

130 FERC ¶ 61,255
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 30, 2010

In Reply Refer To:
Enbridge Energy, Limited Partnership
Docket No. OR10-7-000

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

Attention: Steven Reed
Counsel for Enbridge Energy, Limited Partnership

Reference: Acceptance of Supplement to Settlement

Ladies and Gentlemen:

1. On February 19, 2010, Enbridge Energy, Limited Partnership (Enbridge Energy) filed to supplement its Offer of Settlement (Settlement) previously accepted by the Commission.¹ Enbridge Energy seeks approval to supplement the Settlement to permit recovery of the costs of its Line 3 Conversion Project. The Commission accepts the supplement to the Settlement for the reasons discussed below.
2. The Settlement allows Enbridge Energy to recover the costs associated with particular shipper requested projects through an incremental surcharge added to the existing base rates and other Commission-approved surcharges already in effect. The facilities surcharge is intended to be a transparent, cost-of-service-based tariff mechanism that will be trued-up each year to actual costs and throughput and will not be subject to indexing. Enbridge Energy states that the facilities surcharge is intended to provide a flexible and open-ended mechanism for Enbridge Energy to respond to shipper requests.

¹ *Enbridge Energy, Limited Partnership*, 107 FERC ¶ 61,336 (2004). The Commission also approved two amendments to the Offer of Settlement, *Enbridge Energy, Limited Partnership*, 124 FERC ¶ 61,159 (2008) and *Enbridge Energy, Limited Partnership*, 124 FERC ¶ 61,200 (2008) (August 28 Order).

3. Enbridge Energy explains that the facilities surcharge provides a framework for the inclusion of additional projects negotiated by Enbridge Energy and the Canadian Association of Petroleum Producers (CAPP). Contemporaneously with the instant filing, Enbridge Energy also filed FERC Tariff No. 38 in Docket No. IS10-139-000 setting forth facilities surcharge rates effective April 1, 2010, for the newly proposed projects as follows:

(a) Project 12 – Alberta Clipper Project

The Commission approved the addition of the Alberta Clipper related costs to the facilities surcharge in the August 28 Order. The Alberta Clipper Project involves an expansion of the capacity of Enbridge Energy's Lakehead System in the U.S. between the Canada/U.S. border and Superior, Wisconsin, as well as a coordinated expansion of the capacity of the Enbridge System in Canada between Hardisty, Alberta, and the border. The terms for calculating the surcharge are set forth in the U.S. Term Sheet that was attached to the Settlement, and in accordance with those terms, the initial Alberta Clipper surcharge is calculated on the basis of projected costs and Lakehead System throughput, subject to an annual true-up to actual data.

(b) Project 13 – Line 3 Conversion Project

Enbridge Energy and CAPP have agreed that the costs associated with the Line 3 Conversion Project should be recovered through the facilities surcharge. The project includes modification of existing mainline pump stations to allow the conversion of Line 3 from mixed crude oil service to light crude oil service from Hardisty, Alberta to Superior, Wisconsin. This will enable Line 3 to move long haul light crude oil from Edmonton, Alberta to Superior, Wisconsin. The total estimated cost of the Line 3 Conversion Project in the U.S. is \$2.125 million with a target in-service date of April 1, 2010.

4. Enbridge Energy through its negotiation with CAPP, has gained support for this project and avoids a potential future rate dispute. This supplement to the facilities surcharge settlement framework insures Enbridge Energy recovers the cost of these two expansion projects. No protests or adverse comments were received.

5. Inasmuch as the 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 the Settlement on the grounds that it is fair, reasonable, and in the public interest. The Commission's acceptance of the supplement to the 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