

From: [Miki Ehrlich](#)
To: permits@mvlwb.com
Subject: FW: Enbridge pipeline abandonment/security summary
Date: Wednesday, July 10, 2013 3:22:41 PM

Please post to MV2013P0001 – Application and Related Docs –
Title: Update on NEB process for pipeline abandonment financial issues – Jul8-13

From: Sarah McKenzie [mailto:Sarah.McKenzie@enbridge.com]
Sent: Monday, July 08, 2013 2:58 PM
To: Miki Ehrlich
Cc: Rebecca Chouinard (rchouinard@mvlwb.com); tony.morris@slwb.com
Subject: Enbridge pipeline abandonment/security summary

Hi Miki

A while back you asked about what the status of Line 21 with respect to financial security. Sorry it took me so long to reply.

The link below will take you to an NEB reason for decision that explains the background for the ongoing Board process relating to pipeline abandonment, specifically financial issues. Basically, the Board has determined that funds should be set aside, but has yet to decide on the details of how/when the financial securities will be collected and held.

https://www.neb-one.gc.ca/ll-eng/livellink.exe/fetch/2000/90463/501473/501196/564389/557894/A1J9R9_-_Reasons_for_Decision_RH-2-2008,_Land_Matter_Consultation_Initiative_Stream_3_.pdf?nodeid=557895&vernum=0

As an update to this decision, some companies (including Enbridge NW) have since filed abandonment cost estimates for the approval of the Board. The abandonment cost estimate filed by Enbridge (NW) Inc. in May 2013 totals \$37 million. I can confirm that accesses and other off ROW activities under the jurisdiction of the MVLWB were not included in the abandonment cost estimate submitted to the NEB for Line 21.

On April 18, 2013, the NEB issued Hearing Order MH-001-2013, announcing that it will hold an oral public hearing to consider the mechanisms proposed by federally regulated pipeline companies to set-aside and collect funds to cover the cost of future abandonment projects.

In an accompanying news release, the NEB identified a number of preliminary issues for discussion during the hearing. Some of the issues include:

- The characteristics of the proposed set-aside mechanisms;
- The manner in which the funds will be separated from the facility owner's general corporate funds;
- How the proposed mechanisms provide for regulatory oversight; and

- The suitability of the proposed set-aside mechanisms, considering the total abandonment cost estimate and the financial capacity of the facility owner.

The exact dates of the oral portion of the proceeding have not yet been set.

If you have any further questions regarding the NEB's processes or requirements, please contact the NEB directly. Other information including Enbridge's submissions related to abandonment is available on the NEB's website - http://www.neb-one.gc.ca/clf-nsi/rthnb/pplctnsbfrthnb/bndnmntcststmts/bndnmntcststmsmh_001_2012-eng.html. Any questions regarding Enbridge's submissions to the NEB can be forwarded to me.

Thank you,
Sarah

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