00%	5.45%	167	45.00%	10.00%	250	
7	<b>Interest Expense and Annual Earnings</b>					<b>5,068</b>				<b>7,088</b>

**ENBRIDGE PIPELINES INC.**  
**CALCULATION OF SEP II RETURN ON EQUITY**  
**Forecast 2011**

<b>Pipeline</b>	<b>Bottleneck</b>	<b>Actual Pumpings (m3/d)<sup>1</sup></b>	<b>SEP II Capacity (m3/d)</b>	<b>% Utilization</b>	<b>Return on Equity (see Table below)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
Line 1	Kerrobert				
Line 2B	Cromer				
Line 3	Cromer				
Line 4	Kerrobert/Regina				
Line 13	Hardisty				
<b>Total</b>		259,100	259,100	100.0%	11.08%

**Table**  
**Calculation of Return on Equity**

<b>SEP II Utilization</b>	<b>Pumpings (m3/d)</b>	<b>Return on Equity</b>	<b>Description</b>
SEP II @ 50%	251,050	8.5%	multi-pipeline ROE minus 300 bp to a minimum of 8.5%
SEP II @ 75%	255,075	8.08%	multi-pipeline ROE as per RH-2-94
SEP II @ 100%	259,100	11.08%	multi-pipeline ROE plus 300 bp to a maximum of 15%

<sup>1</sup> Pumpings will be measured at the actual bottleneck or capacity points on each of the lines. As the bottleneck points or system capacity changes due to changes in crude slate and/or receipt and delivery patterns, the utilization measurement for SEP II will be amended accordingly.

**ENBRIDGE PIPELINES INC.**

**EXPLANATORY TO NON-ROUTINE ADJUSTMENT VARIANCES**

The following Non-Routine Adjustments (NRA) for the year 2011 have been reviewed by the Canadian Association of Petroleum Producers (CAPP) and meet the NRA requirements of the Principles of Settlement in the 2011 Incentive Tolling Settlement (2011 ITS).

1) System Expansion Phase I (SEP I)

SEP I was an industry requested capacity expansion of the Enbridge System and continues to be treated as an NRA as per Article 12.2 of the 2011 ITS.

2) System Expansion Phase II (SEP II)

SEP II was an industry requested expansion of the Enbridge System and continues to be treated as an NRA as per Article 12.2 of the 2011 ITS.

3) Spearhead Payment Transfer

Enbridge collects, through the NRA mechanism, an amount equal to US\$10 million per year, for the first five years of service (March 2006 to February 2011), to support CCPS' Spearhead Reversal Project in order to facilitate increased access for Canadian crude oil to Cushing and Oklahoma. The US\$50 million total commitment may be reduced if Spearhead volumes exceed 125,000 bpd, which may in turn shorten the life of the 5 year Spearhead Payment Transfer agreement.

4) Mobil Payment Transfer

Enbridge collects, through the NRA mechanism, an amount equal to US\$10 million per year, for the first five years of service (March 2006 to February 2011), to support the Mobil Pipeline Company (MPLCO) 20" Reversal Project in order to facilitate increased access for Canadian crude oil to new markets in the Gulf Coast.

5) Plains CRW Delivery Connection - Edmonton Terminal

Plains Midstream Canada ("Plains") has requested a connection to the Edmonton Terminal for their new 12" Rainbow II pipeline that allows CRW movements to primarily serve the Slave Lake and Peace River areas. Enbridge and Plains have entered into a backstopping agreement which commits Plains to pay any shortfall in revenues between the annual revenue requirement and the actual toll revenue paid by Plains. The project is expected to be in service August 31, 2011 with anticipated costs of \$12.3 million. Expenditures in 2010 were \$1.0 million and \$11.3 million is forecast to be spent in 2011.

6) 2012 Receipt Tanks – Edmonton Terminal

Edmonton receipt tankage capacity is not sufficient to accommodate the forecasted growth in oilsand receipts. This project includes demolition of two small tanks and the construction of four new tanks along with associated facilities at Edmonton Mainline Terminal. The increased tankage will support a number of oilsand projects under development. The project is forecasted to be in service by December 31, 2012. Expenditures are anticipated to be \$89.5 million for Phase I of the project and an updated forecast is to be provided upon completion of a Class 3

estimate for Phase 2. Expenditures in 2010 were \$8.6 million and \$125.3 million is forecast to be spent in 2011. The total project cost is forecast to be \$ 259.2 million.

7) Meter Manifold 150 Expansion - Hardisty Terminal

This project is required to provide connectivity to HCT, Husky and Gibson to facilitate delivery of commodities via Manifold 204 at Hardisty EPI terminal. The project revised estimated cost is \$44 million. The target in service date for this project is July 1, 2011. Expenditures in 2010 were \$14.5 million and \$29.5 million is forecast to be spent in 2011.

8) Pembina Nipisi Heavy Receipt Connection - Edmonton Terminal

This project is required to meet customer needs on Enbridge's core mainline system by providing receipt capabilities for Wabasca Heavy (WH) and Seal Heavy (SH) at Edmonton Terminal. The total estimated cost of the project is \$12.1 million. The target in service date for this project is July 1, 2011 and \$12.1 million is forecast to be spent in 2011.

**Non Material NRAs**

9) Dedicated Delivery Connection CCRL – Regina Terminal

This project is required to complete manifold modifications at Regina terminal and construct a new 24" line from Manifold 101 to the north Enbridge property line. This new line will provide CCRL with a dedicated service for delivery of SYN to the new facility that they are currently building. The projected in-service date for this project is March 31, 2011 with total anticipated costs of \$0.5 million. Expenditures in 2010 were \$0.3 million and \$0.2 million is forecast to be spent in 2011. This project is backstopped by a cost agreement with CCRL.

**ENBRIDGE PIPELINES INC.**  
**FORECAST TRANSPORTATION REVENUE VARIANCE DIFFERENTIAL**  
**Forecast 2011**

**\$000**

Line No.	Description	Reference	Total
(a)	(b)	(c)	(d)
1	Forecast Transportation Revenue (Forecast Base Toll Revenue - Terrace @ Capacity <sup>1</sup> )		784,100
2	Actual Transportation Revenue		611,400
3	Forecast Base Toll Revenue Less Actual Base Toll Revenue <sup>4</sup>	Line 1 - Line 2	172,700
4	Forecast TRV Power Allowance <sup>5</sup>	Schedule 5.1	99,725
<b>5</b>	<b>Forecast Transportation Revenue Variance</b>	<b>Line 3 - Line 4</b>	<b>72,975</b>

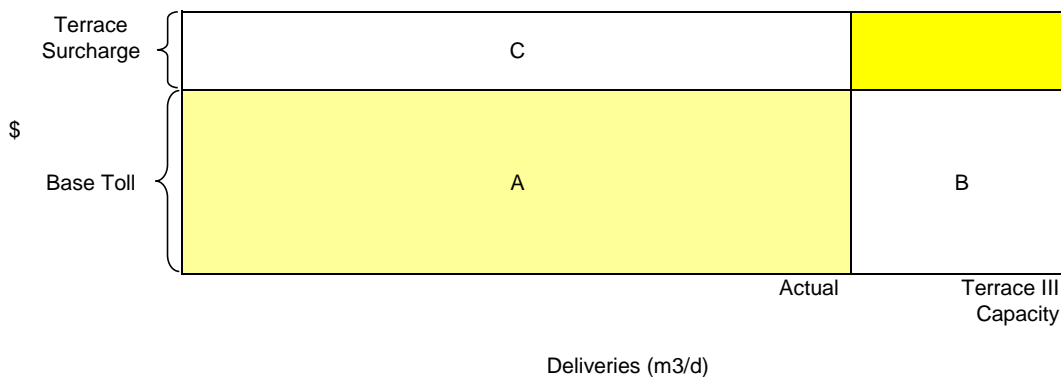
<sup>1</sup> Forecast Base Toll Revenue for Terrace at Capacity = Base Tolls \* Delivery Forecast reflecting Terrace facilities at capacity. This is shown as Area A plus Area B in the diagram below.

<sup>2</sup> Terrace Surcharge Revenue = Terrace Surcharge \*actual deliveries. This is shown as Area C in the diagram below.

<sup>3</sup> Actual Base Toll Revenue = Base Tolls \* Actual Deliveries. This is shown as Area A in the diagram below.

<sup>4</sup> Forecast Base Toll Revenue Less Actual Base Toll Revenue is shown as Area B on the diagram below.

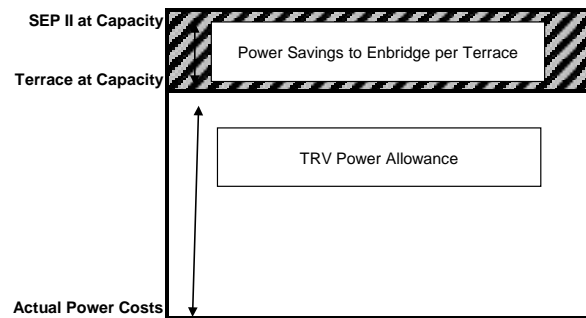
<sup>5</sup> Area B in the diagram below is reduced by unused power costs.



ENBRIDGE PIPELINES INC.  
 FORECAST TRV POWER ALLOWANCE  
 Forecast 2011

\$ 000

Line No.	Description	Reference	Electricity			DRA / NG			Total Cost
			GWh	Mill Rate	Cost	Prior Yr	GDPP	Cost	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	<b>Key Assumptions</b>								
2	Terrace III at Capacity Power Cost		2,778.00	64.314	178,664	4,600	3.030%	4,739	183,404
3	Actual Power Cost		1,301.10	64.314	83,679				83,679
4	<b>Forecast TRV Power Allowance (Line 2 - Line 3)</b>								<b>99,725</b>



# **2010 ITS Annual Results for Year 2010**

March 2, 2011

**Auditors' Report on  
Annual Results of Pipeline Operations**

**To the Directors of  
Enbridge Pipelines Inc.**

We have audited the annual results of pipeline operations as presented on Statements 201 to 210 for the year ended December 31, 2010, as defined in Article 16.2 of the Incentive Toll Principles of Settlement for the year 2010 (the "Agreement") between **Enbridge Pipelines Inc.** ("Enbridge") and Canadian Association of Petroleum Producers as approved by the National Energy Board on May 12, 2010. This financial information is the responsibility of the management of Enbridge. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, Statements 201 to 210 present fairly, in all material respects, the annual results of Enbridge's pipeline operations for the year ended December 31, 2010 in accordance with the provisions of the Agreement.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

**ENBRIDGE PIPELINES INC.**  
**POWER VARIANCE**  
**Actual 2010**

\$ 000

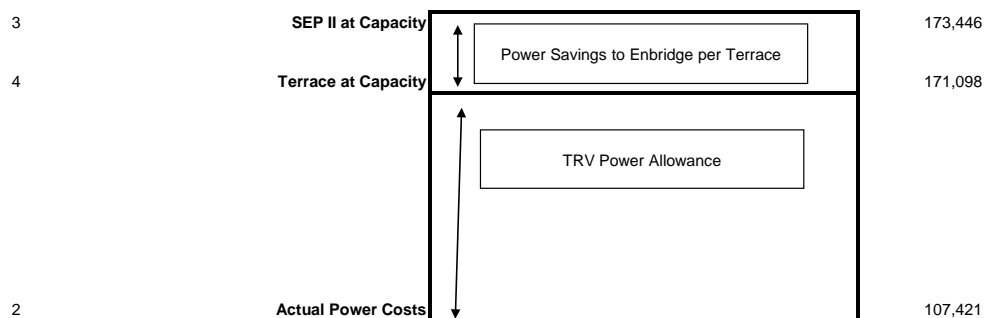
Line No.	Description	GWh	Mill Rate	Prior Year DRA / Gas	GDPP Factor	Total Cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<b>SEP II Power at Capacity Variance</b>					
2	Actuals:					
3	Electricity	2,726	60.275			164,310
4	DRA / NG			8,867	3.030%	<u>9,136</u>
5	SEP II Power At Capacity - Actual					<u>173,446</u>
6	Forecast:					
7	Electricity	2,726	60.048			163,691
8	DRA / NG			8,867	2.100%	<u>9,053</u>
9	SEP II Power At Capacity - Forecast					<u>172,744</u>
10	<b>Power Variance</b>					<b><u>702</u></b>

ENBRIDGE PIPELINES INC.  
 TRV POWER ALLOWANCE  
 Actual 2010

\$ 000

Line No.	Description	Reference	Electricity			DRA / NG			Total Cost
			GWh	Mill Rate	Cost	Prior Yr	GDPP	Cost	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	<b>Key Assumptions</b>								
2	Actual Power Cost		1,740.70	60.275	104,921			2,500	107,421
3	SEP II Power at Capacity	Statement 201	2,726.00	60.275	164,310	8,867	3.030%	9,136	173,446
4	Terrace III at Capacity Power Cost		2,778.00	60.275	167,444	3,547	3.030%	3,654	171,098
5	<b>TRV Power Allowance</b>								
6	Terrace III at Capacity Power Cost		2,778.00	60.275	167,444	3,547	3.030%	3,654	171,098
7	Actual Power Cost		1,740.70	60.275	104,921			2,500	107,421
8	<b>TRV Power Allowance (Line 6 - Line 7)</b>								<b>63,677</b>

Ref Line



**ENBRIDGE PIPELINES INC.**  
**OPERATING COST ELEMENTS VARIANCE**  
Actual 2010

\$000

Line No.	Particulars	Actual	Forecast	Variance
(a)	(b)	(c)	(d)	(e)
1	<b>Total Operating Costs Elements</b>	26,076	31,471	<b>(5,395)</b>

**ENBRIDGE PIPELINES INC.**  
**DEPRECIATION EXPENSE VARIANCE**  
Actual 2010

\$000

Line No.	Particulars	Actual
(a)	(b)	(c)
1	Actual Depreciation Expense	61,862
2	Forecast Depreciation Expense	<u>56,593</u>
3	<b>Depreciation Expense Variance</b>	<b>5,269</b>

**ENBRIDGE PIPELINES INC.**  
**NEGOTIATED ELEMENTS VARIANCE**  
Actual 2010

\$000

Line No.	Particulars	Actual	Forecast	Variance
(a)	(b)	(c)	(d)	(e)
1	<b>Negotiated Elements</b>	295,912	293,751	2,161

**ENBRIDGE PIPELINES INC.**  
**INCOME TAX ALLOWANCE VARIANCE**  
**Actual 2010**

\$000

Line No.	Particulars	Actual
(a)	(b)	(c)
1	<b>Equity Earnings</b>	63,605
2	<b>Operating Cost Savings (Statement 208)</b>	7,673
3	<b>Permanent Differences:</b>	
4	Other Adjustments	1,300
5	<b>Total Permanent Differences</b>	1,300
6	<b>Temporary Differences:</b>	
7	AIDC Capitalized	(1,719)
8	Depreciation	61,861
9	Capital Cost Allowance	(114,966)
10	Book Amortizations	14,043
11	Tax Amortizations	(8,937)
12	Capitalized G&A	(8,748)
13	Current Year Deferral Accounts	9,735
14	Other Temporary Differences	(514)
15	Prior Year Deferral Accounts	(135)
16	<b>Total Temporary Differences</b>	(49,380)
17	<b>Income Tax Base</b>	23,198
18	Income Tax Rate	29.0698%
19	Income Taxes (Line 17 x (Line 18 / (1 - Line 18)))	9,507
20	Book to File Adjustment - grossed up	-
21	<b>Actual Income Tax Allowance</b>	9,507
22	<b>Forecast Older System Income Tax Allowance</b>	5,665
23	<b>Income Tax Allowance Variance</b>	<b>3,842</b>

**ENBRIDGE PIPELINES INC.**  
**NON-ROUTINE ADJUSTMENTS VARIANCE**  
**Actual 2010**

\$000

Line No.	Description	Reference	NRA Revenue Transfers	Operating Costs	Deprec	Interest Expense	Annual Earnings	Annual Income Tax	Total Actual	Total Forecast	NRA Variance
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l) = (j) - (k)
1	System Expansion Phase I (SEP I)	Statement 206.1	-	803	2,184	1,251	1,486	1,131	6,855	7,188	(333)
2	System Expansion Phase II (SEP II)	Statement 206.1	-	1,516	4,441	3,212	4,809	2,669	16,647	17,667	(1,020)
3	Spearhead Payment Transfer		10,294	-	-	-	-	-	10,294	8,769	1,525
4	Mobil Payment Transfer		10,289	-	-	-	-	-	10,289	11,100	(811)
5	Plains CRW Delivery Connection - Edmonton	Statement 206.1	-	-	-	-	-	(1)	(1)	-	(1)
6	2012 Receipt Tanks - Edmonton	Statement 206.1	-	-	-	-	-	(16)	(16)	-	(16)
7	Meter Manifold 150 Expansion - Hardisty	Statement 206.1	-	-	-	-	-	(576)	(576)	-	(576)
8	<b>Totals</b>		<b>20,583</b>	<b>2,319</b>	<b>6,625</b>	<b>4,463</b>	<b>6,295</b>	<b>3,207</b>	<b>43,492</b>	<b>44,724</b>	<b>(1,232)</b>

**ENBRIDGE PIPELINES INC.**  
**INTEREST & EQUITY COMPONENT OF ACTUAL NON-ROUTINE ADJUSTMENTS (NRA's)**  
**Actual 2010**

**\$000**

Line No.	Description	Reference	13 Point Average Rate Base	Debt Component	Cost of Debt	Interest Expense	Equity Component	Return on Equity	Annual Earnings
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	System Expansion Phase I (SEP I)		39,974	56.37%	5.55%	1,251	43.63%	8.52%	1,486
2	System Expansion Phase II (SEP II)	Statement 206.2	99,620	58.10%	5.55%	3,212	41.90%	11.52%	4,809
3	Plains CRW Delivery Connection - Edmonton		-	55.00%	5.55%	-	45.00%	10.00%	-
4	2012 Receipt Tanks - Edmonton		-	55.00%	5.55%	-	45.00%	10.00%	-
5	Meter Manifold 150 Expansion - Hardisty		-	55.00%	5.55%	-	45.00%	10.00%	-
6	<b>Interest Expense and Annual Earnings</b>					<b>4,463</b>			<b>6,295</b>

**ENBRIDGE PIPELINES INC.**  
**CALCULATION OF SEP II RETURN ON EQUITY**  
**Actual 2010**

<b>Pipeline</b>	<b>Bottleneck</b>	<b>Actual Pumpings (m3/d) <sup>1</sup></b>	<b>SEP II Capacity (m3/d)</b>	<b>% Utilization</b>	<b>Return on Equity (see Table below)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
Line 1	Kerrobot				
Line 2B	Cromer				
Line 3	Cromer				
Line 4	Kerrobot/Regina				
Line 13	Hardisty				
<b>Total</b>		272,700	259,100	100.00%	11.52%

**Table**  
**Calculation of Return on Equity**

<b>SEP II Utilization</b>	<b>Pumpings (m3/d)</b>	<b>Return on Equity</b>	<b>Description</b>
SEP II @ 50%	251,050	8.50%	multi-pipeline ROE minus 300 bp to a minimum of 8.5%
SEP II @ 75%	255,075	8.52%	multi-pipeline ROE as per RH-2-94
SEP II @ 100%	259,100	11.52%	multi-pipeline ROE plus 300 bp to a maximum of 15%

<sup>1</sup> Pumpings will be measured at the actual bottleneck or capacity points on each of the lines. As the bottleneck points or system capacity changes due to changes in crude slate and/or receipt and delivery patterns, the utilization measurement for SEP II will be amended accordingly.

**ENBRIDGE PIPELINES INC.**

**EXPLANATORY TO NON-ROUTINE ADJUSTMENT VARIANCES**

The following Non-Routine Adjustments (NRA) for the year 2010 have been reviewed by the Canadian Association of Petroleum Producers (CAPP) and meet the NRA requirements of the Principles of Settlement in the 2010 Incentive Tolling Settlement (2010 ITS).

1) System Expansion Phase I (SEP I)

SEP I was an industry requested capacity expansion of the Enbridge System and continues to be treated as an NRA as per Article 12.2 of the 2010 ITS.

2) System Expansion Phase II (SEP II)

SEP II was an industry requested expansion of the Enbridge System and continues to be treated as an NRA as per Article 12.2 of the 2010 ITS.

3) Spearhead Payment Transfer

Enbridge collects, through the NRA mechanism, an amount equal to US\$10 million per year, for the first five years of service (March 2006 to February 2011), to support CCPS' Spearhead Reversal Project in order to facilitate increased access for Canadian crude oil to Cushing and Oklahoma. The US\$50 million total commitment may be reduced if Spearhead volumes exceed 125,000 bpd, which may in turn shorten the life of the 5 year Spearhead Payment Transfer agreement.

4) Mobil Payment Transfer

Enbridge collects, through the NRA mechanism, an amount equal to US\$10 million per year, for the first five years of service (March 2006 to February 2011), to support the Mobil Pipeline Company (MPLCO) 20" Reversal Project in order to facilitate increased access for Canadian crude oil to new markets in the Gulf Coast.

5) Plains CRW Delivery Connection - Edmonton Terminal

Plains Midstream Canada ("Plains") has requested a connection to the Edmonton Terminal for their new 12" Rainbow II pipeline that allows CRW movements to primarily serve the Slave Lake and Peace River areas. Enbridge and Plains have entered into a backstopping agreement which commits Plains to pay any shortfall in revenues between the annual revenue requirement and the actual toll revenue paid by Plains. The project is expected to be in service August 31, 2011 with anticipated costs of \$12.3 million. Actual costs are \$1.0 million.

6) 2012 Receipt Tanks – Edmonton Terminal

Edmonton receipt tankage capacity is not sufficient to accommodate the forecasted growth in oilsand receipts. This project includes demolition of two small tanks and the construction of four new tanks along with associated facilities at Edmonton Mainline Terminal. The increased tankage will support a number of oilsand projects under development. The project is forecasted to be in service by December 31, 2012. Expenditures are anticipated to be \$89.5 million for Phase I of the project and an updated forecast is to be provided upon completion of a Class 3 estimate for Phase 2. A total of \$8.6 million has been spent to date.

7) Meter Manifold 150 Expansion - Hardisty Terminal

This project is required to provide connectivity to HCT, Husky and Gibson to facilitate delivery of commodities via Manifold-204 at Hardisty EPI terminal. The project revised estimated cost is \$44 million. The target in service date for this project is July 1, 2011. Expenditures to date are \$14.5 million.

**Non Material NRAs**

8) Dedicated Delivery Connection CCRL – Regina Terminal

This project is required to complete manifold modifications at Regina terminal and construct a new 24" line from Manifold 101 to the north Enbridge property line. This new line will provide CCRL with a dedicated service for delivery of SYN to the new facility that they are currently building. The projected in-service date for this project is March 31, 2011. Current expenditures are \$0.3 million with \$0.5 million total anticipated costs. This project is backstopped by a cost agreement in place with CCRL.

**ENBRIDGE PIPELINES INC.  
TRANSPORTATION REVENUE VARIANCE  
Actual 2010**

\$000

Line No.	Description	Reference	Total
(a)	(b)	(c)	(d)
1	Forecast Transportation Revenue (Forecast Base Revenue - Terrace @ Capacity <sup>1</sup> )	Statement 211	896,700
2	Actual Base Revenue Calculation:		
3	Actual Transportation Revenue (includes Terrace Surcharge)		751,876
4	Less: Terrace Surcharge Revenue <sup>2</sup>		<u>(18,107)</u>
5	Actual Base Revenue <sup>3</sup>	Sum Line 3 & 4	<u>733,769</u>
6	Forecast Base Revenue Less Actual Base Revenue <sup>4</sup>	Line 1 - Line 5	162,931
7	TRV Power Allowance <sup>5</sup>	Statement 201.1	<u>63,677</u>
8	<b>Transportation Revenue Variance</b>	<b>Line 6 - Line 7</b>	<b><u>99,254</u></b>

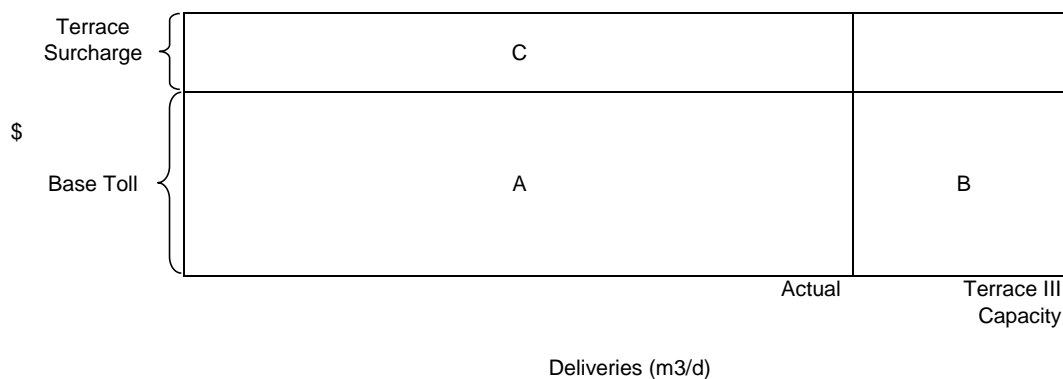
<sup>1</sup> Forecast Base Revenue for Terrace at Capacity = Base Tolls \* Delivery Forecast reflecting Terrace facilities at capacity. This is shown as Area A plus Area B in the diagram below.

<sup>2</sup> Terrace Surcharge Revenue = Terrace Surcharge \*actual deliveries. This is shown as Area C in the diagram below.

<sup>3</sup> Actual Base Revenue = Base Tolls \* Actual Deliveries. This is shown as Area A in the diagram below.

<sup>4</sup> Forecast Base Revenue Less Actual Base Toll Revenue is shown as Area B on the diagram below.

<sup>5</sup> Area B in the diagram below is reduced by unused power costs.



**ENBRIDGE PIPELINES INC.**  
**OPERATING COST SAVINGS TAX ALLOWANCE**  
Actual 2010

\$000

Line No.	Description	Sub-Total	Total
(a)	(b)	(d)	(e)
1	OPERATING COST SAVINGS (OVERAGE)		7,673
2	Income Tax Rate		<u>29.0698%</u>
3	<b>Operating Cost Savings Tax Allowance (Line 1 x (1 + (Line 2 / (1 - Line 2))))</b>		<b>3,145</b>

ENBRIDGE PIPELINES INC.  
PRODUCERS'/SHIPPERS' SHARE OF SHARED ALLOWANCE OIL REVENUE  
Actual 2010

\$000

Line No.	Description	Sub-Total	Total
(a)	(b)	(d)	(e)
1	Total Allowance Oil Available for Sharing		29,999
2	<b>Producers'/Shippers' Share of Shared Allowance Oil Revenue</b>		<b>15,000</b>

**ENBRIDGE PIPELINES INC.**  
**CARRYING CHARGES**  
 Actual 2010

\$ 000

Line No.	Description	Reference	Total
(a)	(b)	(c)	(d)
1	Prior Year Adjustments:		
2	Power Variance	Statement 201	702
3	Operating Cost Elements Variance	Statement 202	(5,395)
4	Depreciation Expense Variance	Statement 203	5,269
5	Negotiated Elements Variance	Statement 204	2,161
6	Income Tax Allowance Variance	Statement 205	3,842
7	Non-Routine Adjustment Variance	Statement 206	(1,232)
8	Transportation Revenue Variance	Statement 207	99,254
9	Producers' / Shippers' Share of Shared Allowance Oil Revenue	Statement 209	(15,000)
10	Refund of Non Performance Penalty Charge		-
11	Prior Year Adjustments, before carrying charges		89,601
12	Carrying Charge Rate		0.85%
13	<b>Carrying Charges</b>		<b>762</b>

**ENBRIDGE PIPELINES INC.  
DELIVERIES AT TERRACE CAPACITY - 2010  
UNAUDITED**

Line No.	Delivery Location	Commodity Source	Commodity Type	Service Category (1)	Phase III m3/d	Base Toll \$/m3	Forecast Transportation Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	BRONTE	BRONTE	LIGHT		2	10,300	2,124,118
2	BUFFALO	CROMER	LIGHT		1	400	672,330
3	BUFFALO	CROMER	MEDIUM		1	800	1,412,696
4	SARNIA	CROMER	LIGHT		1	4,500	6,069,038
5	SARNIA	CROMER	MEDIUM		1	4,100	5,703,162
6	U.S.POINTS	CROMER	NGL		2	500	391,463
7	U.S.POINTS	CROMER	LIGHT		1	9,600	10,816,848
8	U.S.POINTS	CROMER	MEDIUM		1	1,500	1,750,905
9	BUFFALO	EDMONTON	LIGHT		1	2,700	9,134,600
10	BUFFALO	EDMONTON	HEAVY		1	300	1,197,383
11	EDMONTON	EDMONTON	CONDENSATE		1	-	0
12	GRETNA	EDMONTON	DISTILLATE		2	2,300	6,282,818
13	GRETNA	EDMONTON	DISTILLATE		3	1,700	5,142,084
14	GRETNA	EDMONTON	GASOLINE		2	2,900	7,410,559
15	GRETNA	EDMONTON	GASOLINE		3	1,500	4,272,690
16	HARDISTY	EDMONTON	CONDENSATE		1	16,100	17,799,919
17	HARDISTY	EDMONTON	LIGHT		1	8,400	9,495,402
18	HARDISTY	EDMONTON	HEAVY		1	-	0
19	KERROBERT	EDMONTON	CONDENSATE		1	6,000	8,357,040
20	MILDEN	EDMONTON	DISTILLATE		2	1,100	1,487,558
21	MILDEN	EDMONTON	GASOLINE		2	1,500	1,929,390
22	REGINA	EDMONTON	CONDENSATE		1	300	590,862
23	REGINA	EDMONTON	DISTILLATE		2	1,700	3,019,974
24	REGINA	EDMONTON	GASOLINE		2	1,300	2,179,379
25	REGINA	EDMONTON	LIGHT		1	2,200	4,553,010
26	REGINA	EDMONTON	LIGHT		1	500	1,034,775
27	REGINA	EDMONTON	HEAVY		4	700	1,846,243
28	SARNIA	EDMONTON	NGL		2	11,600	29,409,364
29	SARNIA	EDMONTON	CONDENSATE		1	-	0
30	SARNIA	EDMONTON	LIGHT		1	16,400	50,042,960
31	SARNIA	EDMONTON	HEAVY		1	6,100	21,608,183
32	U.S.POINTS	EDMONTON	NGL		2	600	1,389,117
33	U.S.POINTS	EDMONTON	CONDENSATE		1	-	0
34	U.S.POINTS	EDMONTON	LIGHT		1	51,900	146,831,069
35	U.S.POINTS	EDMONTON	MEDIUM		1	1,800	5,410,395
36	U.S.POINTS	EDMONTON	HEAVY		1	34,900	115,703,796
37	BUFFALO	HARDISTY	LIGHT		1	1,600	4,916,112
38	BUFFALO	HARDISTY	MEDIUM		2	1,800	5,356,521
39	BUFFALO	HARDISTY	HEAVY		2	2,200	7,302,482
40	NANTICOKE	HARDISTY	LIGHT		1	2,300	7,401,872
41	NANTICOKE	HARDISTY	MEDIUM		2	900	2,805,390
42	NANTICOKE	HARDISTY	HEAVY		2	400	1,381,160
43	SARNIA	HARDISTY	LIGHT		1	1,100	3,014,864
44	TORONTO	HARDISTY	MEDIUM		2	3,300	10,140,686
45	U.S.POINTS	HARDISTY	LIGHT		1	6,000	15,111,000
46	U.S.POINTS	HARDISTY	MEDIUM		2	12,100	28,764,665
47	U.S.POINTS	HARDISTY	HEAVY		2	60,900	160,978,797
48	U.S.POINTS	HARDISTY	HEAVY		1	15,800	46,395,515
49	BUFFALO	KERROBERT	HEAVY		1	1,300	4,200,749
50	REGINA	KERROBERT	HEAVY		1	5,100	8,080,772
51	SARNIA	KERROBERT	NGL		2	7,900	15,596,852
52	TORONTO	KERROBERT	HEAVY		1	500	1,657,465

**ENBRIDGE PIPELINES INC.**  
**DELIVERIES AT TERRACE CAPACITY - 2010**  
**UNAUDITED**

Line No.	Delivery Location	Commodity Source	Commodity Type	Service Category (1)	Phase III m3/d	Base Toll \$/m3	Forecast Transportation Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
53	U.S.POINTS	KERROBERT	NGL		2	4,900	8,595,531
54	U.S.POINTS	KERROBERT	LIGHT		2	1,400	2,678,151
55	U.S.POINTS	KERROBERT	HEAVY		1	17,200	43,952,278
56	U.S.POINTS	KERROBERT	HEAVY		2	4,700	10,632,669
57	GRETNA	REGINA	DISTILLATE		2	400	592,760
58	GRETNA	REGINA	GASOLINE		2	500	702,808
59	SARNIA	REGINA	LIGHT		1	600	1,080,984
60	U.S.POINTS	REGINA	HEAVY		1	6,800	12,176,692
61	BUFFALO	SARNIA	CONDENSATE		1	300	332,661
62	SARNIA	SARNIA	CONDENSATE		2	1,600	321,200
63	SARNIA	SARNIA	LIGHT		2	13,600	2,730,200
64	TORONTO	TORONTO	MEDIUM		2	500	287,438
65	BUFFALO	U.S.POINTS	MEDIUM		1	-	0
66	SARNIA	U.S.POINTS	US LIGHT		2	800	177,536
67	SARNIA	U.S.POINTS	MEDIUM		1	-	0
68	NANTICOKE	WESTOVER	LIGHT		2	12,700	4,264,660
69	<b>Total Deliveries at Capacity</b>					395,400	896,699,588
70	<b>Less Deliveries Upstream of Capacity Points</b>					31,900	
71	<b>Less Receipts Downstream of Capacity Points (Inc. Line 9)</b>					47,500	
72	<b>Total Pumpings at Capacity</b>					316,000	

Legend

Cnd	Condensate	Gsl	Gasolines
Lgt	Light Petroleum	NGL	Natural Gas Liquids
Med	Medium Petroleum	USL	U.S. & Offshore Light Crude Oil
Hvy	Heavy Petroleum	m3/d	Cubic metres per day
Dst	Distillates		

Note (1) Service Category:

(a) Uses of receipt and delivery tankage is identified as follows:

- 1 - Uses receipt tankage but not delivery tankage.
- 2 - Uses neither receipt nor delivery tankage.
- 3 - Uses delivery tankage but not receipt tankage.
- 4 - Uses both receipt and delivery tankage.

(b) No receipt terminalling charge will be assessed on commodities received by Enbridge at the following locations: (i) International Boundary near Sarnia, Ontario (ii) Westover, Ontario (iii) Bronte Junction, Ontario (iv) Sarnia, Ontario (for Line 9 volumes originating at Montreal, Quebec.) No delivery terminalling charge will be assessed on commodities delivered by the Carrier at the International Boundaries near Gretna, Manitoba and Chippawa, Ontario.

(c) Service categories 1 and 4 include a receipt tankage toll using the methodology prior to the declining bracket rate for receipt tankage.

**ENBRIDGE PIPELINES INC.**  
**ANNUAL BASE REVENUE BY DELIVERIES - 2010 - UNAUDITED**  
**(Older System Only)**

Line No.	Commodity Type	Actual Transportation Revenue
(a)	(b)	(c)
1	CONDENSATE	13,942,381
2	DISTILLATE	13,304,494
3	GASOLINE	10,348,722
4	HEAVY	406,094,861
5	LIGHT	197,388,975
6	MEDIUM	12,102,739
7	NGL	26,742,696
8	US LIGHT	1,326,490
9	Annual Revenue Generated from Receipt Tankage	49,722,801
10	Annual Base Toll Revenue Before Accrual Adj	730,974,159
11	Revenue under Other Agreements	2,172,594
12	Accrual Variance Reported in 2010 <sup>1</sup>	588,523
13	<b>Total Annual Base Revenue By Deliveries <sup>2</sup></b>	<b>733,735,276</b>
14	<b>Total Annual Base Revenue Provided by Accounting</b>	<b>733,769,000</b>

Notes: <sup>1</sup> Enbridge employs a calendar fiscal year. For year end reporting requirements, January 1 to December 15 actuals are used with an estimate being made for December 16 to 31. Furthermore, the difference between the 2009 estimated base toll revenue and the 2009 actual base toll revenue collected is reported in the 2010 fiscal year.

<sup>2</sup> The Total Annual Transportation Revenue above and the total shown on Statement 207 are not equal due to rounding. The above calculation uses annual average volumes rounded to the nearest hundred cubic meters for illustration.

Legend

US LIGHT

U.S. & Offshore Light Crude Oil

# **ExxonMobil and Spearhead Payment Transfers**



Enbridge Pipelines Inc.  
3000 Fifth Avenue Place  
425 – 1<sup>st</sup> Street S.W.  
Calgary, AB T2P 3L8  
Canada

Ralph Fischer  
Director, Planning and Analysis  
Phone: 403 266 8319  
Fax: 403 508 3140  
ralph.fischer@enbridge.com

March 3, 2011

Ms. Anne-Marie Erickson  
Secretary of the Board  
The National Energy Board  
444 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 0X8

Dear Ms. Erickson:

**Re: Enbridge Pipelines Inc. (Enbridge) Calculation of Recovery to Support Mobil Pipe Line Company Initiative to Reserve the Flow of its 508 Millimetre Pipeline as a Non-Routine Adjustment as part of the 2011 Toll Application under the 2005 - 2009 Incentive Tolling Settlement**

---

In addition to the 2011 Toll Application and in accordance with Item 5 of Board Order TO-02-2005 (the Order), Enbridge encloses:

- (a) A calculation of funds collected in tolls pursuant to this Order during 2010 (in Canadian currency);
- (b) A list of amounts remitted to the appropriate Mobil Pipe Line Company during 2010 (in U.S. currency), including the dates of such remittances.
- (c) A calculation of variances between (a) and (b) above, including identification of the exchange and interest rates employed in such calculation; and
- (d) An itemized account of any amounts to be collected in tolls in the year in relation to indirect costs incurred by Enbridge as a result of the agreement between Enbridge and Mobil Pipe Line Company, including description of the activity or circumstances giving rise to such charges.

By way of a copy of this letter and enclosure, interested parties will be served a copy of this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ralph Fischer', is written over a light blue horizontal line.

Ralph Fischer  
Director, Planning and Analysis

Enclosure

c.c. Interested Parties

**Enbridge Pipelines Inc.**  
**Mobil Payment Transfer Details**  
**Actual 2010**  
**Per NEB Order TO-02-2005**

Month Payment Relates to	Revenue Collected in Tolls CND\$( <sup>1</sup> )	Date Remitted	Revenue Remitted in US\$	Exchange Rate	Revenue Remitted in CND\$	Variance - Collection/ Remittance CND\$
(a)	(b)	(c)	(d)	(e)	(f) = (d) * (e)	(g) = (b) - (f)
January	925,000.00	4-Jan-10	833,333.33	1.0378	864,833.33	60,166.67
February	925,000.00	4-Feb-10	833,333.33	1.0734	894,500.00	30,500.00
March	925,000.00	2-Mar-10	833,333.33	1.0326	860,499.99	64,500.01
April	925,000.00	6-Apr-10	833,333.33	1.0001	833,416.66	91,583.34
May	925,000.00	5-May-10	833,333.33	1.0266	855,499.99	69,500.01
June	925,000.00	7-Jun-10	833,333.33	1.0540	878,333.33	46,666.67
July	925,000.00	11-Jul-10	833,333.33	1.0328	860,666.66	64,333.34
August	925,000.00	12-Aug-10	833,333.33	1.0434	869,500.00	55,500.00
September	925,000.00	10-Sep-10	833,333.33	1.0328	860,666.66	64,333.34
October	925,000.00	10-Nov-10	833,333.33	1.0017	834,750.00	90,250.00
November	925,000.00	10-Nov-10	833,333.33	1.0017	834,749.99	90,250.01
December	925,000.00	8-Dec-10	833,333.37	1.0099	841,583.33	83,416.67

	<b>11,100,000.00</b>	<b>Actual for Tolls</b>	<b>10,000,000.00</b>		<b>10,288,999.94</b>	<b>811,000.06</b>
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Other Indirect Costs

-

**Total Variance Mobile Pipeline Company**

**811,000.06**

(1) Forecast Tolls for 2010 assumed a U.S Exchange Rate of 1.11



**Enbridge Pipelines Inc.**  
3000 Fifth Avenue Place  
425 - 1<sup>st</sup> Street S.W.  
Calgary, AB T2P 3L8  
Canada

**Ralph Fischer**  
Director, Planning and Analysis  
Phone: 403 266 8319  
Fax: 403 508 3140  
ralph.fischer@enbridge.com

March 3, 2011

Ms. Anne-Marie Erickson  
Secretary of the Board  
The National Energy Board  
444 - 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 0X8

Dear Ms. Erickson:

**Re: Enbridge Pipelines Inc. (Enbridge) Calculation of Recovery to Support the Extension of Service via the Spearhead Pipeline as a Non-Routine Adjustment as part of the 2011 Toll Application under the 2005 - 2009 Incentive Tolling Settlement**

---

In addition to the 2011 Toll Application and in accordance with Item 5 of Board Order TO-02-2005 (the Order), Enbridge encloses:

- (a) A calculation of funds collected in tolls pursuant to this Order during 2010 (in Canadian currency);
- (b) A list of amounts remitted to the appropriate Spearhead entity during 2010 (in U.S. currency), including the dates of such remittances; and
- (c) A calculation of variances between (a) and (b) above, including identification of the exchange and interest rates employed in such calculation; and

By way of a copy of this letter and enclosure, interested parties will be served a copy of this filing.

Sincerely,

A handwritten signature in blue ink that reads 'Ralph Fischer'.

Ralph Fischer  
Director, Planning and Analysis

Enclosure

c.c. Interested Parties

**Enbridge Pipelines Inc.**  
**Spearhead Payment Transfer Details**  
**Actual 2010**  
**Per NEB Order TO-01-2005**

Month Payment Relates to	Revenue Collected in Tolls CND\$( <sup>1</sup> )	Date Remitted	Revenue Remitted in US\$	Exchange Rate	Revenue Remitted in CND\$	Variance - Collection/ Remittance CND\$
(a)	(b)	(c)	(d)	(e)	(f) = (d) * (e)	(g) = (b) - (f)
January	730,750.00	4-Jan-10	833,333.33	1.0378	864,833.33	(134,083.33)
February	730,750.00	4-Feb-10	833,333.33	1.0734	894,500.00	(163,750.00)
March	730,750.00	2-Mar-10	833,333.33	1.0326	860,500.00	(129,750.00)
April	730,750.00	6-Apr-10	833,333.33	1.0001	833,416.66	(102,666.66)
May	730,750.00	5-May-10	833,333.33	1.0266	855,500.00	(124,750.00)
June	730,750.00	7-Jun-10	833,333.33	1.0540	878,333.33	(147,583.33)
July	730,750.00	11-Jul-10	833,333.33	1.0328	860,666.66	(129,916.66)
August	730,750.00	12-Aug-10	833,333.33	1.0434	869,500.00	(138,750.00)
September	730,750.00	10-Sep-10	833,333.33	1.0328	860,666.66	(129,916.66)
October	730,750.00	8-Oct-10	833,333.33	1.0073	839,416.66	(108,666.66)
November	730,750.00	10-Nov-10	833,333.33	1.0017	834,750.00	(104,000.00)
December	730,750.00	8-Dec-10	833,333.37	1.0099	841,583.33	(110,833.33)

	<b>8,769,000.00</b>	<b>Actual for Tolls</b>	<b>10,000,000.00</b>		<b>10,293,666.63</b>	<b>(1,524,666.63)</b>
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**Total Variance Spearhead Pipeline Company**

**(1,524,666.63)**

(1) Forecast Tolls for 2010 assumed a U.S Exchange Rate of 1.11