REFINERY UPGRADING PROJECTS

Due to the increasing supply of Canadian crudes and favorable light-heavy crude price differentials, a number of U.S. refiners have recently announced plans to make sizable investments in refinery upgrading projects. The following table presents a synopsis of those projects as well as the expected incremental Canadian crude demand that will result, where such data is available. Further descriptive detail regarding these projects is provided following the table.

Company	*Refinery*	*Investment (millions)*	*Potential Increased Canadian Crude Runs (approx. Mb/d)*
BP	Whiting	n/a	300
	Toledo	n/a	90
	Cherry Point	n/a	100
Marathon	Detroit	n/a	65
	Catlettsburg	n/a	130
Sunoco	Toledo	n/a	50
Frontier	El Dorado	$140	28
	Cheyenne	$84	2
Cenex	Laurel	$325	n/a
United Refining	Warren	n/a	n/a
ConocoPhillips	Wood River	$1,200	120
	Borger	$600	100
	Billings		85
	Ferndale	n/a	15

Although BP is still in the commercial development phase, it has announced that it will begin "repositioning" its refining portfolio to provide additional Canadian heavy crude processing capabilities at its three northern U.S. refineries. By 2015, the configurations of the Whiting, Indiana and Toledo, Ohio refineries are expected to be capable of accepting a 100 percent heavy sour crude slate (the heavy sour capacity of both of these refineries is currently less than 50 percent) following upgrading projects. During the same timeframe, BP's third refinery, at Cherry Point in the Seattle area, will be modified in order to allow roughly 44 percent of its crude feedstock to consist of heavy sour crudes.[1]

Marathon has also announced that it is exploring the addition of cokers to both its Detroit, Michigan and Catlettsburg, Kentucky refineries with potential completion dates of 2009 or 2010. At Detroit, the installation of a 20 Mb/d coker and concurrent ancillary modifications will allow the refinery to increase its heavy crude utilization by up to 65 Mb/d and to boost its overall refining capacity from 100 to 113 Mb/d. The 37 Mb/d coker project at the Catlettsburg facility will permit the utilization of up to an additional 130 Mb/d of medium and heavy sour crudes, increasing their proportion of the refinery's crude slate to at least 90 percent once the upgrades are completed.[2] The Catlettsburg refinery can use Southern Access Extension to receive Canadian crude.

Sunoco has indicated that it is in the process of adding 50 Mb/d of capacity to its Toledo, Ohio refinery, increasing its capacity by roughly one-third.[3] The modification is being made to satisfy Sunoco's desire to increase its utilization of Canadian synthetic crudes.

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[1] BP Presentation, Enbridge Conference, *Canadian Crude: A Global Refiners View*, June 8, 2005.

[2] Marathon Oil Presentation, Bank of America 2005 Energy Conference, Clarence Cazalot, Jr., President and CEO, November 15, 2005.

[3] *Platt's Oilgram News*, Volume 83, Number 214, November 4, 2005.

ConocoPhillips has undertaken a five-year, $3.3 billion capital spending program to increase its ability to process heavy sour crude and other low quality feedstocks. The improvements at four of its refineries, Wood River, Borger, Ferndale, and Billings, are specifically intended to increase their capability to process Canadian crudes. These refineries are located, respectively, in: southern Illinois near St. Louis; the Texas Panhandle; the Seattle, Washington area; and Montana. The Wood River refinery can receive crude via the Southern Access Extension. The $1+ billion project at the Wood River refinery will construct a new 55 Mb/d coker in addition to other unit expansions, and increase the refinery's Canadian heavy sour crude processing capacity from 70 to 190 Mb/d by the end of 2008. The construction of a 25 Mb/d coker at the Borger refinery, combined with an expansion of the Cushing to Borger pipeline, will allow the facility to begin processing Canadian heavy sour crudes by the middle of 2007. In conjunction with a debottlenecking initiative, ConocoPhillips is also installing a 25 Mb/d coker at its Ferndale refinery to allow increased processing of heavy Canadian crudes. Finally, the Billings refinery is scheduled to receive new crude and vacuum distillation units that will allow for the processing of 85 Mb/d of Canadian heavy sour crude. The improvements at Billings and Borger are expected to cost a total of $600 million. The capital cost of the Ferndale modifications has not been detailed by ConocoPhillips, but is part of a $1.2 billion capital improvement program for its three west coast refineries, which includes two refineries in California in addition to Ferndale.[4]

[4] ConocoPhillips Analyst Meeting, Jim Nokes, EVP of Refining and Marketing, November 16, 2005.

The refinery upgrades to process greater amounts of Canadian heavy crude are not limited exclusively to the larger refining companies. Frontier, Cenex, and United Refining, all comparatively small refiners, have announced their intentions to upgrade their refineries as well. By the end of 2008, Frontier plans on investing $224 million to increase both its heavy crude capacity and total crude capacity. At the El Dorado, Kansas refinery a $140 million project to expand the crude and vacuum distillation units will increase the refinery's overall capacity by 10 Mb/d (current capacity is 110 Mb/d) and will provide for greater utilization of heavy crudes, from 12 to 40 Mb/d. Frontier's refinery at Cheyenne, Wyoming will undergo a $76 million expansion of its coker (from 10 to 13.5 Mb/d) and an $8 million revamp of its crude distillation units to allow greater use of Canadian heavy crudes as well.[5]

Both Cenex and United Refining have revealed plans to add cokers in order to better position their refineries to process heavier Canadian crudes. Cenex is investing $325 million at its Laurel, Montana, refinery for a coker that is expected to become operational by the end of the third quarter in 2008.[6] United Refining, located in Warren, Pennsylvania, has entered into a 10-year heavy crude supply agreement with Nexen that will become effective once the refinery's coker project has been completed, which is expected to occur near the beginning of 2008.[7] Although specifics related to the cost and size of the coker have not been disclosed, its installation in conjunction with other clean fuels modifications

[5] Frontier Oil, Investor Teleconference, December 1, 2005.

[6] CHS Inc. Press Release, July 13, 2005.

[7] United Refining Co. Press Release, May 18, 2005.

will increase refinery capacity by 5 Mb/d (current capacity is 65 Mb/d) and is expected to add roughly 70 unionized jobs at the facility.[8]

[8] United Refining Co. Presentation, Citigroup High Yield Conference, Myron Turfitt, President, March, 2005.

CAPP WESTERN CANADIAN CRUDE OIL SUPPLY FORECAST 2006 - 2020 Table 5

Summary of Western Canadian Supply and Pipeline Capacity ex Western Canada

Supply Scenario with Condensate Used as Diluent

Thousand Barrels Per Day

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Light Crude Supply	1 080	1 190	1 170	1 280	1 270	1 280	1 520	1 670	1 800	1 920	1 980	2 080	2 190	2 300	2 310	2 280
Non Enbridge Demand	690	710	720	720	760	770	770	770	770	770	770	770	770	770	770	770
Supply to Enbridge	390	490	450	530	510	490	750	900	1 040	1 150	1 220	1 320	1 430	1 540	1 550	1 520
Enbridge Light Capacity (Line 2 & Line 13)	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580	580
Capacity Surplus / (Shortfall)	190	90	130	50	80	90	(170)	(320)	(460)	(570)	(640)	(740)	(850)	(960)	(970)	(940)
Heavy Crude Supply	1 140	1 230	1 440	1 510	1 710	2 020	2 190	2 220	2 430	2 580	2 510	2 570	2 540	2 500	2 520	2 590
Non Enbridge Demand	320	330	370	370	380	380	380	380	380	380	380	380	380	380	380	380
Supply to Enbridge	810	890	1 070	1 140	1 330	1 640	1 820	1 840	2 060	2 190	2 130	2 200	2 160	2 120	2 150	2 210
Enbridge Heavy Capacity (L3 & L4)	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120	1 120
Capacity Surplus / (Shortfall)	300	220	50	(30)	(220)	(530)	(700)	(730)	(940)	(1 070)	(1 020)	(1 080)	(1 050)	(1 010)	(1 030)	(1 100)
Total Supply to Enbridge	1 200	1 380	1 520	1 670	1 840	2 130	2 570	2 740	3 090	3 330	3 350	3 520	3 590	3 660	3 700	3 730
Total Enbridge Capacity	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700
Net Surplus / (Shortfall)	500	320	180	30	(140)	(430)	(870)	(1 040)	(1 390)	(1 630)	(1 650)	(1 820)	(1 890)	(1 960)	(2 000)	(2 030)
Planned Western Canadian Capacity Expansion Projects:																
Enbridge Southern Access			120	268	315	315	315	315	315	315	315	315	315	315	315	315
Trans Canada Keystone					170	340	340	340	340	340	340	340	340	340	340	340
Total Capacity Added			120	268	485	655	655	655	655	655	655	655	655	655	655	655
Net Surplus / (Shortfall)	500	320	300	298	345	225	(215)	(385)	(735)	(975)	(995)	(1 165)	(1 235)	(1 305)	(1 345)	(1 375)

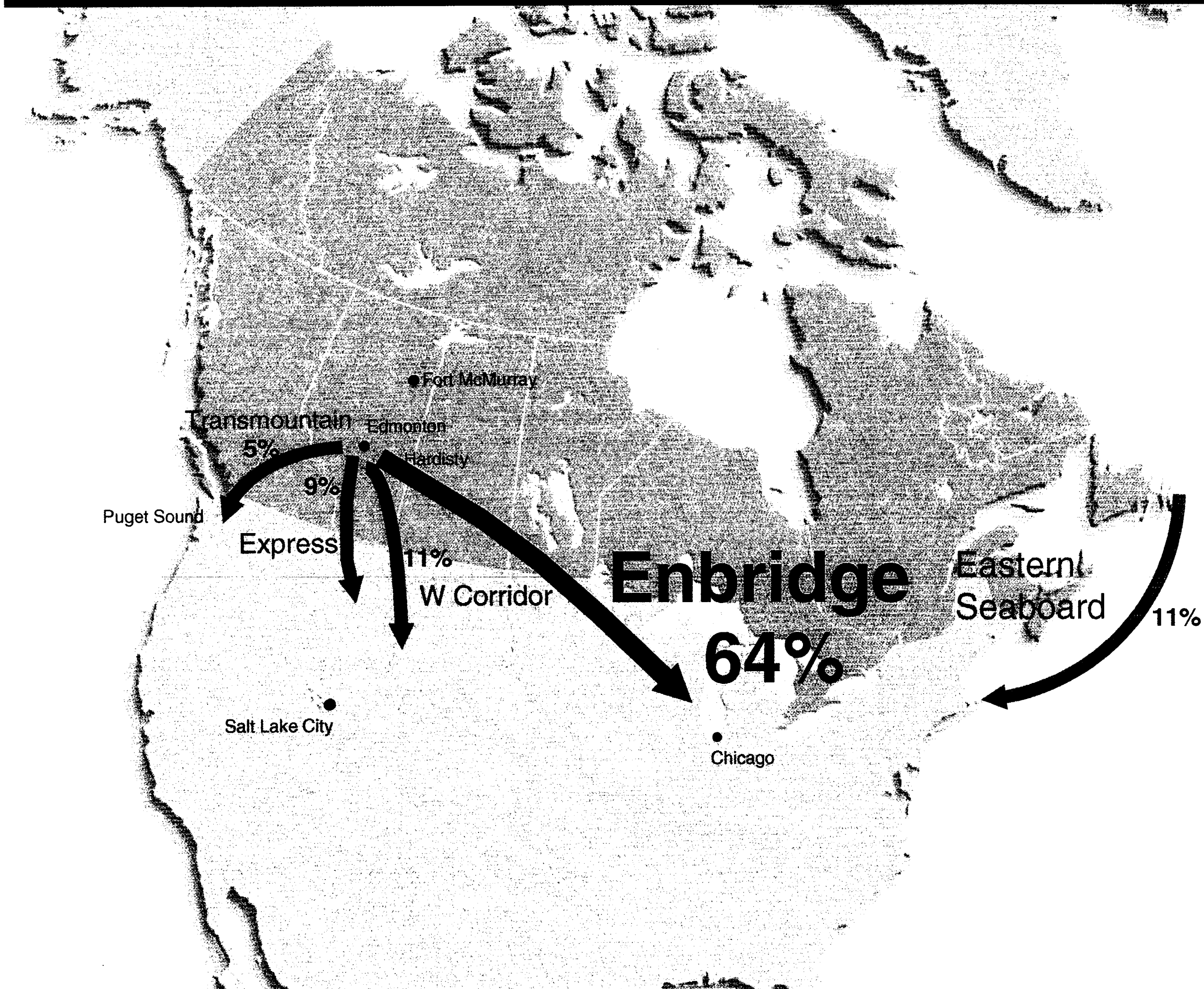
Notes

Enbridge capacities reflect Terrace III annual capacity

May, 2006

U.S.Crude Oil Imports

ENBRIDGE



US Imports 2005
Thousands barrels/day

Canada		**1,613**
Enbridge	1,000	
Others	613	
Mexico		**1,564**
Saudia Arabia		**1,454**
Venezuela		**1,251**
Nigeria		**1,060**
Iraq		**540**
Angola		**452**
U.K.		**239**
Norway		**124**
Other		**1,861**
Total		**10,159**

Source: Enbridge, Energy Information Administration

Crude oil only. Product imports total another 2.9 million bpd (of which Canada supplies 0.5 million bpd)

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Enbridge Energy, Limited Partnership	)))	**Docket No. OR06-___**

Affidavit Of Peter Douvris In Support Of Offer Of Settlement

Peter Douvris, being first duly sworn, states as follows:

1. I have been employed with Enbridge Pipelines Inc. ("Enbridge") since January 3, 2005, and I currently hold the position of Manager, Regulatory Economics. I am responsible for rate design and tariff administration for Enbridge and its affiliates. As the Manager, Regulatory Economics, I am familiar with the design of the Southern Access Mainline Extension Surcharge (the "Extension Surcharge") for Enbridge Energy, Limited Partnership ("Enbridge Energy"), an affiliate of Enbridge, which is the subject of the Offer of Settlement. I am providing this affidavit in support of Enbridge Energy's proposed Southern Access Mainline Extension Surcharge.

2. As detailed in the affidavit submitted by Wilf Schrage (Exhibit IV to the Offer of Settlement), the Southern Access Mainline Extension is part of a larger project (the Southern Access Program), which involves a coordinated capacity expansion and extension of the Enbridge system from Hardisty, Alberta to points in the U.S. Midwest. The Southern Access Mainline Extension involves the construction of approximately 178 miles of 36-inch pipeline from Flanagan Illinois to Patoka, Illinois, extending service to that market hub.

3. The Southern Access Mainline Extension initially will result in approximately 400,000 barrels per day of capacity between Flanagan and Patoka at an estimated cost of $325 million. Enbridge Energy proposes to recover the cost of the Southern Access Mainline Extension through a joint tariff and an Extension Surcharge, which will be a component of the

Facilities Surcharge previously approved for inclusion in the rates of Enbridge Energy. As a component of the Facilities Surcharge, the Extension Surcharge would not be subject to indexing.

4. The terms of the proposed Extension Surcharge, as agreed-upon between Enbridge Energy and the Canadian Association of Petroleum Producers ("CAPP"), are set forth in Exhibit I to the Offer of Settlement. As detailed there, the calculation of the Extension Surcharge is based on the Commission's Opinion No. 154-B methodology. Other relevant stipulated terms are:

- Enbridge Energy will employ a stipulated capital structure that will remain fixed at 55% equity, 45% debt.
- The stipulated annual depreciation rate will be fixed at 3.33%, reflecting the 30-year projected life of the facilities.
- The stipulated cost of debt for each year will be the weighted average long-term cost of debt of Enbridge Energy Partners, L.P. at the end of the prior calendar year.
- The stipulated cost of equity will be fixed at a 9% real rate of return plus inflation. The inflation rate used will be the current year CPI-U as determined from time to time in accordance with the Opinion 154-B methodology.
- The tax allowance component of the cost of service will be determined each year in accordance with the FERC's tax allowance policy in effect in such year.
- All incremental operating costs, property or similar taxes, and fuel and power expenses associated with the Southern Access Mainline Extension will be included in the cost of service.

5. In general, the Extension Surcharge follows the same methodology and the same stipulated inputs as the Southern Access Mainline Expansion Surcharge, set forth in the Offer of

Settlement approved by the Commission on March 16, 2006. *Enbridge Energy, Limited Partnership*, 114 FERC ¶ 61,264 (March 16, 2004). In accordance with the agreement reached with shippers and CAPP in support of the Extension Surcharge as discussed in the Affidavit of Mr. Schrage, the only differences between the Southern Access Expansion Surcharge and the Extension Surcharge are the following:

- the tariff rate for movements from Border to Patoka will be an estimated 123% of the Border to Chicago rate (based on the incremental distance to Patoka);
- the cost-of-service for the Extension Surcharge will be credited with the incremental revenue for movements from Flanagan to Patoka, and
- all power costs incurred in the operation of the Extension Pipeline will be flowed through to Shippers in the cost of service.

An illustration of the assumptions and formulas utilized in calculating the Extension Surcharge methodology is set forth in Attachments A-1 and A-2 to this Affidavit.

6. The Extension Surcharge, which will apply to all mainline shippers, will remain in effect for 30 years from the in-service date of the Extension, at the end of which a final true-up will occur. The Extension Surcharge will be calculated on a cost of service basis using cost and throughput estimates for the initial year. On April 1st of each of the following years, the annual estimated surcharge will be trued-up to reflect the previous year's actual costs and throughput volumes experienced during the applicable year.

7. As discussed in Mr. Schrage's affidavit, an affiliate of Enbridge Pipelines Inc., will own and build the Extension pipeline. However, Enbridge Energy and CAPP are agreed that the rate is to be designed as if it were a part of the Lakehead System, consistent with the parameters agreed upon in support of the Southern Access Expansion. Therefore, the ownership

structure has no effect on the shippers or the rates that will be charged. Schrage Aff., Exhibit IV to the Offer of Settlement at ¶ 27.

8. The new affiliate that will construct the Extension Pipeline will file a local rate for transportation on the Flanagan to Patoka route, based on the cost-of-service methodology set forth in Exhibit I of the Offer of Settlement. As approved in the Southern Access Mainline Expansion settlement, Enbridge Energy will publish a local rate for transportation from the Border to Flanagan that will be equal to the existing Border-to-Chicago rate. The joint rate will be less than the sum of the local rates.

9. To give the shippers the benefit of the rate design utilized by Enbridge Energy, Enbridge Energy will file and administer a joint rate. The joint rate will be calculated on a distance basis. Utilizing the estimated distance from Flanagan to Patoka of 178 miles, Enbridge Energy will determine the rate from the Border to Chicago and then multiply that rate by 123%.[1] The product of that calculation will be published as the joint rate from the Border to Patoka. Enbridge Energy will also file a joint rate from Clearbrook, Minnesota, which is the other receipt point from which barrels can enter the pipeline system and travel to Patoka. The basis for the Clearbrook to Patoka joint rate will be 127% of the tariff rate for movements from Clearbrook to Chicago, based on the currently estimated distance.

10. Attached to this affidavit as Attachments B and C is a comparison of three cases. Case A is one in which the Extension is not constructed, limiting the barrels that might otherwise travel on the Southern Access Mainline Expansion ("Line 61"). Case B represents a case in which the Extension is built and achieves a utilization of 50%, or 200,000 bpd. In Case C, the

[1] The 123% figure is based on the estimated length of pipeline that is being laid from Flanagan to Patoka compared to the distance from the Border to Chicago. Based upon this analysis, it was estimated that the distance from Flanagan to Patoka would be 23% of the distance from Border to Chicago. Once construction is complete, the actual distance of the Extension pipeline will be used to determine the final percentages.

Extension achieves a utilization level of 100%, or 400,000 bpd. The results of the analysis are set forth below:

Pipeline Segment	**Case A Pre-Extension**	**Case B With Extension at 200 kb/d (50% utilized)**	**Case C With Extension at 400 kp/d (100% utilized)**
Line 61 (Southern Access Expansion) Throughput	300,000	500,000 bbls/d	700,000 bbls/d
Southern Access Extension Throughput	N/A	200,000 bbls/d	400,000 bbls/d
Rate Impact Border to Patoka per Attachment B	N/A	.002	(.030)
Rate Impact Border to Clearbrook per Attachment C		.000	(.006)

As the table above demonstrates, with the Extension in place, additional barrels are able to flow through Line 61. The rates paid by shippers are not increased once the throughput reaches 200,000 bbls/d or 50% utilization. A rate reduction starts to occur when throughput exceeds 200,000 bbl.

Peter Douvris

Subscribed and sworn to before me this 31 day of August 2006, by Peter Douvris.

Andre B. Kerkovius
A Notary Public in and for the Province of Alberta

Attachment A-1

ASSUMPTIONS USED IN ENBRIDGE ENERGY SOUTHERN ACCESS EXTENSION SURCHARGE CALCULATIONS

In order to illustrate the methodology, the following assumptions were utilized for those parameters that have not been stipulated:

- Federal tax rate of 32.84%.
- Inflation rate of 2.60%.
- Initial Capital costs of $325 million, plus an additional $28 million required for Case C.
- Cost of debt rate of 6.50%
- Heavy crude surcharge of 22%.

These assumptions will be replaced with actual data in the following year when the Extension Surcharge is adjusted as stipulated in the Terms of Settlement, Exhibit 1, paragraph 3.

This is Attachment "A-1" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment A-2

Formula for Southern Access Extension
Surcharge Calculation

Determination of the Extension Surcharge requires calculation of the Revenue Requirement for recovery of costs incurred for the Southern Access Mainline Extension. The following formula illustrates how the agreed upon methodology and parameters result in the Extension Surcharge.

*Return on Rate Base = Average Rate Base * Weighted Average Cost of Capital*

Revenue Requirement = Return on Rate Base
+ Income Tax Allowance
+ Operating Expenses Excluding Depreciation
+ Depreciation Expense
+ Amortization of AFUDC
+ Amortization of Deferred Earnings

*Revenue Credit = Yearly Extension Volume * Implicit Flanagan to Patoka Rate (defined in Step 3)*

Net Revenue Requirement = Revenue Requirement – Revenue Credit

Extension Surcharge = Net Revenue Requirement / Total System Barrel Miles (defined in Step 5)

The following are steps taken to calculate the Extension Surcharge:

__Step 1__: The Return on Rate Base is determined by calculating the Average Rate Base (summation of Average Debt Rate Base and Average Equity Rate Base) multiplied by the Weighted Average Cost of Capital [(Real Cost of Equity * Adjusted Equity Ratio) + (Cost of Debt * Adjusted Debt Ratio)].

__Step 2__: The Revenue Requirement is comprised of the Return on Rate Base, plus the remaining components listed above.

__Step 3__: Enbridge Energy has agreed to reduce the Extension Surcharge by the revenue generated on the incremental extension volumes. The revenue credit for the Extension Surcharge is equal to the revenue derived from the "Implicit Flanagan to Patoka Rate," as defined below, multiplied by the annual barrels transported on the extension. The Implicit Flanagan to Patoka Rate is equal to the ratio of the length of pipeline that is being laid from Flanagan to Patoka compared to the distance from the Border to Chicago multiplied by the Border to Chicago rate.[2] Based upon this analysis, it was estimated that the distance from Flanagan to Patoka would be 23% of the distance from Border to Chicago. This method of calculating the implicit Flanagan rate is *consistent with the current Enbridge Energy rate design methodology.*

__Step 4__: The Revenue Credit is subtracted from the Revenue Requirement in order to determine the Net Revenue Requirement.

__Step 5__: The Extension Surcharge is determined by dividing the Net Revenue Requirement by all barrel miles shipped on the Enbridge Energy system. The resulting surcharge, expressed in $ per bbl/mile, is applied to the distance applicable to each movement to calculate the actual surcharge associated with that movement.

This is Attachment "A-2" referred to in the
Affidavit of Peter Douvris, sworn before
me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

[2] The distance between the Border to Chicago is 790 miles, which is the stipulated denominator for calculating the distance ratio. The estimated length of pipe between Flanagan and Patoka is 178 miles, which is the estimate used as the numerator which yields a ratio of 23%. At such time as construction is completed, the actual distance ratio will be determined and utilized.

Attachment B

Illustration of Rate Impact from Border to Chicago

RATE IMPACT (US$/BBL)	**Case A** **Pre-Extension***	**Case B** **With Extension at 200 kbpd****	**Case C** **With Extension at 400 kbpd*****
Southern Access Expansion	0.205	0.144	0.124
Southern Access Extension	0.000	0.064	0.051
Total Southern Access Surcharge	**0.205**	**0.208**	**0.175**
Rate Comparison to Without Extension Case	-	**0.002**	**(0.030)**

* Source for Case A Pre-Extension attached as B-1.

** Source for Case B with Extension @ 200,000 b/d as attached as attached as B-2 and B-3.

*** Source for Case C with Extension @ 400,000 b/d attached as attached as B-4 and B-5.

This is Attachment "B" referred to in the
Affidavit of Peter Douvris, sworn before
me this 31st day of August, 2006.

Andre Kerkovius

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment B-1

Illustrative Summary
Southern Access Expansion Surcharge Case A Calculation
for heavy crude from Border to Chicago

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	80,544
Income Tax Allowance	26,315
Operating Expenses Excluding Depreciation	11,627
Depreciation Expense	32,857
Amortization of AFUDC	2,438
Amortization of Deferred Earnings	776
Total Revenue Requirement	**154,556**
Less: Revenue Credit	**32,046**
Net Revenue Requirement Used to Calculate Surcharge	**122,511**
Divided by Annual System Volumes (bbl.mi)	575,463,974,167
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000213
Distance from Border to Chicago (mi)	790
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl)	**0.205**
*(Light Equivalent Unit Transmission Rate * Distance from Border to Chicago * Heavy surcharge)*	

This is Attachment "B-1" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment B-2

Illustrative Summary
Southern Access Expansion Surcharge Case B Calculation
for heavy crude from Border to Chicago

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	80,544
Income Tax Allowance	26,315
Operating Expenses Excluding Depreciation	16,927
Depreciation Expense	32,857
Amortization of AFUDC	2,438
Amortization of Deferred Earnings	776
Total Revenue Requirement	**159,856**
Less: Revenue Credit	**64,053**
Net Revenue Requirement Used to Calculate Surcharge	**95,804**
Divided by Annual System Volumes (bbl.mi)	643,180,375,106
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000149
Distance from Border to Chicago (mi)	790
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl)	**0.144**

*(Light Equivalent Unit Transmission Rate * Distance from Border to Chicago * Heavy surcharge)*

This is Attachment "B-2" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment B-3

Illustrative Summary
Southern Access Extension Surcharge Case B Calculation
for heavy crude from Border to Chicago

Description	
Summary of Extension Revenue Requirement ($000's)	
Return on Rate Base	28,827
Income Tax Allowance	9,664
Operating Expenses Excluding Depreciation	10,448
Depreciation Expense	11,124
Amortization of AFUDC	1,593
Amortization of Deferred Earnings	278
Total Revenue Requirement	**61,934**
Less: Revenue Credit	**19,207**
Net Revenue Requirement Used to Calculate Surcharge	**42,728**
Divided by Annual System Volumes (bbl.mi)	643,180,375,106
Light Equivalent Unit Transmission Rate $/bbl.mi)	0.000066
Distance from Border to Patoka (mi)	790
Heavy surcharge ($/bbl)	1.22
Southern Access Extension Surcharge ($/bbl)	**0.064**
*(Light Equivalent Unit Transmission Rate * Distance from Border to Chicago * Heavy surcharge)*	

This is Attachment "B-3" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment B-4

Illustrative Summary
Southern Access Expansion Surcharge Case C Calculation
for heavy crude from Border to Chicago

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	85,752
Income Tax Allowance	28,017
Operating Expenses Excluding Depreciation	35,844
Depreciation Expense	34,997
Amortization of AFUDC	2,597
Amortization of Deferred Earnings	827
Total Revenue Requirement	**188,034**
Less: Revenue Credit	**96,456**
Net Revenue Requirement Used to Calculate Surcharge	**91,578**
Divided by Annual System Volumes (bbl.mi)	711,581,194,532
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000129
Distance from Border to Chicago (mi)	790
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Chicago * Heavy surcharge)*	**0.124**

This is Attachment "B-4" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment B-5

Illustrative Summary
Southern Access Extension Surcharge Case C Calculation
for heavy crude from Border to Chicago

Description	
Summary of Extension Revenue Requirement ($000's)	
Return on Rate Base	31,156
Income Tax Allowance	10,416
Operating Expenses Excluding Depreciation	19,353
Depreciation Expense	12,107
Amortization of AFUDC	1,639
Amortization of Deferred Earnings	300
Total Revenue Requirement	**74,971**
Less: Revenue Credit	**37,202**
Net Revenue Requirement Used to Calculate Surcharge	**37,769**
Divided by Annual Volumes (bbl.mi)	711,581,194,532
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000053
Distance from Border to Patoka (mi)	790
Heavy surcharge ($/bbl)	1.22
Southern Access Extension Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Chicago * Heavy surcharge)*	**0.051**

This is Attachment "B-5" referred to in the
Affidavit of Peter Douvris, sworn before
me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment C

Illustration of Rate Impact From Border to Clearbrook

Rate impact	Case A Pre-Extension*	Case B With Extension at 200 kb/d (50% utilized)**	Case C With Extension at 400 kb/d (100% utilized)***
Southern Access Expansion	0.035	0.025	0.021
Southern Access Extension	0.000	0.011	0.009
Total Southern Access Surcharge	**0.035**	**0.035**	**0.030**
Rate Comparison to Without Extension Case	**0.000**	**0.000**	**(0.006)**

* Source for Case A Pre-Extension attached as C-1.

** Source for Case B with Extension @ 200 kb/d attached as C-2 and C-3.

***Source for Case C with Extension @ 400 kb/d attached as C-4 and C-5.

This is Attachment "C" referred to in the
Affidavit of Peter Douvris, sworn before
me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment C-1

Illustrative Summary
Southern Access Expansion Surcharge Case A Calculation
for heavy crude from Border to Clearbrook

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	80,544
Income Tax Allowance	26,315
Operating Expenses Excluding Depreciation	11,627
Depreciation Expense	32,857
Amortization of AFUDC	2,438
Amortization of Deferred Earnings	776
Total Revenue Requirement	**154,556**
Less: Revenue Credit	**32,046**
Net Revenue Requirement Used to Calculate Surcharge	**122,511**
Divided by Annual System Volumes (bbl.mi)	575,463,974,167
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000213
Distance from Border to Clearbrook (mi)	135
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Clearbrook * Heavy surcharge)*	**0.035**

This is Attachment "C-1" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment C-2

Illustrative Summary
Southern Access Expansion Surcharge Case B Calculation
for heavy crude from Border to Clearbrook

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	80,544
Income Tax Allowance	26,315
Operating Expenses Excluding Depreciation	16,927
Depreciation Expense	32,857
Amortization of AFUDC	2,438
Amortization of Deferred Earnings	776
Total Revenue Requirement	**159,856**
Less: Revenue Credit	**64,053**
Net Revenue Requirement Used to Calculate Surcharge	**95,804**
Divided by Annual System Volumes (bbl.mi)	643,180,375,106
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000149
Distance from Border to Clearbrook (mi)	135
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Clearbrook * Heavy surcharge)*	**0.025**

This is Attachment "C-2" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the Province of Alberta

Attachment C-3

Illustrative Summary
Southern Access Extension Surcharge Case B Calculation
for heavy crude from Border to Clearbrook

Description	
Summary of Extension Revenue Requirement ($000's)	
Return on Rate Base	28,827
Income Tax Allowance	9,664
Operating Expenses Excluding Depreciation	10,448
Depreciation Expense	11,124
Amortization of AFUDC	1,593
Amortization of Deferred Earnings	278
Total Revenue Requirement	**61,934**
Less: Revenue Credit	**19,207**
Net Revenue Requirement Used to Calculate Surcharge	**42,728**
Divided by Annual System Volumes (bbl.mi)	643,180,375,106
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000066
Distance from Border to Clearbrook (mi)	135
Heavy surcharge ($/bbl)	1.22
Southern Access Extension Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Clearbrook * Heavy surcharge)*	**0.011**

This is Attachment "C-3" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment C-4

Illustrative Summary
Southern Access Expansion Surcharge Case C Calculation
for heavy crude from Border to Clearbrook

Description	
Summary of Expansion Revenue Requirement ($000's)	
Return on Rate Base	85,752
Income Tax Allowance	28,017
Operating Expenses Excluding Depreciation	35,844
Depreciation Expense	34,997
Amortization of AFUDC	2,597
Amortization of Deferred Earnings	827
Total Revenue Requirement	**188,034**
Less: Revenue Credit	**96,456**
Net Revenue Requirement Used to Calculate Surcharge	**91,578**
Divided by Annual System Volumes (bbl.mi)	711,581,194,532
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000129
Distance from Border to Clearbrook (mi)	135
Heavy surcharge ($/bbl)	1.22
Southern Access Expansion Surcharge ($/bbl)	**0.021**
*(Light Equivalent Unit Transmission Rate * Distance from Border to Clearbrook * Heavy surcharge)*	

This is Attachment "C-4" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

Attachment C-5

Illustrative Summary
Southern Access Extension Surcharge Case C Calculation
for heavy crude from Border to Clearbrook

Description	
Summary of Extension Revenue Requirement ($000's)	
Return on Rate Base	31,156
Income Tax Allowance	10,416
Operating Expenses Excluding Depreciation	19,353
Depreciation Expense	12,107
Amortization of AFUDC	1,639
Amortization of Deferred Earnings	300
Total Revenue Requirement	**74,971**
Less: Revenue Credit	**37,202**
Net Revenue Requirement Used to Calculate Surcharge	**37,769**
Divided by Annual System Volumes (bbl.mi)	711,581,194,532
Light Equivalent Unit Transmission Rate ($/bbl.mi)	0.000053
Distance from Border to Clearbrook (mi)	135
Heavy surcharge ($/bbl)	1.22
Southern Access Extension Surcharge ($/bbl) *(Light Equivalent Unit Transmission Rate * Distance from Border to Clearbrook * Heavy surcharge)*	**0.009**

This is Attachment "C-5" referred to in the Affidavit of Peter Douvris, sworn before me this 31st day of August, 2006.

Andre B. Kerkovius
A Notary Public in and for the
Province of Alberta

EXPEDITED TREATMENT REQUESTED

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Enbridge Energy, Limited Partnership	)))	**Docket No. OR06-___**

NOTICE OF SETTLEMENT FILING

Take notice that on September 1, 2006, Enbridge Energy, Limited Partnership ("Enbridge Energy"), with the support of the Canadian Association of Petroleum Producers ("CAPP"), submitted an Offer of Settlement under Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602, regarding a supplement to the Facilities Surcharge approved by the Commission in *Enbridge Energy, Limited Partnership*, 107 FERC ¶ 61,336 (June 30, 2004) ("*Facilities Surcharge Order*").

Enbridge Energy is a common carrier oil pipeline regulated by the Commission. CAPP is a trade association representing 95 percent of the producers of natural gas, crude oil, oil sands, and elemental sulphur exploration, development and production in Canada. As described in the *Facilities Surcharge Order*, the Facilities Surcharge is designed to recover the annualized cost of certain projects undertaken by Enbridge Energy at shipper request and approved by CAPP for recovery through the surcharge mechanism. This Offer of Settlement proposes to include an additional project in the Facilities Surcharge—a new pipeline from Flanagan, Illinois to Patoka, Illinois.

Through the Offer of Settlement, Enbridge Energy and CAPP specifically request approval for the inclusion in the Facilities Surcharge of the project described in the Offer of

Settlement, in accordance with the CAPP letter memorializing the settlement attached to the Offer of Settlement.

In accordance with Rule 602(f) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602(f), any person desiring to comment on this Offer of Settlement should file its comments with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, no later than 20 days after the date of filing of the Offer of Settlement (*i.e.*, by September 21, 2006). Reply comments will be due no later than 30 days after the date of filing of the Offer of Settlement (*i.e.*, by October 2, 2006). Comments and reply comments must be filed on or before the dates specified herein. This filing is available for review at the Commission in the Public Reference Room or may be viewed on the Commission's website at http:/www.ferc.gov using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866) 208-3676, or for TTY, contact (202) 502-8659. Comments and reply comments may be filed electronically via the Internet in lieu of paper; see 18 C.F.R. § 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: **September 21, 2006**

Reply Comment Date: **October 2, 2006**

CERTIFICATE OF SERVICE

I, John Clopper, certify that on September 1, 2006, I caused copies of the foregoing Offer of Settlement and attachments to be served on the Canadian Association of Petroleum Producers and on all current shippers and tariff subscribers of Enbridge Energy, Limited Partnership.

Dated at Washington, DC, this 1st day of September, 2006.

John D. Clopper
STEPTOE & JOHNSON LLP
1330 Connecticut Ave., NW
Washington, D.C. 20036
(202) 429-3000