138 FERC ¶ 61,223
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 29, 2012

In Reply Refer To:
Enbridge Energy, Limited Partnership
Docket No. OR12-8-000

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 March 2, 2012, 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 two newly-proposed projects: (1) the Line 6B Pipeline Replacement and Dig Program Project; and (2) the Griffith Terminal Expansion Project. Enbridge Energy states that the Canadian Association of Petroleum Producers (CAPP) supports its request.[2] Pursuant to 18 C.F.R. § 385.602 (2011), Enbridge Energy seeks approval of the Supplement to Settlement.

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[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*, 134 FERC ¶ 61,267 (2011).

[2] CAPP is an association representing producers of essentially all of the crude petroleum transported by Enbridge Energy. CAPP did not intervene in this proceeding, but Enbridge Energy attaches its letters of support for the projects in Appendix A and Appendix B to its filing.

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 costs associated with shipper-requested projects through an incremental surcharge added to the existing base rates and other 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 further explains that it determines the projects to be included through a negotiating process between Enbridge Energy and CAPP. Enbridge Energy states that the Line 6B Pipeline Replacement and Dig Program consists of the replacement of five 5-mile sections of pipe downstream of the pump station between Griffith, Indiana, and Stockbridge, Michigan, and one 50-mile segment of pipe downstream of Stockbridge, at an estimated capital cost of $288 million, including contingency, escalation and Allowance for Funds Used During Construction. Also, Enbridge Energy states the project consists of a dig program which permits Enbridge Energy to recover certain other related capital costs to be included in the 2012 Facilities Surcharge. Enbridge Energy anticipates the Line 6B Pipeline Replacement and Dig Program will be completed by the end of 2012. In addition, Enbridge Energy states that the Griffith Terminal Expansion (Project 16) is designed to recover an estimated $21.8 million in capital cost, including contingency and market escalation.

4. Enbridge Energy seeks an effective date of April 1, 2012, for this filing. Enbridge Energy filed a separate tariff incorporating the Line 6B Pipeline Replacement and Dig Program Project and the Griffith Terminal Expansion Project as part of the Facilities Surcharge rate to become effective April 1, 2012.[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

[3] *See* Docket No. IS12-193-000, FERC Tariff No. 43.9.0 filed March 1, 2012.

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.

Kimberly D. Bose,
Secretary.

cc: All parties