

134 FERC ¶ 61,267
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 31, 2011

In Reply Refer To:
Enbridge Energy, Limited Partnership
Docket No. OR11-5-000

Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036

Attention: Steven Reed
Counsel for Enbridge Energy, Limited Partnership

Reference: Acceptance of Supplement to Facilities Surcharge Settlement

Ladies and Gentlemen:

1. On February 28, 2011, Enbridge Energy, Limited Partnership (Enbridge Energy) filed its Supplement to Facilities Surcharge Settlement (Supplement to Settlement)¹ to permit it to recover the costs of the Line 6B Integrity Project. Enbridge Energy states that the Canadian Association of Petroleum Producers (CAPP), which is an association representing producers of essentially all of the crude petroleum transported by Enbridge Energy, supports its request for approval of the Supplement to Settlement.² Pursuant to 18 C.F.R. § 385.602 (2010), Enbridge Energy seeks approval of the Supplement to Settlement.

2. Enbridge Energy states that the Commission approved the framework settlement establishing the Facilities Surcharge as a component of Enbridge Energy's U.S. tariff rates. According to Enbridge Energy, the Facilities Surcharge allows it to recover the

¹ Enbridge Energy states that the Commission approved its Facilities Surcharge in an order issued June 30, 2004 (*Enbridge Energy, Limited Partnership*, 107 FERC ¶ 61,336 (2004)). The Commission also has accepted previous amendments and supplements to the Settlement, most recently in *Enbridge Energy, Limited Partnership*, 130 FERC ¶ 61,255 (2010).

² Enbridge Energy attached as Appendix A to its filing a copy of the CAPP letter of support. CAPP also filed a motion to intervene in this proceeding.

costs associated with shipper-requested projects through an incremental surcharge added to the existing base rates and other currently-effective Commission-approved surcharges. Enbridge Energy explains that the Facilities Surcharge is intended to be a transparent, cost-of-service based tariff mechanism that it will true-up each year to actual costs and throughput and, therefore, it will not be subject to indexing procedures.

3. Enbridge Energy explains that it determines the projects to be included through a negotiating process between Enbridge Energy and CAPP. Enbridge Energy states that it designed the current proposal, the Project 14 Line 6B Integrity Project, to recover through a cost-of-service based surcharge approximately \$175 million in capital costs and an estimated \$5 million in operating costs related to the 2010/2011 Line 6B Integrity Project. Enbridge Energy points out that this includes costs associated with a Pipeline and Hazardous Materials Safety Administration Corrective Action Order, specifically those associated with 180-day repairs, a pipe replacement study, the St. Clair River Crossing, the pre-startup hydrotest, digs from new In-Line Inspection (ILI) and Geometry ILI tools, investigative excavations, and deep pit corrosion.

4. Enbridge Energy seeks an effective date of April 1, 2011, for this filing. Enbridge Energy filed a separate tariff incorporating the Line 6B Integrity Project as part of the Facilities Surcharge rate to become effective April 1, 2011.³ Enbridge Energy asserts that Commission approval of this filing to be effective on the same date as the tariff filing will minimize the administrative burden on both the carrier and the shippers.

5. Inasmuch as this filing is uncontested, and its approval would further the Commission's policy of favoring settlements as a means for parties to avoid litigation and thereby lessen the regulatory burdens of all concerned, the Commission accepts the Supplement to Settlement on the grounds that it is fair, reasonable, and in the public interest. The Commission's acceptance of the Supplement to Settlement does not constitute acceptance of, or precedent regarding, any principle or issue in this proceeding.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All parties

³ See Docket No. IS11-245-000, FERC Tariff No. 43.5.0.