



Out on the Tar Sands Mainline

Mapping Enbridge's Web of Pipelines

A Corporate Profile of Pipeline Company
Enbridge

By Richard Girard, Polaris Institute
Research Coordinator with Contributions from
Tanya Roberts Davis

Out on the Tar Sands Mainline: Mapping Enbridge's Dirty Web of Pipelines
May 2010

The Polaris Institute

The Polaris Institute is a public interest research and advocacy organization based in Canada. Since 1999 Polaris has been dedicated to developing tools and strategies for civic action on major public policy issues, including energy security, water rights and free trade.

Polaris Institute

180 Metcalf Street, Suite 500

Ottawa, ON K2P 1P5

Phone : 613-237-1717

Fax: 613-237-3359

Email: polaris@polarisinstitute.org

www.polarisinstitute.org

For more information on the Polaris Institute's energy campaign please visit

www.tarsandswatch.org



Table of Contents

Foreword.....	iv
Introduction.....	1
Executive Summary	2
1. Organizational Profile.....	4
1.1 Enbridge’s Business Structure	4
1.1.1 Liquids Pipelines.....	6
1.1.2 Natural Gas Delivery and Services	7
1.1.3 Sponsored Investments	10
1.1.4 Enbridge International	12
1.1.5 Corporate.....	12
1.2 Refineries	13
1.3 Executives and their Salaries	14
1.4 Board of Directors.....	15
1.5 Lawsuits – Bulldozing Through Landowner Resistance	17
1.6 University Links.....	21
2. Economic Profile	26
2.1 Financial Results.....	26
2.2 Main Customers	26
2.3 Future Plans	27
2.4 Recent Acquisitions	31
2.5 Joint Venture Partners.....	32
2.6 Strategic Alliances/Partnerships	33
2.7 Public Relations Firms	33
2.8 Marketing Strategies	34
2.9 Carbon Capture and Storage	35
2.10 Main Competitors	36
3. Political Profile	37
3.1 Political Connections	37
3.2 Industry Associations.....	38
3.3 Lobby Information.....	39
4. Socio-Environmental Profile	42
4.1 Social Track Record.....	42
4.1.1 OCENSA Pipeline in Colombia.....	42
4.1.2 Enbridge on Rotinohsonnion:we Territory (Ontario, Canada)	44
4.1.3 Mackenzie Pipeline.....	44
4.1.4 Alberta Clipper and Southern Lights Pipelines	46
4.2 Environmental Track Record.....	48
4.2.1 Upstream Impacts	48
4.2.2 Offshore Pipelines.....	48
4.2.3 Environmental Impact of Shipping Liquids and Gas Through Pipelines	49

4.2.4 Spills, Leaks and Ruptures.....	49
4.3 Labour Relations.....	50
4.4 Health and Safety Record.....	52
5. Stakeholder Profile.....	54
5.1 Enbridge’s Main Funders.....	54
5.2 Supply Chain.....	55
5.2 Enbridge’s Major Shareholder.....	55
Appendix 1.....	56
Appendix 2.....	64
Appendix 3.....	69

Foreword by the Indigenous Environmental Network

The Indigenous Environmental Network, which works to build solidarity with the struggles of First Nations and Indigenous peoples for social and ecological justice in Canada and the United States, welcomes the publication of this corporate profile by the Polaris Institute, Out On the Tar Sands Mainline: Mapping Enbridge's Web of Pipelines.

Enbridge is a key corporate player in the Alberta tar sands, which has been called 'the most destructive industrial energy project on earth.' The tar sands energy project mines the lowest grade oil in the world, "bottom of the barrel" oil, extra heavy; the consistency of sand and thick mud.

To process tar sands oil vast energy resources are required for extraction, transportation and refining. Between two and 4.5 barrels of water are used to produce each barrel of oil from the tar sands. In addition, this process generates two to four times the amount of greenhouse gases per barrel of final product than the production of conventional oil. If combustion of the final products is included – the so-called "Well to Wheels" approach – tar sands extraction, upgrading and use emits 10 to 45% more greenhouse gases than conventional crude oil.

With Canada currently the largest supplier of oil to the United States, a huge amount of this dirty oil is shipped south every day. The thick tar sands crude that is transported to and through the U.S. has to be mixed with a cocktail of chemicals and water diluent simply to be liquid enough to flow through pipelines.

Enbridge, headquartered in Calgary, Alberta, owns and operates the pipelines that ship oil from the Alberta tar sands and natural gas in Northern Canada to markets in the Midwestern United States and the Canadian Province of Ontario. Many of these pipelines run through residential areas, under lakes, through wet lands and through the traditional territories and reservations of indigenous peoples.

In Minnesota, Enbridge's newest crude oil (Alberta Clipper) and diluent (Southern Lights) pipeline expansion projects have cut 100 foot swaths through indigenous lands. The State of Minnesota and the U.S. Government have granted Enbridge acres and acres of public and private land. This land grab has been characterized as a means of providing a source of cheap energy and something that is for the public good. The Indigenous Environmental Network and our allies maintain that a pipeline, which supports the most destructive energy project on earth, cannot serve the greater good of any global citizen, especially the indigenous peoples who are on the front lines of the extraction, transportation and refining processes.

First Nations and indigenous communities are most directly affected by the flow of fumes and toxic sludge coming out of the tar sands. As communities that have the most to lose and who have traditional and historical relationships of respect, reciprocity and responsibility with mother earth; they also have the most to fight for. Communities such

as the Mikisew Cree and the Athabaskan Chipewyan are actively organizing for the health of their peoples in the face of heavy poisoning of their waterways, deforestation, disruption of traditional food sources and other environmental devastation. They are up against some of the most powerful international companies in the world such as Exxon, Shell and Chevron.

Enbridge, as this profile will show, contributes to the atrocity of the Alberta tar sands and its proposed expansion by providing easy access to oil thirsty markets in the United States and beyond. This concern alone is enough to raise an alarm and spur protest against the company. However, Enbridge's pipelines themselves also pose serious risks.

In Minnesota the Indigenous Environmental Network and tribal and community allies have been organizing against Enbridge's Alberta Clipper pipeline. There are serious concerns about what kind of impact a leak or spill will have on our waterways, wildlife, food sources, human health, and our traditional ways of life. Given Enbridge's track record, it is not a matter of *if* a leak will occur, but rather *when* it will happen again. For our brothers and sisters in Northern British Columbia where Enbridge is proposing a giant pipeline expansion to the Pacific Coast, the concerns are similar.

Enbridge is a company whose success is based on profit not on a safe or clean environment. It is our responsibility to bring the voices of affected indigenous peoples and other concerned citizens to the forefront; to provide a voice advocating for something other than financial profit. We stand in solidarity with all who are working for the health and wellbeing of this and coming generations, for clean water and air, for climate justice, for the vibrancy of our cultural resources and our traditional subsistence food systems, for a brighter and cleaner future.

The Indigenous Environmental Network is a network of Indigenous Peoples empowering Indigenous Nations and communities towards sustainable livelihoods, demanding environmental justice and maintaining the Sacred Fire of our traditions.

For more information: www.ienearth.org

Introduction

The name Enbridge means different things to many people. In parts of Ontario, Quebec and New Brunswick, Enbridge is the company that provides the gas people use to heat homes and businesses. For companies like Shell, Suncor and Syncrude among many others, Enbridge is the company that provides the shipping service that takes their oil to market. For those living near refineries or on existing or proposed pipeline routes in 20 U.S. states and five provinces and countless First Nations lands in both countries, Enbridge is a name that is related to the expropriation of land for profit, while environmentalists see it as one of the main drivers of Alberta's environmentally and socially destructive tar sands industry.

For most, however, this company flies under the radar. It does not produce a tasty beverage or a flashy car, nor does it construct giant buildings or extract and sell diamonds. Most of what this company actually does occurs underground, in giant snaking pipelines that criss-cross Canada and the United States away from public eyes. This low visibility and sprawling production locations gives Enbridge the ability to hide from the spotlight. This by no means diminishes the huge footprint this company has environmentally and socially.

Over its 60 years of operating Enbridge, formerly known as Interprovincial Pipe Line Company (IPL), has successfully positioned itself as one of the most important players in the Alberta's tar sands even though it has next to no involvement in extracting or refining raw bitumen that comes from the region. Growing from shipping 30.6 million barrels of oil in its first year of operation to moving over 730 million barrels of petroleum liquids every year, the vast majority of which comes from Alberta, Enbridge has played a pivotal role in stimulating the production of oil in the Alberta tar sands. Without Enbridge, who is currently responsible for satisfying 12% of the U.S.'s crude oil import needs, the oil rush that has taken place in Alberta over the past 5 years could not have happened so easily.

Because of its desire to cut up more land to lay more pipes to ship more oil and gas, in order to help expand markets for tar sands crude, Enbridge is the target of a growing number of popular campaigns to stop or limit pipeline construction. The purpose of this corporate profile is to provide activists involved with campaigns confronting Enbridge, or people facing the expropriation of their land by this company, with information on many aspects of Enbridge's operations and dealings from a critical perspective.

The profile covers all aspects of the corporation with the goal of presenting a snapshot of Enbridge as a powerful company that is committed to creating more profit for its shareholders by finding new markets for Alberta's destructive tar sands crude. The information provided here will act as a tool for dissecting and analyzing certain parts of Enbridge in order to discern its strengths and vulnerabilities as a key corporate player in the oil and gas industry. The profile presents strategic information and intelligence on the company in such a way that will be useful for front-line campaign activities.

Executive Summary

Divided into five sections, the profile covers Enbridge's operations, economic situation, political connections, social and environmental track record and finally the company's institutional shareholders and main financial underwriters. This summary will outline some of the main points from each of the five sections

The profile begins with the *Organizational Profile* which outlines how the company operates. Enbridge is a company whose assets literally spread over thousands of kilometers. It has a footprint in 20 U.S. States and in five provinces and one territory in Canada. The way the company is structured and how it manages its huge infrastructure is quite complex. This section will clarify which Enbridge subsidiary or division owns and operates each individual pipeline and shows that regardless of who the company says owns a particular pipeline, it is the executives in Calgary that are ultimately in charge.

The section also highlights:

- Which **refineries** in Canada and the US are directly linked to Enbridge pipelines.
- **Executive** and **Directors** biographies that provide information on other potential corporate targets for campaigns, ie. target companies whose executives sit on Enbridge's board. Companies such as Tim Hortons, CIBC, Sobeys and Encana are connected to Enbridge through its executives and board members.
- History of **Lawsuits** section shows how Enbridge has a track record of using lawsuits to achieve its business goals. This section provides brief case studies.
- **University Links** section shows which universities across Canada are linked to Enbridge through company executives or board members sitting on university boards of governors. Also in this section we explore how the company is strategically funding selected Indigenous communities through scholarships and education funding.

The *Economic Profile* provides a brief analysis of Enbridge's present and future economic situation. It looks at the following parts of the company:

- Who are Enbridge's main **customers**?
- A section on the company's **future plans**: discusses what the company is planning on doing down the road to ensure future profits. This includes a discussion of the Northern Gateway project.
- The **recent acquisitions**, **Joint Venture Partners** and **Strategic Alliance** sections show which companies Enbridge is purchasing and partnering with.
- A **public relations** section names Enbridge's main PR firm hired to do its communications and the section provides some examples of greenwashing, with the Northern Gateway as the case study

Enbridge's political connections are examined in the *Political Profile*. This section paints the picture of a company that is closely tied to the Canadian government and various

regulators in both Canada and the United States through its Directors, hired lobbyists and former lawyers. The Political Profile also explores:

- The company's [political connections](#) are named and the people who at one time worked for Enbridge and are now employed with a government entity and vice versa are profiled.
- A list of the [business associations](#) and lobby groups Enbridge is a member of is provided.
- Questions about which Canadian politicians Enbridge has pressured through [lobbying](#) and how much money the company spends on lobbying the U.S. government are answered in this chapter.

The *Social and Environmental Profile* provides a snapshot of how the company's operations impact communities. Four case studies provide a glimpse into some of the Communities Affected by Enbridge Pipelines. One of the case studies covers Enbridge's operations in [Colombia](#) where the company was part of a consortium whose pipeline project raised a number of serious human rights concerns from international human rights organizations, civil society organizations, plus the local populations of Indigenous Peoples and small-scale farmers in Colombia.

This section also provides data and information on:

- [Spills, leaks and ruptures](#) that have occurred on Enbridge pipelines over the past ten years. Between 1999 and 2008, across all of Enbridge's operations there were 610 spills that released close to 132,000 barrels (21 million litres) of hydrocarbons into the environment.¹ This amounts to approximately half of the oil that spilled from the oil tanker the Exxon Valdez after it struck a rock in Prince William Sound, Alaska in 1988.
- [Upstream](#) and direct environmental [impacts](#) of Enbridge's pipelines are covered here.
- The company's [labour relations](#) and [health and safety](#) record are also profiled in this section (Enbridge Sites in Canada and U.S.A.).

The [fifth section](#) provides information on Enbridge's main shareholders and on which banks are underwriting its main projects.

The Appendices provide detailed information and data on significant U.S. and Canadian [spills](#) as well as details on the majority of the company's individual [pipelines](#) and a [map](#) of the current pipeline systems in Canada and the United States.

¹ These figures were compiled from Enbridge's own Environmental, Health and Safety and Corporate Social Responsibility Reports, <http://www.enbridge.com/corporate/csr-reports.php>

1. Organizational Profile

We transport 71% of western Canadian crude oil exports and satisfy 12% of the U.S.'s daily crude oil imports.²

Enbridge employs 6,065 employees in Canada and the United States

Enbridge Inc. was ranked number 18 on the Financial Post's 2008 list of Canada's biggest companies by revenue.

[Enbridge Energy Partners](#) – owners and operators of Enbridge's U.S. liquids pipelines including the Lakehead system – was ranked 268th on the Fortune 500 list of the United States' largest companies by revenue.

Enbridge Inc. trades on the New York Stock Exchange and the Toronto Stock Exchange under the symbol ENB

Track Enbridge's stock price at <http://finance.yahoo.com/q?s=enb>

Enbridge Inc. head Office

3000 Fifth Avenue Place
425 - 1st Street S.W.
Calgary, Alberta
T2P 3L8 Canada

Telephone: (403) 231-3900

Fax: (403) 231-3920

Email contacts

General inquiries: webmaster-corp@enbridge.com

Media Relations: jennifer.varey@enbridge.com

Maps of Enbridge's current pipelines are available here:

<http://library.enbridge.com/users/folder.asp?FolderID=1553>

1.1 Enbridge's business structure

Enbridge is not a company that produces a product in a factory and then sells it on the market. Enbridge makes money for its shareholders by taking the oil and gas extracted by other petroleum companies and delivering it from one destination to another. Oil

² Enbridge 2009 Annual Report, <http://www.enbridge.com/investor/financialInformation/reportsFilings/pdf/2009-annual-report-en.pdf>

companies contract Enbridge to get their crude oil to the refineries that will then turn it into gasoline, jet fuel and other products. To meet the demand for shipping oil and gas, Enbridge does not use trucks, trains or planes but has constructed a set of pipelines that deliver everything from refined gas to heavy bitumen across North America.

While what Enbridge does – ship and distribute oil and gas – sounds simple, the way the company is actually structured and managed is quite complex. In Enbridge’s case, one can be forgiven for thinking that the line on a map indicating an ‘Enbridge’ pipeline running from Edmonton to near Chicago is actually owned and operated by the Enbridge entity. For a company aiming to run pipelines across an entire continent that cut through thousands of peoples’ land and in some cases pristine untouched environment to ship dangerous liquids, obscurity is very important. This effort, combined with the realities of different regulatory and legal jurisdictions leads companies like Enbridge to split its operations into numerous subsidiaries and independent companies, giving them the ability to believe they can divide and conquer the continent.

Understanding the business structure of a company that is the focus of a campaign is crucial in order to know which part of the business should be targeted. This knowledge will help shape the campaign, but will also let the company know that activists are aware of how the company operates and profits.

Enbridge has separated its business activities into four business segments, or divisions that are responsible for the different and diverse operations of the company. The following chart shows how Enbridge has separated its various businesses into categories.

Division	Breakdown
Liquids Pipelines – This part of the company is responsible for operating and constructing the pipelines that make up the company’s ‘mainline’ system and feeder pipelines that transport crude oil, natural gas liquids and refined products for customers in Canada and the United States.	Enbridge System Enbridge Regional Oil Sands System Southern Lights Pipeline Olympic Pipeline Spearhead Pipeline Feeder Pipelines and Other
Natural Gas Delivery and Services – This part of Enbridge owns and operates various natural gas pipelines located across Canada, the United States and the Gulf of México, and owns and operates a natural gas distribution system used for the heating of homes and businesses in Eastern Canada and small parts of the North Eastern United States.	Enbridge Gas Distribution Noverco Other Gas Distribution Enbridge Offshore Pipelines Alliance Pipeline (U.S. portion) Vector Pipeline Aux Sable Energy Services International Other
Sponsored Investments - The companies that make up this division own parts of the Alberta Clipper, Alliance and Mainline pipeline systems among others. Enbridge Energy Partners is part of this division.	Enbridge Energy Partners Enbridge Energy, L.P. – Alberta Clipper US (EELP) Enbridge Income Fund
Corporate – This segment includes Enbridge’s	Ontario Wind Project

investments in green energy projects. It also consists of business development activities as well as investing and financing activities.

Talbot Wind Energy Project
Sarnia Solar Project
Alberta Saline Aquifer Project
N-Solv

The discussion of these business segments and various categories below will clarify Enbridge's complex set of divisions, businesses and joint ventures and who manages them, in order to highlight how, regardless of the name of the division or company, the overall decisions and guidance of the company are being made from the Calgary headquarters.

1.1.1 Liquids Pipelines

In 2009, this division brought in \$1.33 billion in revenue for the company of which \$445 million was reported as profit – Enbridge's Liquids Pipelines is the division responsible for operating and constructing the pipelines that make up the company's 'mainline' system and feeder pipelines that transport crude oil, natural gas liquids and refined products for customers in Canada and the United States. The Liquids Pipelines division turns more of revenue into profits for the company than any other division.

Approximately two-thirds of Canada's crude oil from the tar sands is shipped Southward through pipelines that make up Enbridge's Liquids Pipelines division. What follows is a breakdown of the main segments of the liquids pipelines division:

- **Enbridge System³**

Enbridge's export of tar sand crude to the United States is made possible by the company's system of pipelines that connect producers, upgraders and refineries in Fort McMurray and Edmonton to the main hub of refining centres in Ontario and Great Lakes region of the United States. The company refers to this spider web of pipelines and pumping stations as the 'mainline' system. Steadily growing in capacity since the first pipeline was constructed by Enbridge's predecessor in 1949, the mainline system is now the largest collection of crude oil pipelines in the world. This main North to South system is comprised of six adjacent pipelines that transport crude oil and refined petroleum products at a combined capacity of approximately 2.2 million barrels per day (bpd).⁴

Calculated another way, Enbridge's Mainline can ship up to 349 million litres of oil products per day. That is enough liquid to fill 140 Olympic sized pools every day. The system consists of approximately 8000 kilometres (5,000 miles) of mainline pipe in Canada, and 5600 kilometres (3,500 miles) of mainline pipe in the United States.

³ For a map of Enbridge's current pipelines, refer to this website:
<http://library.enbridge.com/users/folder.asp?FolderID=1553>

⁴ Enbridge Inc. Management Discussion and Analysis <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> page 21

The mainline system is comprised of six parallel pipelines that connect Alberta to the Midwestern states of the U.S. and Ontario. The Canadian and U.S. portions of these pipelines, while all part of one big system, are separate in terms of ownership. Portions of the mainline system on Canadian soil are owned by Enbridge and make up the Enbridge System and are part of the company's Liquids Pipelines division. Pipelines on U.S. soil are owned by Enbridge Energy Partners (profiled below) and are part of the Lakehead system, which is part of Enbridge's Sponsored Investments Division.

Regardless of the fact that Enbridge does not own the U.S. portions of the mainline system, the company operates and manages them.⁵

Please refer to the chart in [Appendix 1](#) for information on each individual pipeline that makes up the mainline system.

- **Enbridge Regional Oil Sands System**

In addition to the Mainline system connecting Alberta to the United States diagonally through Saskatchewan, Manitoba on to Chicago, Enbridge owns and operates a group of shorter pipelines and storage facilities located in and around the main tar sands production centre in Northern Alberta. The majority of these lines are designed to ship tar sands crude to various refining hubs in Alberta that connect to the company's mainline system that ships oil to the United States.

This system includes two long haul pipelines, the Athabasca Pipeline and the Waupisoo Pipeline, as well as a variety of other facilities including the MacKay River, Christina Lake, Surmont and Long Lake facilities. It also includes storage terminals and pipeline hubs including the Hardisty Contract Terminal, one of the largest crude oil terminals in North America.⁶

- **Southern Lights Pipeline, Spearhead Pipeline, Olympic Pipeline**

Refer to [Appendix 1](#) for more information on these three pipelines that are part of the Liquids Pipelines division.

1.1.2 Natural Gas Delivery and Services

In 2009, this division brought in revenue of \$10.77 billion, of which \$635 million was profit – This division is by far Enbridge's biggest money maker in terms of annual revenue, representing 86% of what the company made in cash in 2009. It is also the biggest profit maker for the company, bringing in 41% of Enbridge's earnings in 2009. However, the ratio of profits to revenue is much lower than the Liquids Pipelines

⁵ Enbridge Energy Partners 2009 Annual Report on 10-k, <http://www.sec.gov/Archives/edgar/data/880285/000119312510034642/d10k.htm>

⁶ Enbridge Inc. Management Discussion and Analysis <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf>

Division with only 5.8% of revenue represented as profit. Meanwhile, Enbridge Liquids Pipelines boasted 33% of revenue as earnings.

What does this division do?

Enbridge's Natural Gas Delivery and Services division makes money for the company through the ownership and operation of various natural gas pipelines located across Canada, the United States and the Gulf of México and through the distribution of natural gas used for the heating of homes and businesses in Eastern Canada and small parts of the North Eastern United States.

The following subsections will briefly outline the activities of this division.

- **Enbridge Gas Distribution (EDG)**

EDG delivers gas to 1.9 million residential, commercial and industrial customers in Central and Eastern Ontario and parts of Northern New York State. In 2009, sales and transportation of gas for customers in the residential and commercial sectors represented approximately 81% of the division's total distribution volume.⁷ Enbridge Gas Distribution accounts for 20% of the Natural Gas Delivery and Services division's earnings. The other 9 sectors of this division profiled below earned the remaining 80%.⁸

- **Noverco**

In 1997, IPL Energy (IPL became Enbridge in 1998) purchased 32% of Noverco, a private holding company (Noverco's two other main shareholders are Trencap L.P. and GDF Suez). Enbridge's interest in Noverco is its 71% interest in Quebec's largest gas distributor Gaz Métro.⁹ Through its partial ownership of Noverco, Enbridge gained a foothold in the gas delivery business in the province of Quebec.¹⁰

- **Enbridge Gas New Brunswick (EGNB)**

EGNB delivers natural gas to 10,000 commercial and residential customers in New Brunswick.¹¹

- **Offshore Pipelines**

Enbridge owns all or portions of thirteen natural gas pipelines and one oil pipeline that transport natural gas and crude oil from offshore wells in the Gulf of Mexico to pipelines owned by others in Mississippi and Louisiana. This system of pipelines transports

⁷ Ibid, p. 30

⁸ Ibid, p. 26

⁹ www.gazmetro.com

¹⁰ "IPL Energy jumps after Noverco deal," Reuters, July 9, 1997.

¹¹ Enbridge Inc. Management Discussion and Analysis <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> page 31

approximately 40% of the natural gas production in the Gulf of Mexico. This amounts to 85 cubic metres of natural gas per day.¹²

- **Alliance Pipeline U.S.**

The Alliance Pipeline is a natural gas pipeline extending 3,000 kilometres (1,850 miles) from Fort St. John, British Columbia, to Chicago, Illinois. The pipeline is designed to ship natural gas taken from the ground in Northern British Columbia and Northern Alberta, directly to customers in the Chicago area. The pipeline has a capacity of 45 million cubic metres per day of natural gas. The Alliance Pipeline is actually a 50/50 joint venture between Enbridge and the U.S. based Fort Chicago Energy partners¹³. The pipeline is operated by Alliance Pipelines. The U.S. portion of the pipeline is part of Enbridge's Natural Gas Delivery and Services Division while the Canadian portion is part of the company's Sponsored Investment Division.

- **Vector Pipeline**

Enbridge owns 60% of this 560 kilometre (350 miles) pipeline that ships natural gas from Chicago to Dawn, Ontario. The Vector pipeline connects with the Alliance Pipeline to supply Western Canadian natural gas supplies to Illinois, Indiana, Michigan and Ontario. The pipeline was constructed in 2000, and has a capacity of 33 million cubic metres per day.¹⁴ Detroit based, DTE Energy¹⁵ owns 40% of the company.

- **Aux Sable**

Aux Sable, of which 42.3 % is owned by Enbridge, is a natural gas liquids (NGLs) extraction and fractionation business near Chicago. Aux Sable owns and operates a plant – located at the end of the Alliance pipeline – that turns the raw natural gas from British Columbia and Alberta into refined natural gas liquids. Aux Sable has a twenty year agreement (expiring in 2025) to sell its NGLs production to British Petroleum.¹⁶ Fort Chicago and Williams Energy Solutions are the other owners of Aux Sable.¹⁷

- **Energy Services¹⁸**

Energy Services is made up of the company's hydrocarbon marketing business Tidal Energy Marketing.¹⁹ Tidal Energy provides marketing services to more than 100 mid-sized and small oil and gas production companies in North America. Tidal purchases and trades condensate, light sweet and sour, and heavy blends of oil and is also active in

¹² <http://www.enbridgeus.com/Main.aspx?id=242&tmi=348&tmt=4>

¹³ www.fortchicago.com

¹⁴ <http://www.vector-pipeline.com/Vector/>

¹⁵ www.dteenergy.com

¹⁶ <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> page 35

¹⁷ Aux Sable website, <http://www.auxsable.com/corpstructure.htm>

¹⁸ Effective January 1, 2010 the natural gas marketing group (previously Enbridge Gas Services) has merged its activities into Tidal Energy Marketing in Canada and the U.S. Tidal Energy Marketing Inc. and Tidal Energy Marketing (U.S.) LLC are wholly owned subsidiaries of Enbridge Inc., source: <http://www.tidal-energy.com>

¹⁹ <http://www.tidal-energy.com>

propane, butane and natural gas trading in North America. The company markets more than 75,000 barrels of oil per day.²⁰ Oil and natural gas producers will hire Tidal Energy to find buyers for their products and then facilitate the shipment of the products. For Enbridge, being involved in the energy marketing business helps attract customers to its pipeline businesses.

1.1.3 Sponsored Investments

In 2009, this division brought Enbridge \$313 million in revenue and made \$141 million in profit for the company – Enbridge’s Sponsored Investments is not really a company division, but a series of companies wholly or partially owned by Enbridge. These companies, or ‘investments’, are in many cases, legally separate yet intimately tied to the parent Enbridge. These companies own parts of the Alberta Clipper, Alliance and Mainline systems among others. The following section breaks down these investments.

- **Enbridge Energy Partners**

The Houston-based Enbridge Energy Partners (EEP) is an important piece of the puzzle in understanding Enbridge’s complex business and operational structure. Set up in 1991, Enbridge Energy Partners owns many of Enbridge’s U.S. based pipelines and natural gas infrastructure. For example, the U.S. portion of Enbridge’s ‘mainline’ system of pipelines, known as the Lakehead system, is owned by EEP (a full list of EEP assets is below). While EEP is listed as the owner, EEP is actually operated by another independent U.S. company, Enbridge Energy Management established in 2002, whose principal activity is to manage EEP’s business and affairs.

However, neither EEP nor Enbridge Energy Management’s United States Securities and Exchange Commission filings claim to have any employees. This is because all of EEP’s pipelines and other assets are operated by employees of Enbridge. Yet, EEP is legally an independent U.S. company and its stocks are traded on the New York Stock Exchange. In 2008 EEP’s \$10 billion (USD) in annual revenue was good enough to rank it 268th on Fortune magazine’s list of the 500 largest U.S. companies by revenue.²¹ Enbridge owns 27% percent of Enbridge Energy Partners. The remaining shares are owned by the public and institutional investors.

EEP’s owns the following liquids pipelines and natural gas systems:

Lakehead system – The Lakehead system is made up of 16 separate pipelines that snake between Manitoba’s borders with the U.S. all the way to Michigan’s border with Ontario near Sarnia. This system of pipelines (see [Appendix 1](#) for descriptions of individual pipelines) consists of approximately 7,500 kilometres (4,700 miles) of pipe, 60 pump station locations, and 66 crude oil storage tanks with a combined capacity of

²⁰ Hoover’s Company Records - In-depth Records, February 16, 2010, Tidal Energy Marketing, Inc.

²¹ 2009, Fortune 500, http://money.cnn.com/magazines/fortune/fortune500/2009/full_list/201_300.html

approximately 12.1 million barrels.²² In 2009, approximately 36 companies shipped crude oil and liquid petroleum through the Lakehead system. Recently completed, the U.S. portion of Enbridge's newest pipeline, the Alberta Clipper is part of EEP's Lakehead system.

Mid-Continent system – EEP's Mid-Continent system is made up of the Ozark and West Tulsa pipelines. This small system of pipelines consists of 770 kilometres (480 miles) of crude oil pipelines and 15.9 million barrels of crude oil storage capacity.

North Dakota system – The North Dakota System is a 530 kilometer (330 mile) crude oil gathering and 1,000 km (620 mile) interstate transportation system that gathers crude oil from points near producing wells in 22 oil fields in North Dakota and Montana.²³ The system has a capacity of approximately 161,000 bpd and provides connections with the Lakehead System and a third-party pipeline that transports crude oil to refineries in the Minneapolis/St. Paul area. The North Dakota system is poised to exploit the Bakken Shale Deposits located in Montana, North Dakota and Saskatchewan.

Natural Gas Segment – EEP owns and operates natural gas gathering, treating, processing and transportation systems as well as trucking, rail and liquids marketing operations. The company purchases and gathers natural gas from various sources and delivers it to plants for treating and/or processing and to pipelines for transmission to wholesale customers such as power plants, industrial customers and local distribution companies. EEP owns natural gas systems in East Texas (East Texas System), North Texas (North Texas System) and Oklahoma (Andarko System).²⁴

- **Enbridge Energy, L.P.**

Alberta Clipper U.S. (EELP) – EELP is the subsidiary of Enbridge Energy Partners that was set up to construct the U.S. portion of the Alberta Clipper pipeline. The 2009 lawsuit filed by the Sierra Club, the Minnesota Centre for Environmental Advocacy, the National Wildlife Federation and the Indigenous Environmental Network challenged the State Department's issuance of a Presidential permit to Enbridge Energy, L.P. for the construction of the Alberta Clipper pipeline (this lawsuit is profiled in detail below).

- **Enbridge Income Fund (EIF)**

Enbridge Income Fund owns a 50% interest in the Alliance Canada Pipeline, 100% interest in Enbridge Pipelines (Saskatchewan) Inc. ("Saskatchewan System"), and Green Power assets which include a 50% interest in NRGreen Power Limited Partnership, which operates electrical generation facilities using waste heat, and holds interest in three

²² Enbridge Energy Partners 2009 Annual Report on 10-k, <http://www.sec.gov/Archives/edgar/data/880285/000119312510034642/d10k.htm>

²³ <http://www.enbridgepartners.com/EEP/Main.aspx?id=212&tmi=1826&tmt=5>

²⁴ Enbridge Energy Partners 2009 Annual Report on 10-k, <http://www.sec.gov/Archives/edgar/data/880285/000119312510034642/d10k.htm>

wind power projects in Western Canada. Enbridge sponsors and indirectly manages the Fund.²⁵

1.1.4 Enbridge International

Earnings from Enbridge International have historically been part of the Natural Gas Delivery and Services Division. However, in 2009, after Enbridge sold its main international assets, Enbridge International reported zero revenues or earnings.

Until 2009, Enbridge's international operations – organized under the name Enbridge International Inc. – owned portions of two pipeline companies in Colombia and Spain. In 2008 the company sold its interest in the Spanish pipeline company Compañía Logística de Hidrocarburos, and in 2009 it sold its interest in the Colombian company [OCENSA](#).²⁶

The company continues to have an international presence through Enbridge Technology, which provides consulting and training services and has worked in countries such as Mexico, Malaysia, Brazil, Venezuela, India, Oman, Colombia, China, South Korea and the United States.

This unit provides a wide range of consulting services to the domestic and international gas industry. During the last 30 years, over 500 consulting projects in over 30 countries on six continents have been completed. Clients include transmission companies, gas distributors, governments and engineering firms.²⁷ Some of Enbridge Technology's contracts include:

- In May 2001, Enbridge signed a deal to operate and maintain the natural gas transmission system owned by Oman Gas Company in the Sultanate of Oman.²⁸
- In the past Enbridge has signed memorandums of understanding with two Indian companies:
 - Indian Oil Company in 1999 for collaboration in development of cross-country pipelines in India and abroad. The MoU also covered the development of pipeline management systems.
 - Bahrat Petroleum to work on the Mumbai-Manmad pipeline.²⁹

1.1.5 Corporate

This segment includes Enbridge's investments in green energy projects. It also consists of business development activities as well as investing and financing activities.

²⁵ <http://www.enbridgeincomefund.com/>

²⁶ For more information on human rights issues related Enbridge's Colombian operations please go to page XX

²⁷ Enbridge Technology website, <http://www.enbridge.com/about/enbridgeCompanies/international/enbridge-technology.php>

²⁸ <http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=522332&releaseSeq=27>

²⁹ Srinivasan, R., "Enbridge signs MoU with IOC," Business Line (The Hindu), January 12, 1999.

1.2 Refineries

The following refineries receive oil shipped directly from Enbridge pipelines. Dozens of other refineries across Canada and United States receive crude oil from pipelines that connect to the Enbridge system of pipelines.

US refineries by State:

Illinois

- ExxonMobil's Joliet refinery (238,600 bpd), Joliet, Illinois
- CITGO's Lemont refinery (167,00 bpd), Lemont, Illinois
- ConocoPhillips/Encana (306,00 bpd), Wood River Refinery, Wood River, Illinois

Indiana

- British Petroleum's Whiting Indiana Refinery (410,000 bpd), Whiting, Indiana

Kansas

- Coffeyville Resources Refinery, (100,000 bpd), Coffeyville, Kansas

Minnesota

- Flint Hills Resources' Pine Bend Refinery (279,300 bpd), Rosemount, Minnesota
- Marathon Oil's St. Paul Park Refinery (70,000 bpd), St. Paul Minnesota

Ohio

- British Petroleum's Toledo Refinery (160,000 bpd), Toledo, Ohio
- Sunoco's Toledo Refinery (140,000 bpd), Toledo, Ohio

Oklahoma

- Holly Corporation's Tulsa refinery (70,000 bpd), Tulsa, Oklahoma

Wisconsin

- Murphy Oil refinery (34,300 bpd), Superior, Wisconsin

Canadian refineries by Province:

Alberta

- Imperial Oil's Strathcona refinery (187,000 bpd), Edmonton, Alberta
- Suncor's Edmonton refinery (138,000 bpd), Edmonton, Alberta
- Shell Canada's Scotford refinery (126,000 bpd), Edmonton, Alberta

Ontario

- Imperial Oil's Nanticoke refinery (112,100 bpd), Nanticoke, Ontario
- Imperial Oil's Sarnia refinery (121,600 bpd), Sarnia, Ontario
- Shell Canada's Corunna refinery, (69,900 bpd), Sarnia, Ontario

- Nova Chemicals Corruna refinery and petrochemical complex (80,000 bpd), Corruna, Ontario
- Suncor's Sarnia refinery (85,100 bpd), Sarnia, Ontario

Saskatchewan

- Consumers Co-operatives Refineries Ltd. (100,100 bpd), Regina, Saskatchewan

1.3 Executives and their salaries

Enbridge's Chief Executive Officer is a member of the Board of Directors of the Canadian bank CIBC. His membership on CIBC's board makes the bank an important target for activists organizing campaigns against Enbridge.

Patrick Daniel (2009 salary \$ 6,021,930) – Daniel is Enbridge's President & Chief Executive Officer and he is a member of the Enbridge Inc. Board of Directors. Daniel sits on the board of directors of Canadian bank CIBC (www.cibc.com), EnCana, and the industrial products company, Enerflex Systems Ltd. (www.enerflex.com).

Richard Bird (2009 salary, \$ 2,021,640) – Executive Vice President, Chief Financial Officer & Corporate Development – Bird is responsible for all financial affairs of the company and corporate planning, mergers, acquisitions and corporate development.

Bonnie D. DuPont – Group Vice President, Corporate Resources – DuPont is responsible for Human Resources, the Corporate Secretariat function, Public & Government Affairs, and Information Technology. She also is responsible for Enbridge's Corporate Social Responsibility strategies. Dupont sits on the board of directors of the Bank of Canada.³⁰

Stephen Letwin – Executive Vice President, Gas Transportation & International (2009 salary, \$ 2,345,343) – Letwin is responsible for all aspects of Enbridge's natural gas operations, including oversight of Enbridge Gas Distribution and Enbridge Gas New Brunswick. He is also responsible for International operations and the Alliance and Vector natural gas pipelines. As well he is responsible for Enbridge Energy Partners.

Al Monaco – Executive Vice President, Major Projects (2009 salary, \$1,831,655) – Monaco is Executive Vice President, Major Projects and leads the Major Projects Business Unit, which is responsible for project execution once commercial viability for a major project has been established.

David T. Robottom – Group Vice President, Corporate Law – Robottom is responsible for the company's legal functions.

³⁰ <http://www.bankofcanada.ca/en/bios/dupont.html>

Stephen J. Wuori (2009 salary, \$ 1,912,939) – Executive Vice President, Liquids Pipelines – Wuori is Executive Vice President, Liquids Pipelines and is responsible for all crude oil and liquids pipeline operations in North America, including Enbridge Pipelines and its related liquids pipelines operations.

1.4 Board of Directors³¹

Companies such as Tim Hortons, Bata Shoes, CIBC and Sobey's, among others, are represented at Enbridge's through the members of its board of directors. Through their association with Enbridge, these companies become targets for activists organizing campaigns against the pipeline company.

David Arledge (Chair of the Board) – Arledge joined the Board in 2002 and was appointed Chair of the Board in May 2005. He is a member of the Governance Committee and the Human Resources & Compensation Committee. He is presently the chair of the board of Aviva USA (insurance company, www.avivausa.com).

From 1983 until 2001 Arledge held many executive positions with Coastal Corporation (an energy company) which merged in early 2001 with El Paso Corporation. When he retired in late 2001, Arledge held the position of Chair of the Board of Directors and Chief Executive Officer of El Paso Corporation. Soon after Arledge left El Paso Corporation, the company was hit with numerous civil lawsuits, as well as state and federal investigations and administrative proceedings that looked into claims that the Houston-based natural gas company was withholding supplies from California in 2000.³² In March of 2003, the El Paso settled all of the suits by agreeing to pay more than \$1.7 billion.³³

James Blanchard – Mr. Blanchard joined the Board in 1999 and is Chair of the Corporate Social Responsibility Committee and a member of the Governance Committee. Blanchard is a former U.S. Ambassador to Canada (1993, 1996) and served as the Governor of the State of Michigan for eight years and also spent eight years in the United States Congress.

Lorne Braithwaite – Braithwaite joined the Board in 1989 and is a member of the Corporate Social Responsibility Committee and the Human Resources & Compensation Committee. He is a Director of Enbridge Gas Distribution Inc., Jannock Properties Limited (public real estate company), Chair of Seacan Reality (managing partner for an institutional capital pool for the development of shopping centers in southeast China), Bata Shoe Corporation (private international shoe retailing company) and Northern

³¹ Unless otherwise noted, the information of Enbridge's Board of Directors comes from Enbridge's website, <http://www.enbridge.com/investor/corporateGovernance/boardOfDirectors/directors-biographies.php>

³² Hays, K., "El Paso will pay more than \$1.7 billion US to settle natural gas suits," The Canadian Press, March 23, 2003.

³³ *ibid*

Group Retail Ltd. (ladies specialty apparel retailer operating throughout Canada and Northeast USA).

Patrick Daniel – Daniel is President & Chief Executive Officer of Enbridge, He is also Director of the major tar sands player EnCana Corporation and the industrial products company, Enerflex Systems Ltd. (www.enerflex.com) as well as Canadian bank, CIBC.

Herb England – England joined the Board in 2007 and is a member of the Audit, Finance & Risk Committee and the Governance Committee. England is the President & Chief Executive Officer of Stahlman–England Irrigation Inc. (<http://rain4u.com/>) a Florida contracting company, and is a former Labatt brewery executive.

Charlie Fischer – Fischer joined the board in 2009 and is a member of the Corporate Social Responsibility Committee and the Human Resources & Compensation Committee. From 1994 until 2008, Fischer held a number of executive positions at major tar sands player Nexen Inc. including Senior Vice President, Exploration and Production, North America, and Executive Vice President and Chief Operating Officer. In 2000, he was appointed to the Nexen Board, and in 2001 he was appointed President and Chief Executive Officer. He retired from Nexen at the end of 2008.

Fischer also sits on the University of Calgary’s Board of Governors where he is Vice Chair and Chairs the Environment, Health and Safety Committee and the Operations Committee, and participates on the Executive Committee and the Audit Committee. He co-chairs the Alberta Climate Change Central Board, and is a member of the Calgary Airport Authority Business Development Advisory Council.

David Leslie – Leslie joined the Board in July 2005 and is Chair of the Audit, Finance & Risk Committee and a member of the Governance Committee. He is a chartered accountant and the former Chairman and Chief Executive Officer of Ernst & Young LLP (1999 – 2004). He is a Director of Crombie REIT (real estate investment trust), Empire Company Limited (food retail and related real estate company), Enbridge Gas Distribution Inc. (utilities company and an indirect, wholly owned subsidiary of the Corporation), Imris Inc. (surgical imaging systems company) and Sobeys Inc. (food merchandising company). He is Chair of Sunnybrook Health Sciences Centre and a founding director of MaRS Innovation.

George Petty – Petty joined the Board in 2001 and is the Chair of the Governance Committee and a member of the Audit, Finance & Risk Committee. He is the former CEO of Telus Corporation (1994 – 1999).

Charles Shultz – Shultz joined the Board in December 2004 and is the Chair of the Human Resources & Compensation Committee and a member of the Audit, Finance & Risk Committee. He is the Chair and Chief Executive Officer of Dauntless Energy Inc. (private oil and gas company) which he formed in 1995. Prior to that, from 1990 to 1995, Mr. Shultz served as President and Chief Executive Officer of Gulf Canada Resources Limited (oil and gas company). Shultz serves as Chairman of the Board of Canadian Oil

Sands Limited (www.cos-trust.com a subsidiary of Canadian Oil Sands Trust, a public oil and gas trust) and has been a Director of Newfield Exploration (oil and gas company) since 1994 and currently serves as Lead Director.

Dan Tutchter – Tutchter joined the Board in 2006 and is a member of the Governance Committee and the Corporate Social Responsibility Committee. He is a Principal in Center Coast Capital Advisors L.P. From 1992 – 2001, he was the Chairman of the Board, President & Chief Executive Officer of Midcoast Energy Resources, Inc. He is a Director of Sterling Bancshares, Inc. (bank holding company).

Cathy Williams – Williams joined the Board in 2007 and is a member of the Audit, Finance & Risk Committee and the Human Resources & Compensation Committee. Previously she has held various positions with Shell Canada Limited, Shell Europe Oil Products, Shell Canada Oil Products and Shell International from 1984 – 2007. She was most recently the Chief Financial Officer for Shell Canada Limited from 2003 – 2007. Prior to 1984, Mrs. Williams was employed at NOVA Corporation and the Bank of Canada. Williams is a Director of Tim Horton's (www.timhortons.com) and serves as the Chair of the Board of Governors of Mount Royal College, and was previously Chair of the Board of the United Way of Calgary & Area and Junior Achievement of Southern Alberta.

1.5 Lawsuits – Bulldozing Through Landowner Resistance

As Enbridge builds pipeline networks across Canada and the United States, the company has negotiated right of way agreements (ROWs) and memorandums of understanding (MOUs) with private landowners and First Nations populations, as well as submitted requests for approval at the National Energy Board and other regulatory bodies.

Tensions over pipeline routing, pipeline easement width, compensation values, and the overall environmental, economic and social context of oil extraction have led to frequent disputes between landowners and the company within provincial, state and national judicial systems. Seeking ways to limit landowner resistance to their projects, Enbridge has occasionally depended on claiming that a project has eminent domain or requires an act of land expropriation.³⁴ A small sampling of key legal cases highlighting some of the many judicial issues that have arisen between landowners and Enbridge is detailed below, drawn from court docket recordings and related news items.³⁵

Application for Eminent Domain in Illinois, (*Status Ongoing*) – With the support the U.S. Department of Energy, Enbridge filed a petition to the Illinois Commerce Commission (ICC) for their Southern Access Pipeline to request the approval of ‘eminent

³⁴ “Eminent Domain” is based on the argument by Enbridge that their pipelines *need to pass through private property, serve the greater ‘public’ good and are accompanied by adequate compensation.*

³⁵ For legal disputes in which Enbridge is implicated in Colombia, please see Chapter 4.

domain' status. If granted, eminent domain status would allow Enbridge to advance the construction of close to 300 kilometres (185 miles) of pipelines with an easement measurement of 37 metres (120 feet) over fertile agricultural fields, without delay. The expansion will connect existing Enbridge pipelines to a major pipeline hub in Patoka, Illinois. Though the ICC gave initial approval for the Southern Access project in September 2009, they did not grant eminent domain (on the basis that Enbridge did not adequately verify reasons for domain authority).³⁶ Instead, Enbridge was requested to negotiate agreements with the individual impacted landowners. In the meantime, approximately 280 landowners have joined together to launch a legal case against Enbridge's proposal. They have raised particular concerns about the specific environmental, drainage and safety effects of the pipeline, as well as incidences of trespassing without prior consultation.³⁷ According to the landowners' legal representative, Thomas Pliura, Enbridge "is a private project backed by big oil companies to increase the prices of heavy oil... They shouldn't benefit at the sacrifice of property owners who own land in the path of the route they want to pursue."³⁸

Application for Eminent Domain in Minnesota – In 2009, Enbridge filed a routing permit for "eminent domain" at the Minnesota Public Utilities Commission (MPUC) in order to proceed with the construction stages of the Alberta Clipper Pipeline through the properties of private landowners. This case was launched by the company in response to the attempts to block the pipeline by both non-Indigenous landowners and the Leech Lake Tribal Nation in the affected region in Minnesota. As Bill Schroeder, one of the concerned landowners against whom Enbridge is filing the case explained, "I don't want Enbridge to take over my property, but they just keep saying 'Eminent Domain'. I guess what that means is big oil can just take my land away, and I can't do anything about it."³⁹ The US Bureau of Indian Affairs (BIA) has also intervened in the process because landowner allotment agreements have not yet been approved.⁴⁰ Concerns voiced by community members include the potential environmental risks of oil spills, the violation of the rights to private property and Indigenous land sovereignty (valued by farmers and band members, respectively), and general opposition to tar sands oil extraction.⁴¹

Canadian Alliance of Pipeline Landowners' Association. v. Enbridge Pipelines Inc. (*Judgment: November 20, 2006*) – This case concerns a class action against Enbridge that was advanced by the farmers organized into the Canadian Alliance of Pipeline Landowners' Association. The grievance for which compensation was claimed included interference related to drainage installation, cultivation and harvesting, and the necessity

³⁶ Jeffrey Tomich, St. Louis Post-Dispatch, Sept. 7 2009 "Enbridge Southern Access Pipe not given eminent domain; Will "re-apply" oilsandstruth.org/enbridge-southern-access-pipe-not-given-eminent-domain-will-quotreapplyquot

³⁷ Kari Lydersen, The Progressive, April 2008, "They Can't Just Walk All Over Us: Farmers Resist a Pipeline" [/oilsandstruth.org/they-can039t-just-walk-all-over-us-farmers-resiste-pipeline](http://oilsandstruth.org/they-can039t-just-walk-all-over-us-farmers-resiste-pipeline)

³⁸ Jeffrey Tomich, St. Louis Post-Dispatch, Sept. 7 2009 "Enbridge Southern Access Pipe not given eminent domain; Will "re-apply" oilsandstruth.org/enbridge-southern-access-pipe-not-given-eminent-domain-will-quotreapplyquot

³⁹ Indigenous Environmental Network, "Lawsuits, Pending Eminent Domain Issues, Referendum, Eagle Habitat, Sovereignty Issues Spell Trouble for Enbridge Pipeline," Aug. 6, 2009 dirtyoilsands.org/images/uploads/PR_IEN-LeechLake_Clinton.pdf

⁴⁰ Ibid.

⁴¹ Miran, M., Bemidji Pioneer, "Alberta Clipper Pipeline: Protesters state their case," July 30 2009 www.tarsandswatch.org/alberta-clipper-pipeline-protesters-state-their-case

to use modern farming equipment. Their claims were dismissed in the final judgment, with no right to compensation. The judge concluded that there was no actionable breach of contract by Enbridge.⁴²

Enbridge Pipelines (Athabasca) Inc. v. Karpetz, (*Judgment: February 11, 2010*) – In compensation negotiations with landowners affected by the Waupisoo Pipeline (route from Cheecham, Alberta to Edmonton, Alberta) at the Surface Rights Board of Alberta (SRB), Enbridge argued that compensation should be calculated on a “pattern of dealings approach”, based on the compensation paid by other pipeline companies operating in the region to landowners. In the absence of a negotiated agreement, the SRB ordered Enbridge Pipelines to pay landowners affected by the Waupisoo Pipeline compensation for permanent right of way access (ROW), temporary land use for construction, as well as annual payments for the ongoing pipeline operations. In an appeal launched by Enbridge at the Alberta Court of Queen’s Bench, the judges sided with the company and overturned the SRB ruling. The Court concluded that, “The SRB’s decision to reject the pattern of dealings (POD) approach, in awarding compensation for rights of way and temporary work spaces relating to an oil pipeline, was unreasonable...compensation was awarded in accordance with the Enbridge proposal.”⁴³

Brokenhead Ojibway Nation v. Canada (Attorney General), (*Judgment: May 2009*) – This appeal was launched by the Brokenhead Ojibway regarding the process by the federal government and NEB to approve three 1000 kilometre underground pipelines from Alberta to Manitoba, during which repeated requests from the Treaty One First Nation/ Brokenhead Ojibway asking for meaningful consultation regarding the impact on their communities were ignored. Authorities claimed they were entirely satisfied with the outcomes of the oil and pipeline company-led ‘open-house’ consultation sessions. As a result, the Brokenhead Ojibway challenged these decisions, and asserted their outstanding land claims, as well as the Crown’s unfulfilled “legal and treaty obligations of consultation and accommodation before granting the necessary approvals for the construction of pipeline projects in their traditional territory”⁴⁴.

Their appeal was dismissed, with the final ruling declaring that the “impact of the pipeline projects on the applicants’ land claims was negligible,”⁴⁵ and that the “pipelines were below ground and were reasonably unobtrusive”⁴⁶. The need to consult was declared adequately fulfilled, due to the “opportunities afforded for consultation and accommodation”⁴⁷ through the official NEB hearings. However, clear statements were in fact made by the judge regarding the impacts of pipelines, and the inadequacy of the current system of consultation:

⁴² MacDonald, E.I., *Canadian Alliance of Pipeline Landowners’ Association v. Enbridge Pipelines Inc.*, Ontario Superior Court of Justice (ON), Nov. 20 2006.

⁴³ Macklin, E.F., *Enbridge Pipelines (Athabasca) Inc. v. Karpetz*, Alberta Court of Queen’s Bench, Judicial District of Edmonton (Edmonton, AB), Feb. 11, 2010.

⁴⁴ Barnes, J., *Brokenhead Ojibway Nation v. Canada (Attorney General)*, Federal Court (Winnipeg, MB), May 12 2009.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

While the environmental footprint of any one project might appear quite modest, the eventual cumulative impact of development on the rights and traditional interests of Aboriginal peoples can be quite profound. It follows from this that the NEB process may not be a substitute for the Crown's duty to consult where a project under review directly affects an area of unallocated land which is the subject of a land claim or which is being used by Aboriginal peoples for traditional purposes.... [H]ad any of the Pipeline Projects crossed or significantly impacted areas of unallocated Crown land which formed a part of an outstanding land claim, a much deeper duty to consult would have been triggered. Because this is also the type of issue that the NEB process is not designed to address, the Crown would almost certainly have had an independent obligation to consult in such a context.⁴⁸

Such relatively strong statements made by the judge in this decision may therefore be referenced – and potentially reinforced – in future cases launched by affected First Nations populations in similar attempts to defend their lands and livelihoods.

Sweetgrass First Nation and the Moosomin First Nation v. National Energy Board, et al., (*Judgment: December 7, 2009*) – The Sweetgrass and Moosomin First Nations filed an appeal with the National Energy Board (NEB) regarding the approval of Enbridge's Alberta Clipper Project, which directly impeded on the lands never surrendered to the Crown. Their claim was based on the understanding of un-extinguished aboriginal title to the lands in question and rights to self-government, and elaborated on the lack of participation of the Crown in this situation. They also sought to draw attention to the impending impacts of the pipeline project to sacred and historical sites. In December 2009, the appeal was dismissed, with the final judgment claiming:

The appellants failed to establish that any portion of the National Energy Board Act had the effect of interfering with any aboriginal or treaty rights that they may have possessed. The fact that the Board was not required to determine the existence of a Crown duty of consultation did not affect the appellants' ability to seek adjudication of the issue by a court of competent jurisdiction.⁴⁹

Essentially, this decision means that while affected Indigenous Peoples that hold unceded land rights are told they can voice their concerns at the NEB, their concerns would be only be considered when the NEB rules upon whether the project is, or is not, in the public's interest. Ultimately, the indigenous values attributed to land and their natural resources belonging to the original titleholders, the First Nations, are deemed to be incompatible with the values that underlie Canada's regulatory systems concerning energy.

Standing Buffalo Dakota First Nation, et al. v. Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP, et al., (*Application for appeal: February 8,*

⁴⁸ Ibid. (paras 27, 44).

⁴⁹ Layden-Stevenson, N and J.J.A. Ryer, *Sweetgrass First Nation and the Moosomin First Nation v. National Energy Board, et al.*, Federal Court of Appeal (Ottawa, ON), Dec. 7 2009.

2010) – This Standing Buffalo Dakota First Nation appeal follows a parallel path to the above case of the Sweetgrass and Moosomin First Nations. However, the situation under dispute pertains specifically to the NEB’s ruling regarding the granting of access to unceded land to Enbridge for the building of the Southern Lights pipeline. The Standing Buffalo Dakota participated in NEB hearings to voice opposition to the Southern Lights project, and concern about the impacts on lands under treaty negotiation. Similar to the handling of the Sweetgrass and Moosomin First Nations’ case, the NEB ruled that there is no requirement to address the Crown’s duty to consult prior to making decisions regarding pipeline approvals. The Standing Buffalo First Nation Dakota Band continues to pursue an appeal with regard to this decision.⁵⁰

Enbridge Gateway Pipeline Dispute (*Ongoing, March 2010*) – A court case is in the planning stages by communities affected by the Gateway pipeline with assistance from West Coast Environmental Law (WCEL). According to Chief Larry Nooski of the Nadleh Whut'en, “Our territory has never been surrendered to the Crown. We are seeking a true government-to-government process with the federal government for the review of the Enbridge project. We are prepared to defend our rights and title through all necessary means, including through the Canadian courts.”⁵¹ This project is legally bound to adhere to section 35(1) of the Canadian constitution, which mandates the reconciliation of “pre-existing Aboriginal sovereignty with assumed Crown sovereignty,” and imposes a duty of honourable consultation and accommodation on the Crown (which has not happened to date).⁵² The executive director of the WCEL, Jessica Clogg, asserts that the Gateway Project proposal has created a “highly volatile legal situation,” and a high probability of litigation by First Nations communities that could stall or completely halt the project’s progress.⁵³

1.6 University Links

- **University of Alberta** – Patrick Daniel is past chairman and current board member of the Business Advisory Council for the University of Alberta's Faculty of Business.
- **University of Calgary** – Enbridge Vice President Bonnie DuPont sits on the Board of Governors of the University of Calgary.⁵⁴
- **University of Calgary** - Enbridge Director Charlie Fischer is a member of the University of Calgary’s Board of Governors.

⁵⁰ Sharlow, Pelletier and J. Ryer, Standing Buffalo Dakota First Nation, et al. v. Enbridge Southern Lights GP Inc. on behalf of Enbridge Southern Lights LP, et al., Federal Court of Appeal (Regina, SK) February 8, 2010.

⁵¹ Marketwire, “Enbridge Review Panel Already An Infringement of Aboriginal Rights,” Dec. 4 2009 www.marketwire.com/press-release/Enbridge-Review-Panel-Already-An-Infringement-of-Aboriginal-Rights-1086193.htm

⁵² West Coast Environmental Law, “Legal backgrounder: The Crown’s approach to First Nations consultation on the Enbridge Gateway Pipeline,” wcel.org/resources/publication/legal-backgrounder-crown%E2%80%99s-approach-first-nations-consultation-enbridge-gatewa

⁵³ Lavoie, J., Times Colonist, “Lawsuit in pipeline, Enbridge foes say,” March 25 2010 www.timescolonist.com/technology/Lawsuit+pipeline+Enbridge+foes/2724036/story.html

⁵⁴ <http://www.ucalgary.ca/secretariat/node/491> <http://www.bankofcanada.ca/en/bios/dupont.html>

- **Mount Royal University** – Enbridge Director, Cathy Williams serves as the Chair of the Board of Governors of Mount Royal College.⁵⁵
- **University of New Brunswick** – Janet Holder, president of Enbridge Gas Distribution sits on the Board of Governors.⁵⁶
- **University of Northern British Columbia** – Former mayor of Prince George, British Columbia, Colin Kinsley, is a member of UNBC’s Board of Governors. Kinsley is the chair of the Northern Gateway Alliance, a so-called community group organized and bankrolled by Enbridge with the goal of convincing Northern B.C. and Alberta communities to accept the construction of the Gateway pipeline.⁵⁷
- **York University** - Al Monaco, Enbridge’s Executive Vice President, Major Projects, sits on the Board of Directors of the York University Foundation, an independent entity that supports York’s fundraising initiatives.⁵⁸

Scholarships

As is the practice with most large corporations, Enbridge donates money to a large number of Canadian Universities. Used for scholarships, bursaries and sponsorship of University initiatives, Enbridge sees donating money as a community investment. In the U.S., Enbridge sponsors university scholarships in many communities in which they maintain operations. These are listed in the company’s Corporate Social Responsibility report.⁵⁹

Strategic investments – Fuelling Tensions; Draining Resistance: Dispersing Funds Amongst Indigenous Communities

. Enbridge’s investment in scholarships, educational programs and training institutes for Indigenous youth are particularly notable, given that such programmes normalize a brand popularly associated with the oil and gas industry amongst young people affected by Enbridge’s projects. A younger generation is then encouraged to believe that oil based investments in their communities are not only an economic imperative without viable alternatives, but also a highly positive endeavor – rather than learning to critically engage in planning for long-term community based alternatives to the short term profit-centred corporate initiatives. In this process, divisions and tensions are fuelled between the youth and those who identify with ‘older’ generations grounded in Indigenous histories and concerned about the impacts of oil projects on cultural sites, the ecosystems upon which their communities have relied for centuries, and the struggle for reclaiming Indigenous sovereignty over traditional lands.

⁵⁵<http://www.mtroyal.ca/AboutMountRoyal/OfficesGovernance/BoardofGovernors/MembershipMemberProfiles/index.htm>

⁵⁶ <http://www.unb.ca/secretariat/Board/Membership/BOFmembership20092010.htm>

⁵⁷ Gordon Hoekstra, “Propaganda pipeline; Enbridge is footing the bill for a northern advocacy group to generate community support for its proposed \$4.5-billion project,” Prince George Citizen, May 30, 2009.

⁵⁸ http://www.yorku.ca/foundation/about_us.html

⁵⁹ Enbridge 2009 Corporate Social Responsibility Report, <http://www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf>

In many cases, sponsorship from the oil industry is difficult to reject given the relatively high prevalence of poverty, unemployment, poor housing conditions, troubled youth and overall demoralization amongst Indigenous communities. Enbridge's corporate donations could superficially appear to have an innocent function of simply 're-distributing' their profits. However, when combined with an understanding of the additional strategic sponsorships of First Nations' community initiatives, particularly those with a cultural and ecological focus, a clearer picture of Enbridge's intentions comes into focus. If the company can develop positive relationships with an upcoming workforce as well as key decision makers, acceptance of Enbridge's projects and proposed ROW can be much faster, with little dissent from impacted communities. Official approval of the project can then be granted, despite a lack of consultation, consensus or consent from the affected populations, and the true titleholders of the land. However, resistance to accepting funding from Enbridge is becoming more pronounced in areas where new pipeline developments are being proposed, and can be seen as a step towards an overall rejection of the Enbridge model of 'buying' community leadership structures and the imaginations of the youth.

The following is a selection of Enbridge's major investments in Aboriginal education, training and youth initiatives:⁶⁰

- Aboriginal Writing Challenge for children (Canada)
- Enbridge School Plus Program (Canada, partnership with the Assembly of First Nations, AB; ON)
- Aboriginal Leadership and Management Education Programs, Banff Centre (AB)
- Northern Student Education Initiative (scholarships for students from NWT, Nunavut and Northern Alberta)
- Alberta Clipper Scholarships (SK)
- Aboriginal Student Entrance Bursary, Keyano College (AB)
- Scholarship for Aboriginal Leadership, Mount Royal University (AB)
- Leadership Programs, Canadian Indigenous Language and Literacy Development Institute, University of Alberta (AB)
- Enbridge Indigenous Language Leadership Award, University of Alberta (AB)
- First Nations Students' Association, University of Calgary (AB)
- Mentorship Program with Aboriginal students, University of Calgary (AB)
- Business Conferences with Aboriginal students, University of Calgary (AB)
- Construction and General Workers Local 92 training program, Alexis Dakota Sioux Nation (AB)
- Aboriginal Economic Development Program, University of Victoria (B.C.)
- Building Environmental Aboriginal Human Resources Program, Northern Lights College (B.C.)
- UNBC New North Foundation Program (B.C.)

⁶⁰ Enbridge Website, "Aboriginal Relations: Education & Scholarships," www.enbridge.com/aboriginalpeoples/education-scholarships; "2009 Corporate Social Responsibility Report: Society GRI Performance Indicators" www.enbridge.com/csr2009/social/so1.php

- Job Readiness Program and classroom equipment, Kitimat Valley Institute (partnership with Haisla First Nation, B.C.)
- Northwest Community College sponsorships (B.C.)
- Aboriginal Facilitator Training, Kitimat and Terrace (B.C.)
- Prince George Nechako Aboriginal Employment and Training Association Programs(B.C.)
- Aboriginal Student Community Award, University of Winnipeg (Man.)
- First Nations Scholarship, Aurora College (NT)
- Aboriginal Student Bursary, Brock University (ON)
- Aboriginal Student Bursary, York University (ON)
- Post-secondary Scholarships, Akwesasne (ON)
- Saskatchewan Indian Institute of Technology Scholarships (SK)
- Aboriginal Scholarships, Leech Lake College (MN)
- Aboriginal Scholarships, Fond du Lac Tribal College (MN)
- Bemidji State University grants (MN)
- College of St. Scholastica grants (MN)
- University of Minnesota-Duluth grants (MN)
- University of North Dakota (ND)
- American Indian Scholarship, University of Wisconsin-Superior (WI)

A selection of additional strategic investments in Indigenous communities include: ⁶¹

- Aboriginal Youth Internships at project sites (Canada; USA)
- Tours of existing pipeline routes for Chiefs and elders (Canada; U.S.A.)
- North American Indigenous Game Sponsorship (Canada; U.S.A.)
- Arctic Winter Game Sponsorship (Canada)
- Inuit and Dene Game Sponsorship(Canada)
- Safe Community Grant Program, Aboriginal communities (Canada)
- National Aboriginal Day Celebrations (Canada)
- Community “Charity Pow-Wows” and “Treaty Days” (Canada)
- Aboriginal Chief Ceremonies (Canada)
- Assembly of First Nations events and conferences (Canada)
- Aboriginal Achievement Awards (Canada)
- Aboriginal Tourism Awards (Canada)
- Aboriginal Artist Grants (AB; B.C.)
- Alberta Aboriginal Role Model Awards (AB)
- Alberta Native Friendship Centre Associations(AB)
- Tree planting program, Alberta Four Nations (AB)
- British Columbia Aboriginal Tourism Awards (B.C.)
- Aboriginal traditional knowledge video project (B.C.)
- Métis Nation BC Economic Development Forum (B.C.)

⁶¹ Enbridge Website, “Aboriginal Relations: Community Investment,” www.enbridge.com/aboriginalpeoples/community-investment; “2009 Corporate Social Responsibility Report: Society GRI Performance Indicators” <www.enbridge.com/csr2009/social/so1.php

- Salmon restoration project (Aboriginal partnership, B.C.)
- Geo-thermal energy project (Aboriginal partnership, B.C.)
- Forest manufacturing project (Aboriginal partnership, B.C.)
- Ronathahonni Cultural Centre in Akwesasne (ON)
- Mohawk Council of Akwesasne (ON)
- Manitohabee Aboriginal Music Awards(Man.)
- 4-H Exchange Camps for Moosomin and Whitewood Indigenous communities (SK)
- Bemidji Community Center (MN)
- Leech Lake Bena Community Center (MN)
- Leech Lake Boys & Girls Club (MN)
- Woodland Hills Juvenile Treatment Center for Aboriginal Youth(MN)

2. Economic Profile

2.1 Financial results (in CND dollars)

Table (a) shows how much money Enbridge made in revenues in 2009. These figures represent the amount of income before subtracting costs. Table (b) shows Enbridge's earnings, or profit, which is the revenue minus costs. All figures are in Canadian dollars unless otherwise noted.

Table (a)⁶²

Division	2009 Annual Revenue	2008 Annual Revenue	% change
Liquids Pipelines	1.33 billion	1.17 billion	13.93%
Natural Gas Delivery and Services	10.77 billion	14.65 billion	-22.44%
Sponsored Investments	313 million	298 billion	5.03%
Corporate	44 million	13 million	238.46%
Total	12.46 billion	16.13 billion	-22.72%

Table (b)⁶³

Division	2009 Earnings	2008 Earnings	% change
Liquids Pipelines	445 million	328 million	36.67%
Natural Gas Delivery and Services	635 million	958 million	-33.71%
Sponsored Investments	141 million	111 million	27.02%
Corporate	334 million	(76) million	41,000%
Total	1.55 billion	1.32 billion	17.71%

2.2 Main customers

Enbridge's main customers include all of the major Oil and Gas companies operating in the tar sands. The company's fortunes are therefore intimately tied to the performance of these major producers. The following are a few of Enbridge's main customers.

ExxonMobil/Imperial Oil Ltd.'s Kearn development
Husky Energy Inc. and BP PLC's Sunrise project.

⁶² Enbridge's 2009 Annual Report

⁶³ Ibid

Nova Chemicals
Nexen
Statoil Canada Ltd.
Fort Hills
Chevron
British Petroleum
Conoco Philips
Nova Chemicals
Shell Canada
Syncrude
Canadian Natural Resources

2.3 Future plans

Enbridge is in the midst of the largest ever expansion in its 60 year history. During 2008 and 2009 Enbridge completed more than \$4.5 billion of new projects and has at present a further \$7 billion in projects expected to come into service in 2010 and 2011. The majority of the projects that have come on line in 2008, 2009 and 2010 were designed to deal with the rapidly expanding tar sands industry.

It has become clear, however, that the mad scramble by Enbridge to construct pipelines between the tar sands and the United States has resulted in pipeline overcapacity. Enbridge CEO Patrick Daniels admitted this in late 2009, saying that Enbridge would have “more capacity than we need for some time.”⁶⁴ TransCanada Pipeline’s new Keystone pipeline designed to ship oil from the tar sands to the Midwestern and Southern United States, will only exacerbate this situation for Enbridge.

At one time, Enbridge saw refineries in the Gulf States of the Southern U.S. as an important future market for tar sands crude,⁶⁵ however the company now says that demand for Canadian crude in the Gulf region is not as high as previously thought.⁶⁶ To deal with the shift in demand one of the changes Enbridge says it will make is to focus on what the company sees as opportunities in the tar sands region of Alberta. Daniel told a recent conference call that Enbridge expects to shift from its focus expanding its mainline system to regional oil sands pipeline projects, what he sees as one of the company’s “key growth areas over the next few years.”⁶⁷

Enbridge’s future plans also include the Northern Gateway pipeline (outlined in detail below) which is designed to ship tar sands crude across Northern British Columbia to the Pacific coast for export to Asia. In 2008, Daniel said that demand for the pipeline “ranges

⁶⁴ N. Vanderklippe, "Enbridge warns of pipeline overcapacity; Company sees big demand in Bakken oil play – not TransCanada's proposed XL line to southern U.S. refineries," *Globe and Mail*, December 18, 2009.

⁶⁵ “Enbridge's Daniel: Eyeing The US, Asia Too,” *Petroleum Intelligence Weekly*, March 28, 2005.

⁶⁶ ‘Oilsands market shifting, Enbridge VP says,’ *Reuters*, March 24, 2010.

⁶⁷ "Enbridge to target oil sands opportunities; Shift in focus to Canadian infrastructure development," Gary Park February 4, 2010

from Japan down to Singapore.”⁶⁸ The company is pushing hard for the Gateway pipeline to proceed in order to create new markets for tar sands crude which will in turn create new opportunities to build pipeline infrastructure. Another reason for emphasizing the Gateway is Enbridge’s fear that the United States is rethinking its reliance on dirty oil from the tar sands. The company stated in its 2009 annual report that “flow restrictions of oil sands products to the United States would increase interest in exports to Asia, and consequently increase interest in projects like Enbridge’s Northern Gateway Project.”⁶⁹

Enbridge’s CEO stated in June 2008 that due to the vilification of the tar sands in the United States, the company would try to expedite the Gateway pipeline.⁷⁰ Low Carbon Fuel Standards adopted by several U.S. States are also mentioned by the company as a risk to its operations. The company’s 2009 annual report states that “If widely adopted, such standards could limit United States refiners from importing oil sands products.”⁷¹

Enbridge’s future is based on two key strategies of developing pipeline systems in the tar sands and increasing access to new markets for its customers.⁷² As of now, the Gateway pipeline is the only major project for the company that is geared towards opening market access for tar sands crude and will, therefore, be a major focus for the company in the near future.

The following pages outline some more future plans for the company.

Trail breaker Pipeline

In 2008, Enbridge announced that it would build a new pipeline connecting its mainline system to a new pipeline that would ship tar sands crude to the East coast of the United States where it would be loaded on tankers and delivered to the Gulf Coast. The mainline system presently ends in Sarnia. Construction on the pipeline was halted in 2009 after shipper interest came up short of expectations amid the economic downturn. If demand in the Southern U.S. for tar sands crude returns, plans for extending access to the East Coast of the U.S. could return.

Northern Gateway Project

*“We depend on these lands and waters and we will not put the safety and well being of our territories in their [Enbridge’s] hands.”—Guujaaw, President of the Council of the Haida Nation*⁷³

⁶⁸ N. Scott, “Enbridge revives \$4-billion pipeline; New demand from Asia, domestic clients; Chinese pullout cancelled earlier project, The Globe and Mail, February 22, 2008.

⁶⁹ <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> p 55

⁷⁰ Jon Harding, “‘Dirty oil’ label spurs hunt for new markets; Enbridge speeds plan to supply Asia,” Calgary Herald, June 26, 2008.

⁷¹ Enbridge 2009 Annual Report,

<http://www.enbridge.com/investor/financialInformation/reportsFilings/pdf/2009-annual-report-en.pdf>

⁷² Management Discussion and Analysis, 2009, p. 8.

⁷³ Office of the Wet’suwet’en, “All Nations Energy Summit Summary Report,” June 2009 www.landkeepers.ca/images/uploads/reports/summit_summary_report_high_qual.pdf

The Gateway Project will consist of the development of parallel pipelines with pumping stations between Fort Saskatchewan (Alberta) and Kitimat (British Columbia). The pipelines are projected to stretch 1,170 kilometers (730 miles) and carry an average of 525,000 barrels of crude oil per day to Kitimat and 193,000 barrels per day of imported condensate to Fort Saskatchewan. The pipelines will traverse timbered plateaus, wetland habitats, the coastal mountain range, over one thousand streams and waters – including headwaters of Fraser River and Skeena River – and territories of First Nations communities never surrendered to the Crown.

During the construction phase of the pipelines, some chemical and oil spills or leaks would be inevitable⁷⁴, affecting the health of communities along the route of the pipeline. Sedimentation is expected along the affected waterways, thereby putting fish populations at risk⁷⁵. Condensate and oil spills or leaks would ruin the salmon economy and subsistence hunting upon which many of the affected First Nations peoples depend, poisoning entire food chains of plant life, fish, and bird and wildlife populations. In the provincial border region between British Columbia and Alberta, the pipeline would limit access to unceded Cree territories and create particular threats to the wildlife populations, in turn affecting the livelihoods and survival of entire communities that depend on hunting for sustenance.

Furthermore, three times the current level of oil tanker traffic is expected in and out of Kitimat in order to deliver the oil arriving from Alberta to destinations like California, Asia and other markets. The threat of a major oil spill is therefore a distinct future reality.

Affected First Nations communities have expressed the concern that the Gateway project demonstrates a complete lack of recognition of Native title and land holdings, given that the project should legally adhere to Section 35 of the Canadian constitution, which recognizes and affirms existing aboriginal treaty rights. Indeed, First Nations communities assert that developments will have to stop because of the failure to respect Aboriginal title.⁷⁶

Of particular concern is the fact that Enbridge has continuously rejected negotiations with collective tribal council decision making bodies of the First Nations communities, and is instead approaching communities on an individual level. The company is presenting community leaders with MOUs to sign that do not acknowledge aboriginal rights, and will therefore restrict future prospects of territory negotiation.⁷⁷ Some communities have

⁷⁴ Pembina Institute, "Fact Sheet: Pipelines, Tankers and the British Columbia Coast," 2009
pubs.pembina.org/reports/BC_oilgas09.pdf

Van Hinte, T., "Managing Impacts of Major Projects: An Analysis of the Enbridge Gateway Pipeline Project," Simon Fraser University, 2005.

⁷⁵ West Coast Environmental Law, "Enbridge Northern Gateway Pipeline – risks for downstream communities and fisheries," 2009
wcel.org/sites/default/files/publications/Enbridge%20Northern%20Gateway%20Pipeline%20%E2%80%93%20Risks%20for%20Downstream%20Communities%20and%20Fisheries.pdf

⁷⁶ Northwest & Ethical Investments LP, Enbridge Investor Briefing Notes, April 14, 2009
<http://www.ceres.org/Document.Doc?id=450>

⁷⁷ Office of the Wet'suwet'en, "All Nations Energy Summit Summary Report," June 2009
www.landkeepers.ca/images/uploads/reports/summit_summary_report_high_qual.pdf

been torn apart in this process, as deep divisions exist between those willing to sign the service/impact benefit agreements drafted by Enbridge and engage in company consultation discussions, and those who are adamantly opposed to the pipeline and are seeking to open up an autonomous dialogue between affected First Nations communities to decide upon their futures collectively.⁷⁸

Broad resistance is becoming increasingly prominent, with First Nations communities filing shareholder resolutions at Enbridge AGMs, and holding forums such as the June 2009 All Nations Energy Summit, during which 500 representatives of various First Nations communities signed a declaration in support of moratorium on tankers and a halt to the transportation of oil from tar sands to BC coast.⁷⁹ At the time of writing, collaborative initiatives between the nations whose traditional territories extend from north of Vancouver Island to Alaskan border (including the Gitga'at, Haida, Haisla, Heiltsuk, Kitasoo/Xai'Xais, Metlakatla Band Council, Old Massett Village Council, Skidegate Band Council, and Wet'suwet'en) are focusing on the development of resource management practices that are ecologically and economically sustainable. According to Anne Marie Sam of the Nak'azdli (Carrier Sekani) First Nation, "We conducted our own independent Environmental studies, we interviewed our Elders and Keyoh holders, and we produced a report ... The conclusion of this report was 'Thank you very much Enbridge, but you are not welcome in our territories'."⁸⁰

Marcellus Shale (New York, Pennsylvania, Virginia, West Virginia)

In early 2010, Enbridge announced plans to build a natural gas liquids (NGL) pipeline that would transport NGLs from Southern Pennsylvania and North-West Virginia (Marcellus shale play) to the company's Aux Sable gas processing facility near Chicago.⁸¹ The United States Department of Energy states that there are 262 trillion cubic feet of recoverable gas in Marcellus shale formation that spans from New York State to Virginia.⁸² The rapid move to exploit these resources has raised environmental concerns amongst the local population.⁸³

Alaska's North Slope

Enbridge and its gas pipeline joint venture Alliance Pipelines are interested in building a pipeline from Alaska's North Slope region to the Southern parts of the continent.⁸⁴ Alaska's North Slope contains huge natural gas reserves that remain unexploited, and Enbridge wants to be the company that ships the gas south. If Enbridge succeeds in

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ "Marcellus pipeline is on horizon," *Upstream*, March 26, 2010.

⁸² "Modern shale gas development in the United States, a primer," US Department of Energy, http://www.netl.doe.gov/technologies/oil-gas/publications/EPreports/Shale_Gas_Primer_2009.pdf

⁸³ Catskill Mountainkeeper, <http://catskillmountainkeeper.org/node/290>

⁸⁴ "Enbridge Eyeing Denali," *The Energy Daily*, June 16, 2009, VOL Vol. 37; Issue 111.

building the pipeline, it would enable the exploitation of a sensitive ecological region that will inevitably lead to environmental degradation.⁸⁵

2.4 Recent acquisitions

February 2006 – On February 1, 2006, Enbridge acquired a 65% share of the Olympic Pipe Line Company for \$102 (USD) million from British Petroleum.⁸⁶

June 2005 – In June 2005, Enbridge acquired BP Pipelines' remaining 10% stake in the Spearhead Pipeline, giving the company full ownership of the line. Enbridge acquired 90% of Spearhead from BP in 2003.⁸⁷

December 2004 – In December 2004, Enbridge acquired its offshore pipeline system in the Gulf of México from Shell for \$754.⁸⁸ The assets are held primarily through joint ventures with ownership interests ranging from 22% to 80%.⁸⁹

March 2004 – In March of 2004, Enbridge's U.S. affiliate, Enbridge Energy Partners purchased a system of pipelines from Shell Pipeline Co. for \$115 million (USD). In the deal, Enbridge acquired the Mid-Continent Liquids System that includes the 700 kilometre (433 mile) Ozark pipeline that transports 170,000 b/d from Cushing to Wood River, Illinois; the 75 km (47 mile) West Tulsa pipeline that transports 55,000 b/d to two refineries in Oklahoma; the Shell storage terminal at Cushing and the El Dorado Tank Farm that provides storage for pipelines and refiners in Kansas.⁹⁰

May 2001 – In May, 2001, Enbridge purchased the Houston, Texas based pipeline company Midcoast Energy for approximately \$900 million. The company transports, gathers, processes and markets natural gas and other petroleum products through over 80 company-owned pipelines covering approximately 4,100 miles in 10 states, the Gulf of Mexico and Canada.⁹¹

August 1997 – On August 27, 1997, Enbridge's predecessor, IPL, purchased a 32% portion of Noverco Inc. Noverco is a holding company which has, as its principal asset, a 77% interest in Gaz Métropolitain, which is engaged in natural gas distribution in Quebec and Vermont, and which also holds a 50% interest in TQM Pipeline and Company, Limited Partnership, which owns and operates a pipeline transporting natural gas in Quebec.

⁸⁵ "The Arctic National Wildlife Refuge: Oil Development Damages Air, Water and Wildlife," Natural Resources Defense Council, <http://www.nrdc.org/land/wilderness/arcticrefuge/facts2.pdf>

⁸⁶ Enbridge Annual Report, 2006, <http://www.enbridge.com/investor/financialInformation/reportsFilings/pdf/2006-annual-report-en.pdf>

⁸⁷ "Enbridge buys remaining 10% stake in Spearhead Pipeline from BP," Platts Commodity News, June 1, 2005.

⁸⁸ Enbridge Annual Report, 2004, <http://www.enbridge.com/investor/financialInformation/reportsFilings/pdf/2004-annual-report-english.pdf>

⁸⁹ Ibid

⁹⁰ "Enbridge Buys Shell Assets," The Oil Daily, March 2, 2004

⁹¹ "Enbridge Inc. Announces Closing of Midcoast Energy Transaction and Reorganization of Transportation Group to Strengthen U.S. Business Development," Enbridge Press Release, 11 May 2001.

October, 1996 – On October 31, 1996, Enbridge’s predecessor, IPL, acquired a 30% joint venture interest in the Mustang crude oil pipeline which runs from Lockport to Patoka, Illinois.

2.5 Joint Venture Partners

By tracking Enbridge’s joint venture partners and strategic alliances we can see what other companies Enbridge is working closely with in the energy industry.

British Petroleum (Olympic and ChiCap Pipelines) – Enbridge owns 65% of the Olympic pipeline with British Petroleum (BP) owning the remaining 35%. BP operates the 290,000 bpd pipeline.

The Chicap Pipe Line transports crude oil in a South to North direction from the Patoka, Ill., pipeline hub to the Chicago area. Oil on this pipeline originates in the Gulf of Mexico.

Exxon Mobil (Mustang Pipeline) – Enbridge owns 30 percent of the Mustang pipeline with its joint venture partner ExxonMobil. The 100,000 bpd, 345 km (214 mile) pipeline delivers tar sands crude from the Lakehead system to the major pipeline hub in Patoka, Illinois.

DTE Energy (Vector Pipeline) – Enbridge owns 60% of this 560 km (350 mile) pipeline that ships natural gas from Chicago to Dawn, Ontario. The Vector pipeline connects with the Alliance Pipeline to supply Western Canadian natural gas supplies to Illinois, Indiana, Michigan and Ontario. The pipeline was constructed in 2000, and has a capacity of 33 million cubic metres per day.⁹² Detroit based, DTE Energy Company owns 40% of the company.

Fort Chicago Energy Partners (Alliance Pipeline) – Enbridge’s U.S. affiliate, Enbridge Energy Partners owns 50% of the Alliance Pipeline, while Fort Chicago Energy Partners owns the other 50%. The pipeline is operated by Alliance Pipelines.

Frontier Pipeline Company (Frontier Pipeline) – Enbridge owns a 77.8% stake in the Frontier pipeline, a 465 km pipeline connecting Casper, Wyoming to sources in Western and the U.S. Rocky Mountain region. The Frontier Pipeline Company owns the remaining 22.2%.

Williams Energy Solutions and Fort Chicago Energy partners (Aux Sable) – Both companies are part owners of Aux Sable a natural gas liquids (NGLs) extraction and fractionation business near Chicago.⁹³

⁹² <http://www.vector-pipeline.com/Vector/>

⁹³ Aux Sable website, <http://www.auxsable.com/corpstructure.htm>

RES Canada (Talbot Wind Farm) – In November 2009, RES Canada and Enbridge formed a joint venture to build the Talbot wind project in Ontario. Enbridge will have a 90% interest in the project while RES will do the construction.⁹⁴ Enbridge is likely to provide the majority of the C\$285 million (\$268 million) project's equity. The wind farm will sell power to the Ontario Power Authority under a 20-year Renewable Energy Supply III power purchase agreement.⁹⁵

2.6 Strategic Alliances/partnerships

N-Solv corp – N-Solv is a private company owned by Nenniger Inc., a private holding company. Enbridge and Hatch Oil are minority owners of the company. N-Solv is currently working with Japan Canada Oil Sands Ltd. (JACOS) to develop new technologies for extracting oil sands reserves. The project is being developed on the Hangingstone property which is owned and operated by JACOS.

Value Creation Inc. – In 2005, Enbridge invested \$25 million (CND) in the Calgary based private company, Value creation to pursue infrastructure development in the tar sands.⁹⁶

Gaz de France, Gaz Metro – Rabaska Liquid Natural Gas Facility

Enbridge, Gaz Metro and GDF Suez have partnered to construct the \$840 million (CND) Rabaska LNG terminal. The partners plan to locate the terminal on the shores of the St. Lawrence River in Levis, Quebec. The proposed terminal will include a jetty to accommodate large gas transport ships as well as two large storage tanks.

A well organized and strong resistance to the Rabaska project has emerged since the plans were announced in 2004. Opponents to the project have mobilized around the potential environmental impact of a large natural gas facility in their community. A documentary film, “La Bataille de Rabaska” about the resistance to Rabaska was released in 2008.⁹⁷

In 2009, one of the main partners, Gazprom, withdrew from the project thus delaying construction.

2.7 Public Relations firms

One of Enbridge's main Public Relations firms is National Public Relations Inc. (www.national.ca) a subsidiary of Res Publica, a Montreal based holding company.

⁹⁴ Enbridge Inc. Management Discussion and Analysis <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> <http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf> p. 19

⁹⁵ RES lines up Enbridge equity, Project Finance, November 19, 2009

⁹⁶ “Enbridge, VCI strike alliance,” The Canadian Press, November 17, 2005

⁹⁷ La Bataille de Rabaska, trailer: <http://www.youtube.com/watch?v=m4wpZd1hsaM> accessed April 1, 2010

National manages communications for regulatory approvals of Enbridge's proposed Gateway Pipeline project.⁹⁸

Part of National's stated work is to help corporations interact with First Nations communities. National's website says:

Unsettled land claims and disputed territories are at the forefront of Aboriginal communities' agendas. Companies operating in regions where Aboriginal communities live understand the need to earn their trust and address their concerns.

NATIONAL helps you build mutual understanding and partnerships in these communities.

2.8 Marketing strategies

A Case Study in Enbridge's Greenwashing Strategy: The Northern Gateway Pipelines

According to current business plans, Enbridge has prioritized the opening of the proposed 1,200-kilometre "Northern Gateway Project"(NGP) from Edmonton, Alberta, to the B.C. port of Kitimat, despite intense criticism from environmental groups across Canada and the US, as well as from affected First Nations communities. The following section will identify reasons why the company's promotion of this project can be understood as a clear example of greenwashing.

Enbridge's strategy to advance the NGP has utilized an aggressive public relations outreach campaign, which has consisted of the dissemination of newsletters to affected communities, the development of nature trails, Aboriginal "community investments", "Aboriginal Traditional Knowledge" studies about the ecology of the region, and public advertising, including a specific website (www.northerngateway.ca) dedicated to demonstrating the 'environmental protection' and positive 'community legacy' that the project will encourage.

On their Northern Gateway website, Enbridge explains, "We have decades of experience in pipeline construction *and environmental protection*," claiming the project is "environmentally sound".⁹⁹ Their photos of wetlands, pristine riverbeds, mountain ranges, oceanscapes, and forest expanses supposedly demonstrate that the pipeline will have limited "impact on environmentally sensitive areas such as parks, wildlife habitat, protected areas, Aboriginal traditional territory, and areas of community land use"¹⁰⁰ and

⁹⁸ National's website, accessed March 31, 2010, <http://www.national.ca/en/china.asp>

⁹⁹ Enbridge Northern Gateway Pipelines Website, www.northerngateway.ca/environment-safety

¹⁰⁰ Enbridge Northern Gateway Pipelines, "Commitment to Environmental Protection," www.northerngateway.ca/files/NGP%20Fact%20Sheet-Environment.pdf

that in affected regions, “the land is rebuilt,”¹⁰¹ to be quickly rejuvenated after pipeline construction.

Lurking behind these green images and commitments, is a much dirtier reality of ecological destruction regularly occurring from oil spills and the construction process along Enbridge’s extensive network of pipelines. According to Erin O’Brien, Wetland Policy Director of the Wisconsin Wetlands Association, who has observed Enbridge’s pipeline construction process in Wisconsin, Enbridge projects have:

“Involved massive amounts of soil disturbance (trench-digging), excavation through hundreds of miles of wetlands, hundreds of stream crossings, clear-cutting of forests, and more. Trees are not allowed to regenerate above the pipes, meaning many forested areas, including wooded wetlands, are permanently stripped of forest cover and habitat.... Pipeline construction is inherently messy and compliance with environmental permit conditions is often poor.”¹⁰²

Enbridge’s green Gateway commitments seem particularly deceiving in light of extensive studies completed by teams of scientific experts, which document the statistical probabilities of oil spills, and demonstrate that spills would be inevitable, with the risk of “ship strike and of chronic oiling or a catastrophic oil spill” high in the case of the NGP.¹⁰³ Moreover, it is also notable that while the company commits to creating a green legacy, it holds membership in lobbying coalitions seeking to lower current environmental laws and regulations.

2.9 Carbon Capture and Storage

In its 2009 annual report, Enbridge states that it is expanding its interests in carbon dioxide sequestration, or carbon capture and storage (CCS). The company said in 2007 that it planned to be a leading participant in CO₂ capture, pipelining and sequestration developments.”¹⁰⁴ Even though CCS remains largely unproven and has been criticized as having serious limitations, it is being lauded by industry and the Canadian government as an effective way to deal with the massive amounts of greenhouse gases emitted by the tar sands.¹⁰⁵

Given that any kind of CCS plan will require a large system of pipelines and that the Government of Canada has set aside \$2 billion to explore the feasibility of carbon capture and storage, Enbridge sees this as a business opportunity.¹⁰⁶

¹⁰¹ Ibid.

¹⁰² Personal Email communication, March 26, 2010.

¹⁰³ Lavoie, J., Financial Post, March 24, 2010, “Oil spill would devastate B.C. wildlife: report,” www.financialpost.com/todays-paper/story.html?id=2718791

¹⁰⁴ Enbridge’s 2007 annual report

¹⁰⁵ Clarke, T. “Tar Sands Showdown,” Lorimer and the Canadian Centre for Policy Alternatives, Ottawa, 2008.

¹⁰⁶ Dina O’Meara, “Bidders keen for slice of carbon funds; Proposed projects vie for support from government,” Calgary Herald, April 3, 2009.

Presently, Enbridge is involved with two CCS projects. The first project is known as the Alberta Saline Aquifer Project (ASAP) that is focused on finding locations in Alberta that would be suitable for a carbon storage pilot project. Enbridge was chosen to head the group of tar sands companies involved in the project. Funding for ASAP is covered by participants and from a grant from the Alberta Energy Research Institute.

The second CCS project involving Enbridge was announced in March, 2010 and is called the CO2 Slurry Pipeline Project. The concept is that a pipeline would use CO2 as a slurry agent to transport sulphur, petroleum coke and limestone from the Fort McMurray area to local and international markets. After having served its purpose as a slurry agent, the CO2 would then be stored underground in a manner similar to CCS projects. Enbridge will receive \$1 million from Alberta Government's share of the Canada ecoTrust for Clean Air and Climate Change.¹⁰⁷

2.10 Main competitors

Enbridge competes with companies that ship crude oil and companies that gather, process, transport and market natural gas.

Some of Enbridge's main competitors include:

TransCanada, Kinder Morgan, Express Pipeline Inc., ONEOK Partners, Williams Companies, Buckeye Partners, Duke Energy, Dynegy, Hydro One Con Edison, El Paso, Koch Industries, Inc., National Fuel Gas, ExxonMobil Pipeline, NuStar Energy, Shell Pipeline, New York Power Authority, DCP Midstream Partners, Magellan Midstream, Martin Midstream Partners, Buckeye Partners, Duke Energy, Dynegy, Enron, Koch Industries, Inc., Sunoco Logistics, Plains All American Pipeline, L.P.¹⁰⁸

¹⁰⁷ "Liquid CO2 highway to keep GHGs out of atmosphere," Government of Alberta News Release, March 15, 2010

¹⁰⁸ Hoover's Company Records, Enbridge Energy Partners, Enbridge Inc.

3. Political Profile

3.1 Political connections

The following list highlights Enbridge's connections through present and former, employees, board members and lawyers to government regulators in Canada and United States. These links demonstrate how the company is closely tied to the people who regulate its business.

Revolving door

- **James Blanchard** – Enbridge Director, James Blanchard, is a former (1993 - 1996) US ambassador to Canada. He also served as Governor of Michigan for eight years and spent eight years in the United States Congress.
- **Clarke Cross** – Cross is a hired lobbyist for Enbridge who works for Tactix Government Relations. According to the Government of Canada's Office of the Commissioner of Lobbying, Clarke worked in 2001 as a Legislative Assistant to Canadian Alliance Party MP, Leon Benoit, and then in 2002 for James Lunney, Canadian Alliance MP, as a Legislative Assistant.¹⁰⁹
- **Martha O. Hesse** – Director and Chair of the Board of Enbridge Energy Partners, the company's US business, Martha O. Hesse, served as Chair of the U.S. Federal Energy Regulatory Commission from 1986 to 1989 and as Assistant Secretary for Management and Administration for the U.S. Department of Energy.¹¹⁰
- **Cynthia Quarterman** – Before becoming the Administrator for the United States Department of Transportation Pipeline and Hazardous Material Safety Administration (PHMSA), Cynthia Quarterman was a partner in the Washington law firm Steptoe & Johnson LLP. During her time at Steptoe – known as the 'the preeminent firm for representing oil pipelines'¹¹¹ – Quarterman worked as direct counsel for Enbridge.¹¹² The PHMSA's "mission is to protect people and the environment from the risks inherent in transportation of hazardous materials - by pipeline and other modes of transportation."¹¹³
- **Lyne Mercier** – Mercier is a current board member of Canada's National Energy Board. Before joining the NEB, Mercier worked at Gaz Métro for over 29 years. Gaz Métro is owned by Noverco of which Enbridge owns a 32% interest.
- **Yaroslav Baran** – Baran is a long-time Conservative Party of Canada staffer and close aide to Stephen Harper, lobbied the federal government on behalf of Enbridge throughout 2006 when he worked for Tactix Government Consulting

¹⁰⁹ Office of the Commissioner of Lobbying Canada, <http://www.ocl-cal.gc.ca/eic/site/lobbyist-lobbyiste1.nsf/eng/home>

¹¹⁰ Enbridge Energy Partners 2008, Annual Report on 10K,

¹¹¹ "Pipeline", Steptoe & Johnson LLP document, http://www.steptoe.com/practices-pdf.html/pdf/?item_id=104

¹¹² United States Federal Energy Regulatory Commission document, <http://www.ferc.gov/EventCalendar/Files/20090828142939-OR09-5-000A.pdf>

¹¹³ United States Department of Transportation Pipeline and Hazardous Material Safety Administration (PHMSA) website, <http://www.phmsa.dot.gov/about/mission>

Inc.¹¹⁴ Baran was a senior communications strategist in the Conservative party war room during the 2004, 2006 and 2008 general elections. Other positions include:

- Manager of Strategic Communications, Office of the Leader of the Opposition, House of Commons: February 2005-August 2005
- Manager of Public Relations, Office of the Leader of the Opposition, House of Commons: September 2004 - February 2005
- Manager of Media Services, Office of the Leader of the Opposition, House of Commons: April 2002 - September 2004
- Legislative Assistant, Office of Scott Reid, MP: May 2001 - April 2002
- Internal Communications Coordinator, Office of the Leader of the Opposition, House of Commons: December 2000 - April 2001
- Special Lobby Assistant, Office of the Chief Opposition Whip, House of Commons: August 1997 - December 2000.

3.2 Industry Associations

Enbridge is a member of the following industry associations. The company's affiliation with these industry associations and lobby and advocacy groups provides them with the ability to influence policy makers in Canada, the United States and around the world on issues that are beneficial to the company's business operations.

Alberta Chamber of Commerce - www.abchamber.ca
Alberta Emerald Foundation - www.emerald.foundation.ca
American Association of Oil Pipelines - www.aopl.org
American Gas Association - www.aga.org
American Petroleum Institute - www.api.org
Association for Financial Professionals - www.afponline.org
Atlantic Centre for Energy - www.atlanticaenergy.org
Canadian Association of Petroleum Producers - www.capp.ca
Canadian Business for Social Responsibility - www.cbsr.ca
Canadian Chamber of Commerce - www.chamber.ca
Canadian Defense and Foreign Affairs Institute - www.cdfai.org
Canadian District Energy Association - www.cdea.ca
Canadian Energy Efficiency Alliance - www.energyefficiency.org
Canadian Energy Pipeline Association - www.cepa.com
Canadian Gas Association - www.cga.ca
Canadian Petroleum Tax Society - www.cpts.ca
Canadian Standards Association - www.csa.ca
Canadian Wind Energy Association - www.canwea.ca
Circle for Aboriginal Relations - www.cfarsociety.ca
Conference Board of Canada - www.conferenceboard.ca

¹¹⁴ Office of the Commissioner of Lobbying Canada database, accessed March 24, 2010

Energy Council of Canada - www.energy.ca The Energy Council of Canada is the Canadian national member of the World Energy Council, www.worldenergy.org
Interstate Natural Gas Association of America - www.ingaa.org
International Pipeline Conference Foundation - www.internationalpipelineconference.com
London Benchmarking Group Canada - www.lbg-canada.ca
National Association of Corrosion Engineers - www.nace.org
National Petroleum Council - www.npc.org
Northeast Gas Association - www.northeastgas.org
Ontario Energy Association - www.energyontario.ca
Petroleum Technology Alliance Canada - www.ptac.org
Pipeline Research Council International - www.prci.org
Smart Commute Initiative (Toronto) - www.smartcommute.ca
Texas Pipeline Association - www.texaspipelines.com

3.3 Lobby information

Like many other large corporations, Enbridge uses its financial power to influence politicians in both Canada and the United States. While dollar figures are not available for Canada, since 2001, Enbridge and its joint venture partnership Alliance Pipelines have spent close to \$3 million (USD) on lobbying U.S. politicians.¹¹⁵

According to Alliance Pipelines U.S. Lobbying Reports filed in 2005, 2006, 2007, 2008 and 2009, the joint venture has been working to influence U.S. lawmakers on issues related to the development of natural gas deposits in Alaska. Through its gas pipeline joint venture, Alliance pipelines, Enbridge has been trying to exploit the potential business opportunity for building a pipeline that would connect Southern parts of North America with the large reserves of natural gas in Alaska.

In the U.S., Enbridge uses two lobby firms: Williams and Jensen and Lighthouse Consulting.

In Canada, Enbridge has employed two lobby firms – Tactix Government Consulting Inc. and Global Public Affairs – and an in-house lobbyist to influence the Canadian government on a wide range of issues related to the pipeline business. Details of Enbridge’s lobbying activities in Canada are profiled below.

Tactix Government Consulting Inc. – Tactix lobbied the following government of Canada officials in 2009:

- **Fred Nott**, Senior Policy Advisor to the Minister of State for ACOA
House of Commons, Subject Matter of the communication: Energy Pipeline Construction in NB

¹¹⁵ Center for Responsive Politics, <http://www.opensecrets.org/>

- **Kevin MacAdam**, Senior Policy Advisor Office of the Minister for ACOA, Atlantic Canada Opportunities Agency (ACOA) Subject Matter of the communication: Energy Pipeline Construction in New Brunswick

Global Public Affairs – Enbridge’s 50/50 joint venture with Fort Chicago Energy, Alliance Pipelines Limited Partnership employed Global Public Affairs

- Aboriginal Affairs, Energy, Environment,
- Dan Seekings and Kristin Anderson have lobbied for Alliance. Add these to revolving door section.

The Office of the Commissioner of Lobbying in Canada’s database shows that in 2009 Enbridge’s in-house lobbyist, CEO Patrick Daniel arranged 33 meetings with representatives of the government of Canada:

- **Sean Speer**, Policy Advisor, Stakeholders Relations Prime Minister's Office, Prime Minister's Office (PMO) Environment , Energy.
- **Russ Kuykendall**, Director of Policy Minister's Office, Natural Resources Canada (NRCan) X4 subjects: Energy , Environment , Infrastructure, Energy Transportation/pipelines, Energy.
- **Keith Ashfield**, Minister of State (Atlantic Canada Opportunities Agency) Atlantic Canada Opportunities Agency, Atlantic Canada Opportunities Agency (ACOA) subject Regional Development, Infrastructure.
- **Greg Thompson**, Minister, Veteran Affairs Veterans Affairs Canada (VAC), Subject, Environment, Infrastructure, Energy.
- **Christina Patterson**, Sr. Policy Advisor Minister's Office, Indian and Northern Affairs Canada (INAC) X3 Subject 1, Aboriginal Affairs, 2, Employment and Training, Aboriginal Affairs, Energy Transportation/pipelines.
- **Sue Kirby**, Assistant Deputy Minister Natural Resources Canada, Natural Resources Canada (NRCan) X2, subject energy, the environment, subject, Environment, Energy.
- **Lisa Raitt**, Minister Natural Resources Natural Resources Canada, Natural Resources Canada (NRCan), subject, Energy, Environment.
- **Patrick Cousineau**, Director of Policy, Deputy Chief of Staff Minister of Environment, Environment Canada (EC) X2 subject 1, Environment, Regulatory streamlining, Energy Transportation / pipelines, Energy.
- **Hon. Rob Merrifield**, Minister of State, Transport Minister of State, Transport, Transport Canada (TC), subject, Energy Transportation/pipelines, Energy.
- **Daniel Jean**, Deputy Secretary to the Cabinet, Privy Council, Privy Council Office (PCO) subject Energy, Environment.
- **Denis Gauthier**, Assistant Deputy Minister, Finance Canada, Finance Canada (FIN), subject, Energy, the environment.
- **Bob Hamilton**, Associate Deputy Minister, Environment Canada, Environment Canada (EC) Subject Matter of the communication: Environment, Energy.

- **Adam Blinick**, Special Assistant Prime Minister's Office, Prime Minister's Office (PMO) Subject Matter of the communication: Energy, Participate in fuel Cells Industry Association meetings, Environment.
- **Scott Wenger**, Director, Regional Affairs Minister's Regional Office, Environment Canada (EC) Subject Matter of the communication: Energy, Environment.
- **Zoe Addington**, Sr. Policy Advisor Minister's Office, Industry Canada (IC) Subject Matter of the communication: Energy, Environment, Energy Transportation/pipelines.
- **Adam Taylor**, Sr. Policy Advisor Minister's Office, Transport Canada (TC) Subject Matter of the communication: Environment, Energy, Energy Transportation / pipelines X2 (2nd meeting subject, Participate in Fuel Cell Association meetings, Energy, Environment).
- **Gail Shea**, Minister Fisheries and Oceans Fisheries and Oceans Canada (DFO) Subject Matter of the communication: Energy Transportation/pipelines, Energy, Environment.
- **Matthew Ellis**, Sr. Special Assistant, Policy, Minister's Office Western Economic Diversification, Minister's Office, Western Economic Diversification Canada (WD) Subject Matter of the communication: Energy, Environment, Participate in Fuel Cells Industry Association meetings.
- **Amy Ringdahl**, Policy Advisor Minister of Finance, Finance Canada (FIN) Subject Matter of the communication: Environment, Energy.
- **Wesley Moore**, Policy Advisor, Minister of State Industry and Science Industry, Industry Canada (IC) Subject Matter of the communication: Environment, Participate in Fuel Cells Industry Association meetings, Energy.
- **Tyler Bjornson**, Chief of Staff Minister of Natural Resources, Natural Resources Canada (NRCan) Subject Matter of the communication: Energy, Environment, participate in Fuel Cells Industry Association meetings.
- **Oryssia Lennie**, Deputy Minister Western Economic Diversification, Western Economic Diversification Canada (WD) Subject Matter of the communication: Energy, Environment, Participate in Fuel Cells Industry Association Meetings.
- **Mark Cameron**, Director of Priorities, Planning and Research Prime Minister's Office, Prime Minister's Office (PMO) Subject Matter of the communication: Energy, Participate in Fuel Cell Industry Association Meetings, Environment.
- **Bruce Winchester**, Senior Policy Advisor, PWGSC, Minister's Office, Public Works and Government Services Canada (PWGSC) Subject Matter of the communication: Participate in Fuel Cells Industry Association meetings, Energy, Environment.
- **Jim Prentice**, Minister of the Environment, Environment Canada (EC) Subject Matter of the communication: Environment, Participate in Fuel Cells Industry Association Meetings, Energy.

4. Socio-environmental Profile

4.1 Social track record

A Glimpse into some of the Communities
Affected by Enbridge Pipelines

4.1.1 OCENSA Pipeline in Colombia

“The construction of this [OCENSA] pipeline has destroyed the livelihoods of many poor families living in an often violent area of Colombia... They intend to fight for as long as it takes to ensure that justice is done.”

Paul Dowling, Peasants’ legal representative¹¹⁶

From 1994 until March 2009, Enbridge was a key partner and largest foreign investor in the Oleoducto Central S.A. (OCENSA) pipeline consortium in Colombia. This pipeline transports 60% percent of Colombia’s entire daily oil production, bringing 550,000 barrels of oil per day from oil wells in the region of Casanane of northern Colombia, across 720 km of forests, Indigenous territories, peasant fields and hundreds of villages, to the Caribbean coast. From 1994 until 2000, Enbridge held an interest in the project amounting to 17.5%, after which its share increased to 24%. Although OCENSA has a “Corporate Social Responsibility program” and appointed a “Human Rights Coordinator” to enforce a human rights policy in affected areas,¹¹⁷ a number of serious human rights concerns have been raised about this project by international human rights organizations, civil society organizations, and the local populations of Indigenous Peoples and small-scale farmers in Colombia.

Notably, OCENSA security guards are provided with military hardware purchased from a Colombian military brigade known for systematic human rights violations committed against civilian populations.¹¹⁸ According to research conducted by Amnesty International in 1998, OCENSA security guards paid informants to gather information about civilian activities in communities through which the pipeline traverses, and identify individuals who could be considered ‘subversive’ (in opposition to – or raising concerns about – the pipeline). Security guards have a direct communication link with Colombian military personnel, who were able to use information about individuals to strategically

¹¹⁶ Taylor, D, “BP faces damages claim over pipeline through Colombian farmland” UK Guardian, November 11 2009, www.guardian.co.uk/world/2009/nov/11/colombia-farmers-sue-bp-pipeline

¹¹⁷ Enbridge Website, “Enbridge in Colombia”, <http://www.enbridge.com/csr2007/social-performance/enbridge-csr-in-colombia>

¹¹⁸ Pearce, S., “Fueling War: The Impact of Canadian Oil Investment on the Conflict in Colombia”, CERLAC, York University, 2002.

target them for extrajudicial killings/disappearances.¹¹⁹ To draw attention to this deadly connection, the oil workers went on strike in May 1998, protesting the murders of eleven members of the community, and the disappearances of forty others by “army-supported right wing death squads allegedly involved in protecting the pipeline against guerillas.”¹²⁰

During the initial construction stages from 1994 to 1996, people living in the communities affected by the pipeline were compensated for the use of twelve meter “Right of Way” pathways.¹²¹ However, the OCENSA companies – Including Enbridge – built sections of pipeline in areas not approved by the land owners or government authorities.¹²² A great deal of environmental damage was noted by local inhabitants, as pipelines blocked water springs, diverted streams, and destroyed over one hundred and fifty water sources¹²³ relied upon by local inhabitants.¹²⁴ Crude oil was also spilled at various points along the pipeline during an initial test run, and as a result, some local fish ponds along the pipeline route became toxic to the point of non-recovery.¹²⁵ Meanwhile the areas without topsoil were left uncovered, resulting in the mass poisoning of livestock.¹²⁶ Additional oil spills have occurred during the life of the pipeline, causing further damage to the surrounding waterways and soil.¹²⁷ Peasants and Indigenous Peoples in the affected regions continue to deal with infertile land without access to public services.

At the current time, over two hundred families are seeking compensation from the OCENSA consortia companies for building pipelines that destroyed their land and contaminated the soil upon which they depended for their livelihoods. They are suing for damages of breach of contract and negligence.¹²⁸ Soon after filing the case, claimants began to receive death threats from the paramilitary. At least one peasant in the case made the decision to leave the region as a safety precaution, and the lawyer for the case is currently in exile in the UK.¹²⁹

Due to the prominence and severity of these violations, shareholder resolutions have been filed at past Enbridge annual general meetings calling on the company to avoid

¹¹⁹ Amnesty International qtd. in Ismi, A., “Enbridge Spreads Disaster in Colombia”, CCPA Monitor, July-August 2004, www.asadismi.ws/enbridge.html

¹²⁰ Ibid.

¹²¹ Platform London Website, “How 12 metres became 200: BP fails to compensate landowners in Colombia for land taken for the OCENSA pipeline,” www.platformlondon.org/carbonweb/documents/chapter9.pdf

¹²² Ibid.

¹²³ Ibid.

¹²⁴ Taylor, D, “BP faces damages claim over pipeline through Colombian farmland” UK Guardian, November 11 2009, www.guardian.co.uk/world/2009/nov/11/colombia-farmers-sue-bp-pipeline

¹²⁵ Ibid.

¹²⁶ Platform London Website, “How 12 metres became 200: BP fails to compensate landowners in Colombia for land taken for the OCENSA pipeline,” www.platformlondon.org/carbonweb/documents/chapter9.pdf

¹²⁷ Ismi, A., “Enbridge Spreads Disaster in Colombia”, CCPA Monitor, July-August 2004, www.asadismi.ws/enbridge.html

¹²⁸ Taylor, D, “BP faces damages claim over pipeline through Colombian farmland” UK Guardian, Nov. 11 2009 www.guardian.co.uk/world/2009/nov/11/colombia-farmers-sue-bp-pipeline

¹²⁹ Ibid.

complicity in human rights abuses in Colombia.¹³⁰ Enbridge responded by signing onto a voluntary code of human rights and OCENSA developed a “Corporate Social Responsibility” Program. However, human rights organizations such as Amnesty International and Human Rights Watch continue to warn oil businesses in Colombia that voluntary protocols are not enough to avoid complicity in the systematic abuses ongoing against Indigenous Peoples, peasants and trade union leaders.

4.1.2 Enbridge on Rotinohsonnion:we Territory (Ontario, Canada)

In 2006, the Women Title Holders of Rotinohsonnion:we issued a proclamation to stop Enbridge pipeline construction on the unceded Haldimand tract in Ontario.¹³¹ The proposed pipeline would interfere with the waterways in an area claimed as the highest elevation in the province of Ontario where fresh water flows in all directions. Referring to the terms of Mohawk law and international law, the women were specifically accusing Enbridge of “trespassing” without “authorized permission” and violating the terms of the Haldimand tract.¹³² In an attempt to “protect the Mohawk and all our posterity from any encroachment”, the Rotinohsonnion:we community ordered Enbridge to withdraw from their territory, and halt any projects in the area.¹³³

However, Enbridge projects have proceeded through Rotinohsonnion:we Territory. At the current time, the Mohawk Council continues to demand compensation from the company for tracts of land used for cultural, recreational and livelihood purposes that have been flooded.¹³⁴

4.1.3 Mackenzie Pipeline

“Once pipeline development starts, we certainly know that many things will change.... Some of the land will be forever changed and...will affect the lives of our harvesters”—Wilfred Lennie, resident of Tulita (NWT community affected by MacKenzie Pipeline Proposal)¹³⁵

Enbridge’s Norman Wells Crude oil facilities opened in the Northwest Territories in the 1980s. Almost twenty years later, the company developed a gas pipeline and distribution

¹³⁰ Ismi, A., “Enbridge Spreads Disaster in Colombia”, CCPA Monitor, July-August 2004, www.asadismi.ws/enbridge.html

¹³¹ Mohawk Nation News, “Demand from Women Title Holders of Rotinohsonnion:we/Six Nations To Enbridge Gas Distribution Inc.” Sept. 13 2006 www.mohawknationnews.com/news/singlenews.php?lang=en&layout=mnn&category=14&newsnr=300

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Mohawk Council of Akwesasne, “Mohawk Council of Akwesasne Finalizes Settlement Agreement with Ontario Power Generation”, Oct. 2, 2008 www.akwesasne.ca/news/PR100208.html

¹³⁵ Dana, L.P, R. B. Anderson and A. Meis-Mason, “A study of the impact of oil and gas development on the Dene First Nations of the Sahtu (Great Bear Lake) Region of the Canadian Northwest Territories,” *Journal of Enterprising Communities: People and Places in the Global Economy* (Vol. 3 No. 1, 2009)p. 110.

system at Inuvik in a joint venture with AltaGas Services and the Inuvialuit Petroleum Corporation. The main concerns of residents living in the affected region related to Enbridge's northern operations are the impacts of oil spills on public health, water sources and the animals and fish relied upon for sustenance. Concerns over the lack of sufficient housing to deal with the influx of people, and higher levels of alcoholism due to greater societal stress have also been raised.¹³⁶ Now, these facilities are implicated in a larger proposal to bring the tar sands from Alberta to the ports at the Mackenzie Delta.

Since 2006, the Canadian National Energy Board has been holding periodic hearings regarding the proposed 1,200-kilometre Mackenzie pipeline between the Mackenzie Delta and the tar sands in Alberta, which would be routed through Inuvik. Intense opposition from many of the affected communities, including Indigenous Peoples who would face incursions into unceded territory, continues to be expressed. For example, the Decho have declared they will block any attempts at pipeline construction. They are calling for a minimum of 60% of the Indigenous territories to be protected from encroachment by pipelines in order to continue a sustainable livelihood.¹³⁷ However, this threshold has been deemed unreasonable by Enbridge and other oil companies as well as the federal government and therefore it was rejected without the possibility of negotiation. As a result, from the perspective of the Decho, they have been treated with "total disrespect".¹³⁸

Enbridge commitments to "social responsibility" in relation to communities and fragile arctic ecosystems have been further put into question by their open collaboration with American and Canadian military forces at their northern facilities in anti-terrorist exercises.¹³⁹ For example, in 2007, Enbridge's Inuvik and Norman Wells facilities were central to the successful execution of Operation Narwhal, an initiative involving the Canadian and US military personnel, the Royal Canadian Mounted Police, National Energy Board and territorial government security personnel. Enbridge personnel joined the planning stages of this operation, offered technical expertise, and opened their facilities as command-posts.¹⁴⁰ According to Canadian news outlets, Operation Narwhal was set up to prepare a response to a fictional Canadian 'Al Qaeda type' sleeper cell that had 'attacked' the Norman Wells facilities by trying to disrupt the flow of oil through Enbridge pipelines.¹⁴¹ Three hundred security and military personnel were joined by over 150 support staff as well as military surveillance aircraft, helicopters and twin otters from Yellowknife.¹⁴²

¹³⁶ Ibid.

¹³⁷ CBC, "Operation Narwhal soldiers not welcome in Fort Simpson: chief", April 16 2007 www.cbc.ca/canada/north/story/2007/04/16/nwt-narwhal.html#ixzz0g1RK0BX5

¹³⁸ Ibid.

¹³⁹ Enbridge Website, "The Northern Advantage" July 2002

www.enbridge.com/about/enbridgeCompanies/gasPipelines/pdf/pipelineadvantage.pdf

¹⁴⁰ Enbridge Website, "Emergency Preparedness", www.enbridge.com/csr2007/environmental-performance/emergency-preparedness; www.enbridge.com/csr2008/social/pr2.php

¹⁴¹ Canadian Press, "Terror Exercise to be Held at NWT Oil Facility," April 2, 2007, www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070402/terror_exercise_070402/20070402

¹⁴² Canadian Forces Website, www.canadacom.forces.gc.ca/nr-sp/nr-co/07-002-eng.asp

Meanwhile, the Decho First Nations declared the military operation an ‘unwelcome’ incursion onto their territory. For them, the operation appeared to be an “attempt to intimidate” their people given the opposition they and other neighbouring First Nations Peoples were expressing to the proposed Mackenzie Valley Pipeline and tar sands operations.¹⁴³

4.1.4 Alberta Clipper and Southern Lights Pipelines

“The voices and rights of the Leech Lake Band members are not being listened to.... According to the Minnesota Chippewa Tribe Constitution they are allowed to hold a referendum vote and allow the members to decide to accept the agreement with Enbridge or not.” – Marty Cobenais, Indigenous Environmental Network¹⁴⁴

The Alberta Clipper and Southern Diluents Pipelines project is being built between the Enbridge’s Hardisty station in Alberta and Superior, Minnesota. The pipelines are designed to ship 450,000 barrels of crude oil per day from the tar sands to the Midwestern United States and deliver diluents¹⁴⁵ North to the Tar Sands. The pipelines will stretch 1607 kilometers (1,000 miles). ‘Ultimate’ capacity of the crude oil line could reach 800,000 barrels per day.¹⁴⁶

Members of the Leech Lake Ojibwe Nation, formed the ‘In Zha Wen Dun Aki’ group to organize resistance to this project with the goal of stopping the pipeline from being constructed within the boundaries of the Leech Lake Reservation.¹⁴⁷

The In Zha Wen Dun Aki specifically wanted to bring attention to tribal sovereignty and Indigenous rights to the land, as well as to the environmental and health impacts caused by inevitable accidental spills along the route. Also, given cultural and ancestral ties to the land as well as a sense of responsibility to their fellow Indigenous communities north of the border, the Ojibwe raised overall concerns of the impacts of tar sands extraction to the Indigenous Peoples across the continent. The In Zha Wen Dun Aki have organized marches, rallies and petition drives to raise awareness and gather support throughout the state of Minnesota from tribal and non-tribal communities. However, the Reservation Business Committee has refused to acknowledge the nearly one thousand signatures of concerned Ojibwe who have signed a petition calling for Enbridge to stay out of tribal territory.¹⁴⁸

¹⁴³ CBC, “Operation Narwhal soldiers not welcome in Fort Simpson: chief”, April 16 2007
www.cbc.ca/canada/north/story/2007/04/16/nwt-narwhal.html#ixzz0g1RK0BX5

¹⁴⁴ Earthjustice, “Native, Green groups oppose State Department dirty pipeline permit,” Aug. 20 2009
dirtyoilsands.org/news/article/native_green_groups_oppose_state_department_dirty_pipeline_permit

¹⁴⁵ Diluents, or condensates, are used by pipeline companies to mix with crude oil in order to aid in the transportation of dense Alberta crude oil.

¹⁴⁶ Enbridge Website, “Alberta Clipper,” <http://www.enbridge-expansion.com/expansion/main.aspx?id=1218>

¹⁴⁷ Indigenous Environmental Network Website, www.ienearth.org/tarsandscampaign_stopenbridgeoilpipeline.html

¹⁴⁸ Associated Press. “Leech Lake Band members trying to keep Enbridge pipeline off reservation,” June 5 2009,
www.bemidjipioneer.com

In 2009, the In Zha Wen Dun Aki filed a motion in the Leech Lake Tribal Court against the Reservation Business Committee, the Minnesota Chippewa tribe and Enbridge, standing as Band Members whose interests may be harmed by the actions of the defendants. According to court plaintiff Elizabeth Sherman, “The expansion of the pipeline across the Leech Lake Reservation directly impacts the rights of all Leech Lake Tribal Members because it has a direct impact on Leech Lake Tribal Lands and Waters.”¹⁴⁹ The Leech Lake members vow to maintain their strong stance against the Enbridge project. As of April 2010, the court case was ongoing.

Simultaneously, Enbridge has also faced challenges by Wisconsin community and watershed conservation alliances. Researchers, independent environmental monitors and community members have expressed concerns with Enbridge’s excessive number of violations and spills during the course of the construction phases of the Southern Lights and Southern Access Pipelines. The Southern Lights pipeline will ship diluents Northward to the tar sands while the Southern Access pipeline will be bringing tar sands oil Southward.

The pipeline construction process has included the dredging of 361 wetland acres, to a depth of 6.5 feet, clearing vegetation from 905 acres of wetlands and removing substantial areas of stream bank vegetation along 262 Wisconsin rivers.¹⁵⁰ From 2007-2008, the Wisconsin Wetlands Association, a civil society organization, reviewed the violations on a daily basis, reporting that, “Enbridge’s environmental compliance has been poor, particularly early in the construction cycle...[These] poor pipeline construction management practices degrade wetland quality and pollute rivers and streams.”¹⁵¹ Requests by the Wisconsin Department of Natural Resources included letters calling on Enbridge to cease construction activities pending resolution of their environmental oversights, and retraining of crews. A few of the many critical incidences include:

- 60 violations from July 30-September 9th, 2007 related to erosion control, wetland restoration, land clearing, trenching, dewatering, and lack of compliance with “Best Management Practices”;
- Over 29,000 gallons of oil were spilled in Clark County, WI on January 2nd, 2007 when a pipeline ruptured, contaminating farmers’ fields;
- Over 150,000 gallons of crude oil spilled into a farm field and seeped into the groundwater table in Rusk County, WI on February 2nd when Enbridge Construction crews struck an existing pipeline.¹⁵²

In May 2008, the Wisconsin Department of Natural Resources referred the case of Enbridge Energy Partners’ repeated failure to comply with its wetland and waterway to the Department of Justice (DOJ). In January 2009, Enbridge Energy Partners paid the State of Wisconsin \$1.1 million (USD) to settle claims under Wisconsin’s waterway and

¹⁴⁹ Indigenous Environmental Network Website, www.ienearth.org/tarsandscampaign_stopenbridgeoilpipeline.html

¹⁵⁰ Wisconsin Wetlands Association, Update (September 2007) www.wisconsinwetlands.org/enbridge.htm

¹⁵¹ Wisconsin Wetlands Association, Issue Summary (November 8 2006) www.wisconsinwetlands.org/enbridge.htm

¹⁵² Wisconsin Wetlands Association, Updates (2007) www.wisconsinwetlands.org/enbridge.htm

wetland protection and storm water control laws.¹⁵³ The case documented more than 500 violations of the company's permits, including 282 wetland violations (soil mixing, rutting, unauthorized clearing, improper restoration), and 176 land disturbance and erosion control violations near navigable waters and wetlands.¹⁵⁴ This settlement is one of the largest in the history of the Wisconsin DOJ Environmental Unit.¹⁵⁵

4.2 Environmental track record

4.2.1 Upstream impacts

The environmental impact of oil and gas pipelines is not limited to the construction of the pipeline and the resulting damage done to the surrounding environment. For pipeline companies involved with shipping tar sands crude, anytime they can provide producers with a way to transport oil to new markets where demand exists they enable greater expansion of tar sands projects. This, in turn, permits the continuation of the severe environmental and social impacts that result from increased production in the tar sands.

As an example, the Pembina Institute estimates that Enbridge's proposed 525,000 barrels per day Northern Gateway pipeline from Alberta to the Pacific coast would facilitate an expansion in the tar sands that would produce an additional 6.5 megatonnes of greenhouse gas emissions annually. This is equivalent to putting 1.6 million more cars on the road every year or result in an additional 367,500 barrels of oil produced daily.¹⁵⁶

Pembina goes on to estimate that the increased tar sands production made possible by a new half-million barrels per day pipeline from the tar sands would: consume the amount of natural gas consumed by 1.3 million Canadian households each year; disturb 11.5 square kilometers of Boreal forest; consume 200 million barrels of processing water; and create over 4 billion litres of toxic tailings of which 455 million litres will leak into Alberta's watersheds.¹⁵⁷

While the Gateway pipeline has only been proposed and does not have regulatory approval, Enbridge's new Alberta to Wisconsin Alberta Clipper pipeline is complete and will go into operation with a capacity of 450,000 barrels per day. This increased capacity, adding to Enbridge's existing multimillion barrel per day pipeline system, will have a severe impact on the environmental and social catastrophe taking place in Alberta's tar sands.

¹⁵³ Wisconsin Department of Justice

www.doj.state.wi.us/absolutenm/templates/template_share.asp?articleid=24&zoneid=3

¹⁵⁴ Wisconsin Wetlands Association, www.wisconsinwetlands.org/enbridge.htm

¹⁵⁵ Wisconsin Wetlands Association, Update: (January 2 2009) www.wisconsinwetlands.org/enbridge.htm

¹⁵⁶ "Opening the Door for Oil Sands Expansion," Pembina Institute fact Sheet, December 2009, <http://bc.pembina.org/pub/1940>

¹⁵⁷ *ibid*

4.2.2 Offshore Pipelines

A critique similar to Enbridge's upstream impacts can be applied to its operations in the Gulf of Mexico where its pipeline systems transport approximately 40% of all offshore natural gas production in the Gulf. Enbridge also owns one crude oil pipeline in the Gulf of Mexico.

Enbridge's pipeline's in the region are enabling the expansion of oil and gas operations in the Gulf of Mexico thereby increasing the risk of spills accidents and the environmental destruction that accompanies these accidents.

4.2.3 Environmental impact of shipping liquids and gas through pipelines

Every year, Enbridge uses large amounts of electricity and other forms of energy to run the giant pumps that are used to deliver millions of barrels of hydrocarbons around North America.

By far the largest consumers of energy in Enbridge's operations are the large oil pipelines that criss-cross the continent from Alberta to the Midwestern United States.

According to its own data, in 2008 Enbridge's Liquids Pipelines Division used 6,846,673 gigajoules (this figure represents Canadian based pipelines only) of electricity to pump, ship and store hydrocarbons. This amount of electricity is the energy equivalent of 41,080,038 barrels of oil.¹⁵⁸

While figures showing the energy used company wide are not available, we can estimate that combined, the energy required to operate Enbridge's assets are at least twice the above figures given that a large portion of the company's pipelines are located in the United States and therefore not included in the Liquids Pipelines Division figures.

4.2.4 Spills, Leaks and Ruptures

Every year Enbridge strives for the lofty goal of zero releases, or no spills, leaks or ruptures that could send toxic poisons, chemicals and hydrocarbons into the environment. In spite of its stated objective thousands of litres of dangerous fluids are released from the company's pipelines and holding tanks into the environment each year.

Between 1999 and 2008, across all of Enbridge's operations there were 610 spills that released close to 132,000 barrels (21 million litres) of hydrocarbons into the

¹⁵⁸ Enbridge 2009 Corporate Social Responsibility Report, <http://www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf>

environment.¹⁵⁹ This amounts to approximately half of the oil that spilled from the oil tanker the Exxon Valdez after it struck a rock in Prince William Sound, Alaska in 1988.

Based on the number of spills that Enbridge causes every year, despite what the company says about pipeline safety, a rupture, leak or spill is seemingly inevitable.

For more detailed information on Enbridge’s spill record please refer to Appendix 2.

Total Spills on Enbridge Pipelines, 1999 - 2008

Year	Number of spills	Quantity of barrels spilled
1999	54	28,760
2000	48	14,683
2001	34	25,980
2002	48	14,683
2003	62	6,410
2004	69	3,252
2005	70	9,825
2006	67	5,363
2007	65	13,777
2008	93	2,682
2009	N/A	6,453 ¹⁶⁰
Total	610	131,868 (Approximately 21 million litres, or 5,5 million gallons)

4.3 Labour Relations

Enbridge Sites in Canada and U.S.A.

The following section outlines key information related to Enbridge’s rate of unionization and context of employment equity in the workplace.

According to the company, the percentage of their employees covered by a collective agreement is 19.5%, a rate which the company itself attributes to the fact that they “hired a large number of non union employees [on temporary contracts].”¹⁶¹

Unionized workers include the following:

¹⁵⁹ These figures were compiled from Enbridge’s own Environmental, Health and Safety and Corporate Social Responsibility Reports, <http://www.enbridge.com/corporate/csr-reports.php>

¹⁶⁰ Complete data for 2009 is not yet available.

¹⁶¹ Enbridge, 2009 Corporate Social Responsibility Report www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf

- 750 workers in the Communications Energy and Paperworkers Union (CEP Local 975) in Ontario in the Gas Distribution division;
- 20 workers in a Joint Industrial Council in Ontario in the Gas Storage division;
- 145 workers in Joint Industrial Councils in Alberta, Ontario, Quebec, the Northwest Territories, and Saskatchewan in the Liquids Pipelines division;
- 110 workers in Minnesota, Wisconsin, Michigan, Illinois and Indiana under the United Steel Workers (Local 2003) in the Liquids Pipelines division;
- 14 workers in Kansas, Oklahoma and Missouri unionized under the United Steel Workers in the Liquids Pipelines division;
- 20 workers in Massena, organized under the International Brotherhood of Electrical Workers in New York working at the St. Lawrence Gas division¹⁶²

Workers organized in this sector have been able to negotiate a higher standard of benefits, wage rates and range of recognized rights that provide them with a greater degree of security than temporary contract workers. For instance, in Ontario, Enbridge's workers unionized under the Communications, Energy and Paperworkers Union have a collective agreement which includes incremental scale of wage increases over the contract term improved health benefits, extensive health and safety training, and increased compensation rates for standby and overnight stays.¹⁶³

Workers Placed In Tense Situations

Many communities in which Enbridge Pipelines has begun operating note that due to the high degree of technical training needed for pipeline construction, local populations may be integrated on (i) a temporary term basis; (ii) in the services sector; or (iii) not at all. For example, Service Canada's March 2008 Southern Manitoba Labour Market Bulletin reported that, "There will be limited or no opportunity for local employment on the [Alberta Clipper] construction project...However, there would likely be ancillary jobs created from the additional business brought to local operations such as restaurants..."¹⁶⁴

Adding to these tensions are those which are grounded in the divisions between residents' concerned with the impacts of the pipeline on their well-being and those of the surrounding environment, and pipeline construction crews as well as engineers. As a result, workers may be put in difficult positions when confronted by landowners who do not feel the consultation process was fair or inclusive.¹⁶⁵

Employment Equity and Discrimination in the Workplace

One specific response to increase local involvement, particularly for under- and unemployed First Nations workers, was taken by the Operating Engineers Local 987 in Manitoba in 2009. Local 987 negotiated a collective agreement for the Alberta Clipper

¹⁶² Ibid.

¹⁶³ Ontario Ministry of Labour, Collective Bargaining Updates, March 2009 www.pesceassociates.com/pdfs/cbh2009-03-e.pdf

¹⁶⁴ Service Canada, Southern Manitoba Labour Market Bulletin, March 2008 www.servicecanada.gc.ca/eng/mb/lmiquarter1_08/sman.shtml

¹⁶⁵ See for example, testimonials described in Area Voices website www.areavoices.com/pipeline

Project that included a provision for the training of twenty members of the Long Plains First Nation. According to the Local 987 business manager, Jim Murphy, “It took many hours and many meetings to negotiate the Alberta Clipper Project Labour agreement, but in the end we got what we wanted: to train and place Aboriginals on this project. It’s very important for future relations...”¹⁶⁶

The effort to increase the levels of employment of First Nations band members could indicate localized advances in relation to Enbridge’s Canadian Employment Equity ratings in 2009. This report issued by the Canadian government described the situation of First Nations workers within Enbridge operations as concentrated in jobs with incomes that are lower than average and in numbers significantly lower than ‘labour market availability.’ Moreover, according to recorded statistics, the company overall had “failed to hire and/or promote” First Nations members. Further remedial steps are also noted as necessary to increase the status of women. People with disabilities have also been recorded as falling into lower job categories, and facing barriers to achieving adequate representation, as well as having problems with salaries.¹⁶⁷

Similar results are indicated in past Employment Equity reports filed by the federal government. Officially, Enbridge says that it is “committed to an organizational climate that is responsive to the reasonable accommodation of differences and requirements of employees,” and as such has implemented policies regarding Indigenous Peoples, the transition of foreign workers from temporary to permanent positions, anti-discrimination and women’s professional development.¹⁶⁸ However, as apparent from government reporting mechanisms, there remains much to be done to make Enbridge sites proactive spaces of workplace equity.

4.4 Health and Safety Record

Officially, Enbridge provides on the job health and safety training as mandated by federal and provincial jurisdictions, and has established health and safety committees at each site.¹⁶⁹ Injured workers and their families are offered counseling service. However, the only collective agreement negotiated with the company to include specific provisions regarding proactive health and safety precautions, training and remedial action is between Enbridge Gas Distribution and the Communications Energy and Paperworkers Union in Ontario.¹⁷⁰

Overall, from 2004-2008, 395 injuries were recorded by Enbridge and then reported to management. According to Enbridge Corporate Social Responsibility Reports, a total of

¹⁶⁶ Operating Engineers of Manitoba, Local 987 Newsletter, Summer 2009

oe987.mb.ca/my_folders/Newsletter/987_June_2009_Net.pdf

¹⁶⁷ Human Resources and Skills Development Canada, “Annual Report: Employment Equity Act,” 2008

http://www.hrsdc.gc.ca/eng/labour/publications/equality/annual_reports/2008/docs/2008report.pdf

¹⁶⁸ Enbridge, 2009 Corporate Social Responsibility Report www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf

¹⁶⁹ Ibid.

¹⁷⁰ Ibid.

five workers have died during this time, one of which occurred in 2005 (unidentified), one in 2006 (Texas), two in 2007 (Minnesota) and one in 2008 (Saskatchewan).¹⁷¹

A brief selection of recent injuries and fatalities that have been reported at Enbridge sites, occurring after the above statistics were recorded, include:

- February 2009: At the “Mainline Spread” in the Northwest Territories, a worker was caught in between operating vehicles and had his leg crushed, resulting in an amputation operation;¹⁷²
- September 2009: At the Hardisty Terminal in Alberta, a worker’s hands were severely injured when cutting a ground cable;
- October 2009: At the Rowatt Station in Saskatchewan, a worker reported a serious chest strain injury in October when the worker moved over 100lbs of crane padding;
- October 2009: At the “Spread 12” location, one worker was injured by a falling pipeline, while another worker slipped from a vehicle and fractured an ankle;
- November 2009: Near Clearbrook in northern Minnesota, two pipeline maintenance workers were killed in a fire;¹⁷³
- January 2010: At the Enbridge Pipelines gas processing plant in East Texas, one worker died, and another was severely injured during an accident related to the sudden release of excess hydrogen sulphide gas during a procedure involving the replacement of a boiler valve.¹⁷⁴

Overall, it can be concluded that due to the hazardous work context with which Enbridge construction, pipeline and engineer workers are faced on a daily basis, accidents and injuries are frequent. However, actual statistics are likely much higher than the official reported numbers, particularly for the eighty percent of workers who are non-union and would have little protection to file a grievance in the case of an unfair dismissal or discriminatory treatment by management.¹⁷⁵

¹⁷¹ Enbridge, 2009 Corporate Social Responsibility Report www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf; 2008 Corporate Social Responsibility Report www.enbridge.com/csr2008/downloads/print_version.pdf; 2007 Corporate Social Responsibility Report www.enbridge.com/csr2007/pdf/enbridgecsr2007.pdf

¹⁷² Enbridge Major Projects Safety Incidents Alert, Feb. 2009 share-nwt.com/Tools/Swamper%20Injury%20Feb%202009.pdf

¹⁷³ Powell, J., Minnesota Star Tribune, “2 workers die in pipeline fire near Clearbrook,” November 29 2007 www.startribune.com/local/11922906.html

¹⁷⁴ Grossman, M. , Texas Gas Plant Injury, Jan. 12 2010 texas-construction-accident-attorney.com/494/Nalvester-Maxie-Dead-Richard-Youngblood-Seriously.htm

¹⁷⁵ Furthermore, additional minor injuries may never be reported to Enbridge/or to management executives.

5. Stakeholder profile

5.1 Enbridge's main funders¹⁷⁶

The following is a list of Enbridge's main lead or co-lead underwriters. These are the banks that help Enbridge fund its major projects.

Large banks have become important targets for activists challenging the rapid expansion of projects in the Alberta tar sands. Rainforest Action Network, a US based environmental organization, has mounted very successful campaigns against banks that have invested in tar sands projects.¹⁷⁷ Any of the banks listed below are clear campaign targets for those wishing to confront Enbridge.

The dollar figures represent monies that were issued to Enbridge as loans, underwritten equity or underwritten bond issuances between February 2007, and November 2009. The figures may not reflect actual lending but do represent the full value of loans where the bank acted as lead or co-lead book-runner or managing underwriter.¹⁷⁸

Bank	Loans (Millions USD)
Toronto Dominion Securities (Can)	\$7,325
Scotia Bank (Can)	\$5,286
Bank of America (US)	\$1,624
Royal Bank of Canada (Can)	\$1,353
Wells Fargo (US)	\$1,233
Deutsche Bank (Germany)	\$633
UBS AG (Switzerland)	\$603
HSBC (UK)	\$466
Lehman Brothers (US)	\$287
Bank of Montreal (Can)	\$282
Citigroup (US)	\$275
CIBC (Can)	\$220
Société Generale (France)	\$208
JP Morgan (US)	\$166
Royal Bank of Scotland (UK)	\$166
Morgan Stanley (US)	\$75

¹⁷⁶ This data has been generously provided to us by the Rainforest Action Network.

¹⁷⁷ "Banks Ranked and Spanked," Understory The Official Blog of RAN, posted January 31, 2010, <http://understory.ran.org/2010/01/31/banks-ranked-and-spanked-on-tar-sands/> accessed April 15, 2010.

¹⁷⁸ Rainforest Action Website, http://ran.org/campaigns/global_finance/

5.2 Supply Chain

A major stakeholder in any large multinational is its suppliers. The companies that make up the supply chains of pipeline companies rely on contracts to provide the raw materials that help make the projects possible.

The steel industry is one industry that is intimately linked to Enbridge as the supplier of pipes and steel that goes into giant pipelines. Enbridge's suppliers are also very good targets for activists interested in pressuring the pipeline company.

Enbridge's proposed expansion project, the Northern Gateway Pipeline, is not yet underway and suppliers of steel have not yet been named. However, if this project does get approval, targeting the steel companies that will supply Enbridge with the thousands of kilometers of pipe required to construct the pipeline, will be a very effective strategy for pressuring the company.

Two of Enbridge's previous pipeline suppliers are Evraz Regina Steel¹⁷⁹ (formerly known as IPSCO), and Confab, a Brazilian steel company.

5.3 Major shareholders

This chart names some of Enbridge's main institutional shareholders.¹⁸⁰

Holder	Shares Held	Percentage of Shares held
RBC Asset Management, Inc.	26.75m	7.07%
TD Asset Management, Inc.	22.05m	5.83%
Jarislowsky Fraser Ltd.	16.90m	4.47%
Bank of Nova Scotia Asset Management	14.30m	3.78%
BlackRock Advisors LLC	11.71m	3.10%

¹⁷⁹ It should be noted that Evraz Regina Steel's parent company, Evraz Inc. NA is a major supplier for Transcanada's Keystone pipeline, http://www.evraz.com/press/?ID=10351&PAGEN_1=3

¹⁸⁰ Financial Times, <http://markets.ft.com/ft/tearsheets/businessProfile.asp?s=ENB%3ANYQ>

Appendix 1 – Pipelines on Enbridge’s mainline system

Mainline System and Lakehead Systems

Pipeline(s)	Comments
Lines 1, 2a, 2b, 3, 4, 13a, 13b, 65 – Edmonton to points in the U.S. Midwest.	<p>These six parallel pipelines¹⁸¹ are Enbridge’s main arteries connecting the tar sands with the United States. These lines also represent the main crude oil super highway for the entire petroleum industry operating in Alberta. The Canadian portions¹⁸² of these lines are owned and operated by Enbridge, while the U.S. portions¹⁸³ are operated by Enbridge, but owned by Enbridge Energy Partners.¹⁸⁴</p> <p>We can separate these lines into three categories:</p> <ol style="list-style-type: none"> 1. Lines 1, 2 (a and b), 3 and 4 connect Edmonton to a large pipeline hub in Superior, Wisconsin. Each of these lines stretch over 1768 kms (1098 miles). Combined capacity to Superior totals, 1.87 million bpd. 2. Lines 13a and 13b connect Edmonton to refineries and other non-Enbridge pipelines in Clearbrook, Minnesota. 3. Line 65 is a shorter pipeline connecting Cromer, Manitoba to Clearbrook, Minnesota.
Line 5 From Superior, Wisconsin to Sarnia, Ontario	<p>This pipeline is part of the Lakehead system and stretches 1,040 kms and has a capacity of 490,000 barrels per day.</p> <p>Line 5 is the main pipeline connecting tar sands crude to refineries in Sarnia, Ontario.</p>
Lines 6a and 6b 6a: From Superior, Wisconsin to Griffith/Hartsdale (Chicago area), Indiana. 6b: from	<p>Both of these lines are part of the Lakehead system.</p> <ol style="list-style-type: none"> 1. The 1080 km (467 mile) Line 6a has a capacity of 670,000 barrels per day and delivers tar sands crude directly to the main refinery area surrounding the city of Chicago. This pipeline feeds the Chicago area refineries. The destination of this pipeline is located approximately 18 kilometres from British Petroleum’s Whiting, Indiana refinery. 2. Line Part 6a is the continuation of line 6a that ends in Sarnia,

¹⁸¹ For details on what type of petroleum products are shipped on pipelines on the ‘Mainline’ system please refer to Enbridge’s Pipeline System Configuration document, <http://www.enbridge.com/pipelines/about/pdf/pipelinesystemconfig1-2009.pdf>

¹⁸² The Canadian portion of these pipelines are referred to by the company as the ‘Enbridge system’

¹⁸³ Referred to by the company as the Lakehead System.

¹⁸⁴ For more information on Enbridge Energy Partners, see section below.

Griffith/Hartsdale, Indiana (Chicago area), through Stockbridge, Michigan ending in Sarnia, Ontario.	Ontario, with a stop in Stockbridge, Michigan, where tar sands oil is diverted to refineries in Toledo, Ohio through Enbridge's line 17. The pipeline stretches 470 km (293 miles) and has a capacity of 190,000 barrels per day.
Line 14/64 From Superior, Wisconsin to Griffith/Hartsdale (Chicago area), Illinois.	This pipeline sends another 320,000 barrels per day into the Chicago area
Line 61 From Superior, Wisconsin to Flanagan, Illinois	Line 61 delivers 400,000 barrels per day of oil to Flanagan, Illinois.
Line 62 From Griffith/Hartsdale, Indiana to Flanagan, Illinois	Line 62 has the capacity to deliver 400,000 barrels per day to Flanagan, Illinois.
Line 55 (Spearhead Pipeline) From Flanagan, Illinois to Cushing, Oklahoma	Enbridge purchased the pipeline from British Petroleum in 2003 as part of a broad strategy to expand the supply of tar sands crude to more markets in the United States. The 650-mile (1050-kilometre) pipeline historically operated in south-to-north service, but Enbridge bought the pipeline and reversed its flow to provide Canadian crude to the Mid-Continent and southern United States. The pipeline has capacity of up to 193,000 barrels per day after a recent expansion was completed in May, 2009. Spearhead is owned and operated by Enbridge.
Line 17 Stockbridge, Michigan, to Toledo, Ohio	Line 17, with a capacity of 100,000 barrels per day, delivers petroleum products from Enbridge's line 6b to refineries in the Toledo area.
Line 7 From Sarnia, Ontario to Enbridge's	Line 7 has a capacity of 150,000 barrels per day. This pipeline ends near Hamilton, Ontario, where it feeds two other Enbridge pipelines (lines 10 and 11)

Westover Station, near Hamilton, Ontario.	
Line 10 From Enbridge's Westover Station, near Hamilton, Ontario, to near Buffalo, New York.	<p>This 145 km pipeline (91 mile) with a capacity of 70,000 barrels a day feeds into the non-Enbridge owned Kiantone pipeline in West Seneca New York.</p> <p>This line feeds Tar Sands oil to United Refineries' 70,000 bpd refinery in Warren, Pennsylvania. United Refineries has stated that "substantially all" of the crude oil refined comes from the tar sands.¹⁸⁵</p>
Line 11 From Enbridge's Westover Station, near Hamilton, to Exxon Mobil's Nanticoke refinery located on the North shore of Lake Erie	<p>This 120,000 barrel per day pipeline exclusively supplies Exxon Mobil's Nanticoke refinery. The refinery has a capacity output of 120,000 barrels per day and produces unleaded gasoline, jet fuel, diesel, heavy fuel oil, asphalt, propane and butane.</p>
Line 9 From Montreal, Quebec, to Sarnia, Ontario	<p>Enbridge's East to West Line 9 pipeline stretches 845 km (524 miles) from Montreal to the refinery hub in Sarnia, Ontario. The pipeline has a capacity of 240,000 barrels per day and ships mostly imported oil.</p> <p>Enbridge has hinted that it will reverse the flow on Line 9 to facilitate the transportation of tar sands oil to the Eastern United States as part of its Trailbreaker project.</p>
Enbridge Pipelines (NW) From Norman Wells, North West Territories to Zama, Alberta	<p>This 870 kilometre pipeline connects Imperial Oil's Norman Wells Oil fields in the Northwest Territories to Zama, Alberta, where oil is then shipped on other pipelines to points South. The pipeline has been in operation since 1985.¹⁸⁶</p> <p>The pipeline is owned by Enbridge Pipelines (NW) Inc., which is wholly owned and operated by Enbridge Pipelines Inc., which is in turn owned by Enbridge. Imperial Oil operates the pipeline.¹⁸⁷</p>

Enbridge Regional Oil Sands System

¹⁸⁵ <http://www.sec.gov/Archives/edgar/data/101462/000119312509244060/d10k.htm>

¹⁸⁶ <http://www.enbridge.com/csr2009/economic/northwest-territories.php>

¹⁸⁷ Imperial Oil 10-k

This system of pipelines and other facilities makes up Enbridge's physical and operational presence in the tar sands regions of Alberta. The system includes two long haul pipelines (profiled below), and a variety of other facilities including three large crude oil terminals.

<p>Waupisoo Pipeline – From Enbridge’s Cheecham Terminal South of Fort McMurray to Edmonton</p>	<p>The Waupisoo Pipeline is owned and operated by Enbridge Pipelines (Athabasca) Inc., a wholly owned subsidiary of Enbridge Inc. The 380 kilometre pipeline is designed to ship tar sands crude from Fort McMurray to refineries in Edmonton and can carry up to 600,000 barrels per day. The Waupisoo Pipeline is regulated by the Energy Resources Conservation Board (ERCB).</p>
<p>Athabasca Pipeline From Athabasca and Cold Lake regions of Alberta to Hardisty</p>	<p>The 630 kilometre Athabasca Pipeline directly connects oil producers operating in the tar sands to the main export pipeline terminal in Hardisty, Alberta. Completed in 1999, the pipeline can ship up to 570,000 barrels per day of crude oil. The main shipper on this pipeline is Suncor.</p> <p>The Athabasca Pipeline is owned by Enbridge Pipelines (Athabasca) Inc., which is a wholly owned by Enbridge. Suncor operated the pipeline until 2002, when Enbridge assumed control.¹⁸⁸</p>

Alberta Clipper and Southern Lights Diluent

Pipeline	Comments
<p>Alberta Clipper Hardisty, Alberta to Superior, Wisconsin</p>	<p>Enbridge’s \$2.3 billion Alberta Clipper pipeline is still under construction and is expected to begin operation in April 2010. This pipeline is being constructed alongside existing Enbridge pipelines and is designed to ship more tar sands crude oil to markets in the US Midwest.</p> <p>The entire pipeline will be operated by Enbridge while the Canadian portion is owned by Enbridge and US portion is owned by Enbridge Energy Partners.</p>
<p>Southern Lights pipeline From Chicago, Illinois to Edmonton.</p>	<p>Enbridge’s \$1.7 billion (usd) pipeline from Chicago to Edmonton is still under construction and is expected to be operating by the end of 2010. The primary purpose of building this pipeline is to ship diluent, or condensate to Alberta. Diluent, or condensate is purchased by oil producers as an essential ingredient needed to prepare thick gooey tar sands crude to be transported through pipelines. Given the ever increasing amount of tar sands crude going to the United States, the</p>

¹⁸⁸ “ENBRIDGE INC - Marks Expanding Presence in Athabasca Region,” November 26, 2002

	<p>demand for diluents is growing.</p> <p>The South North pipeline project involves the reversal of an existing Enbridge oil pipeline and the construction of a new North South pipeline to replace the light crude capacity that would be lost through the reversal.¹⁸⁹</p> <p>The Southern Lights pipeline is owned and will be operated by Enbridge Southern Lights LLC, a wholly owned subsidiary of Enbridge.</p>
--	---

U.S lines

Pipeline	Comments
<p>Southern Access</p> <p>From Superior, Wisconsin to Flanagan, Illinois.</p> <p>Expansion plans will extend the pipeline to Patoka.</p>	<p>In 2003, Enbridge announced that it was going to construct a new pipeline to carry more crude oil from the tar sands to markets in the Midwestern states.¹⁹⁰ The pipeline was completed and has undergone a multibillion dollar expansion. In total, the Southern Access Pipeline added an extra 400,000 bpd capacity to Enbridge's mainline system.¹⁹¹</p> <p>The Southern Access pipeline is operated in Canada and the U.S. by Enbridge, but is owned by Enbridge Energy Partners in the U.S. and Enbridge in Canada.</p> <p>Controversy: In January, 2009, Enbridge Energy Partners paid the State of Wisconsin \$1.1 million (USD) to settle claims under Wisconsin's waterway and wetland protection and storm water control laws.¹⁹² The case documented more than 500 violations of the company's permits including 282 wetland violations (soil mixing, rutting, unauthorized clearing, improper restoration), and 176 land disturbance and erosion control violations near navigable waters and wetlands.¹⁹³</p>
<p>Spearhead Pipeline</p> <p>From Chicago, Illinois to Cushing, Oklahoma</p>	<p>Enbridge purchased the pipeline from British Petroleum in 2003 as part of a broad strategy to expand the supply of tar sands crude to more markets in the United States.</p> <p>The 650-mile (1050-kilometre) pipeline historically operated in south-to-north service, but Enbridge bought the pipeline and reversed its flow to provide Canadian crude to the Mid-Continent and southern United</p>

¹⁸⁹ Enbridge Management Discussion and Analysis, December 31, 2009.

¹⁹⁰ Enbridge Press Release, "Enbridge Launches US\$600-million Crude Oil Pipeline Proposal to Provide Enhanced Access to U.S. Markets,"

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=413396&releaseSeq=11>

¹⁹¹ Enbridge Management Discussion and Analysis, December 31, 2009.

¹⁹² http://www.doj.state.wi.us/absolutenm/templates/template_share.asp?articleid=24&zoneid=3

¹⁹³ Wisconsin Wetlands Association, <http://www.wisconsinwetlands.org/enbridge.htm>

	<p>States. The pipeline has capacity of up to 193,000 barrels per day after a recent expansion was completed in May, 2009.</p> <p>Spearhead is owned and operated by Enbridge.</p>
<p>North Dakota System</p> <p>A series of pipelines stretching from extreme North Eastern Montana to Clearbrook Minnesota.</p>	<p>The North Dakota System is a 530 km crude oil gathering and 1,000 km interstate transportation system that gathers crude oil from points near producing wells in 22 oil fields in North Dakota and Montana.¹⁹⁴</p> <p>The system has a capacity of approximately 161,000 bpd and provides connections with the Lakehead System and a third-party pipeline that transports crude oil to refineries in the Minneapolis/St. Paul area.</p> <p>The North Dakota system is poised to exploit the Bakken Shale Deposits located in Montana, North Dakota and Saskatchewan.</p>
<p>Ozark Pipeline,</p> <p>From Cushing Oklahoma, to Wood River, Illinois</p>	<p>Enbridge's Ozark pipeline transports crude oil in a South to North directions from Cushing, Oklahoma to Wood River, Illinois, where it delivers to ConocoPhillips' Wood River refinery. The pipeline is owned by Enbridge Energy Partners and operated by Enbridge.¹⁹⁵</p>
<p>Olympic Pipeline</p> <p>From Blain, Washington, South to Portland Oregon</p>	<p>The Olympic Pipeline delivers refined products such as gasoline, diesel and jet fuel to fuel terminals between Blaine, Washington and Portland, Oregon. Enbridge owns 65% of the pipeline with British Petroleum (BP) owning the remaining 35%. BP operates the 290,000 bpd pipeline.</p> <p>The pipeline system extends approximately 480 kilometres (300 miles) from Blaine, Washington to Portland, Oregon, connecting four Puget Sound refineries to terminals in Washington and Portland. BP Pipelines (North America) Inc. (BP) is the operator of the pipeline.¹⁹⁶</p> <p>The products shipped on this pipeline come from four major refineries located in Puget Sound near Seattle. All of these refineries accept and refine crude oil from Canada's tar sands.</p>
<p>Frontier Pipeline</p> <p>From Casper. Wyoming to Salt Lake City</p>	<p>Frontier pipeline is a 465 km pipeline with a capacity of approximately 62,200 bpd. The pipeline originates in Casper, Wyoming, a hub for the distribution of crude oil produced in Canada and the U.S. Rocky Mountain region, and receives deliveries from the Western Corridor system. Frontier pipeline also receives Canadian crude oil, including Canadian synthetic crude, via connections with Express pipeline and</p>

¹⁹⁴ <http://www.enbridgepartners.com/EEP/Main.aspx?id=212&tmi=1826&tmt=5>

¹⁹⁵ Enbridge Energy Partners Annual Report on 10-k,

<http://www.enbridgepartners.com/WorkArea/downloadasset/12656/2009-EEP-10-K.aspx>

¹⁹⁶ Enbridge Inc. Management's Discussion and Analysis, December 31, 2009,

<http://www.enbridge.com/investor/pdf/2010-02-19-year-end-md&a.pdf>

	<p>other connecting carriers in Casper, Wyoming.</p> <p>The pipeline is owned and operated as a joint venture between Enbridge (77.8% interest) and the Frontier Pipeline Company, a Wyoming general partnership.</p>
<p>Chi Cap Pipeline</p> <p>From Patoka Illinois to Chicago</p>	<p>Chicap Pipe Line transports crude oil in a South to North direction from the Patoka, Ill., pipeline hub to the Chicago area. Oil on this pipeline originates in the gulf of Mexico.</p> <p>Enbridge Inc. owns 43.8 percent of the Chicap, with British Petroleum owning the rest. BP operates the pipeline that has a capacity of 360,000 bpd and consists of 330 kms of pipeline.¹⁹⁷</p>
<p>Mustang</p> <p>North to South pipeline from Chicago, Illinois to Patoka Illinois</p>	<p>Enbridge owns 30 percent of the Mustang pipeline with its joint venture partner ExxonMobil. The 100,000 bpd, 345 km pipeline delivers tar sands crude from the Lakehead system to the major pipeline hub in Patoka, Illinois.¹⁹⁸</p>

Gas Pipelines

Pipeline	Comments
<p>Alliance Pipeline</p> <p>From Fort St. John, British Columbia to Chicago, Illinois</p>	<p>The Alliance Pipeline is a natural gas pipeline extending 3000 kilometres from Fort St. John, British Columbia, to Chicago, Illinois. The pipeline is designed to ship natural gas taken from the ground in Northern British Columbia and Northern Alberta, directly to customers in the Chicago area. The pipeline has a capacity of 45 million cubic metres per day of natural gas.</p> <p>The Alliance Pipeline is actually a 50/50 joint venture between Enbridge and the U.S. company, Fort Chicago Energy partners. The pipeline is operated by Alliance Pipelines.</p> <p>Enbridge splits its ownership of the pipeline. The Enbridge Income Fund has a 50% interest in the Canadian portion of the pipeline, and Enbridge Inc. has a similar interest in the U.S. portion.¹⁹⁹</p> <p>Opposition: Citizens Oil & Gas Coalition</p>
Vector Pipeline	Enbridge owns 60% of this 560 km pipeline that ships natural gas from

¹⁹⁷ <http://www.enbridgeus.com/Main.aspx?id=217&tmi=120&tmt=4>

¹⁹⁸ <http://www.enbridgeus.com/Main.aspx?id=217&tmi=120&tmt=4>

¹⁹⁹ <http://www.alliance-pipeline.com/>

	<p>Chicago to Dawn, Ontario. The Vector pipeline connects with the Alliance Pipeline to supply Western Canadian natural gas supplies to Illinois, Indiana, Michigan and Ontario.</p> <p>The pipeline was constructed in 2000, and has a capacity of 33 million cubic metres per day.²⁰⁰</p> <p>Detroit based, DTE Energy company owns 40% of the company.</p>
<p>Enbridge offshore pipelines</p>	<p>Enbridge owns all or portions of 12 different pipelines that transport natural gas from offshore wells in the Gulf of Mexico to pipelines owned by others in Mississippi and Louisiana.</p> <p>This system of pipelines transports approximately 40% of the natural gas production in the Gulf of Mexico. This amounts to 85 cubic metres of natural gas per day.²⁰¹</p>

²⁰⁰ <http://www.vector-pipeline.com/Vector/>

²⁰¹ <http://www.enbridgeus.com/Main.aspx?id=242&tmi=348&tmt=4>

Appendix 2 – Significant pipeline incidents

The following charts highlight significant spills and incidents from Canada and United States that have occurred at Enbridge facilities or pipelines.

Canadian incidents

This chart provides a sampling of some of Enbridge’s major pipeline incidents since 2000.

Location	Date	Cause	Barrels lost
Saskatchewan, ²⁰² Innes	2000	n.a.	1,500
Ontario, ²⁰³ Binbrook	September 29, 2001	n.a.	598
Alberta, ²⁰⁴ Hardisty	January 17, 2001	n.a.	23,900
Saskatchewan, ²⁰⁵ Kerrobert	January 18, 2002	Leaking gasket	6,133
Manitoba, ²⁰⁶ Glenboro,	May 8, 2002	Seam failure	598
Alberta, ²⁰⁷ Fort McMurray,	February 22, 2004	Valve failure	735
Saskatchewan, ²⁰⁸ Willmar,	March 18, 2006	Pump failure	613
Manitoba, ²⁰⁹ Cromer	January 23, 2008	Gasket failure	629
Saskatchewan, Weyburn,	February 23, 2008	Human error, tap left open	157
Alberta, Fort McMurray	March 29, 2008	Drain line failure	252
Alberta, Cheecham	January 3, 2009	Vent valve failure	5,749
Saskatchewan, Kisbey,	February 9, 2009	n.a.	704

U.S. incidents

This table outlines ‘significant incidents’²¹⁰ that have occurred on Enbridge pipelines or other company facilities in the United States between 1999 and 2009 as reported by the

²⁰² <http://www.enbridge.com/corporate/pdf/2001-ehs-report.pdf>

²⁰³ <http://www.enbridge.com/corporate/pdf/2002-ehs-report.pdf>

²⁰⁴ Ibid

²⁰⁵ <http://www.enbridge.com/corporate/pdf/2003-ehs-report.pdf>

²⁰⁶ Ibid

²⁰⁷ 2005, Corporate Social Responsibility Report, <http://www.enbridge.com/corporate/pdf/2005-csr.pdf>

²⁰⁸ Enbridge 2007 Corporate Social Responsibility Report, <http://www.enbridge.com/csr2007/pdf/enbridgecsr2007.pdf>

²⁰⁹ Enbridge 2009, Corporate Social Responsibility Report, <http://www.enbridge.com/csr2009/downloads/Enbridge-2009-CSR-Report.pdf>

²¹⁰ The United States Department of Transportation Pipeline and Hazardous Material Safety Administration (PHMSA) defines a Significant Incident as: “those incidents reported by pipeline operators with any of the following conditions are met: 1) fatality or injury requiring in-patient hospitalization. 2) \$50,000 or more in total costs, measured in 1984

United States Department of Transportation Pipeline and Hazardous Material Safety Administration (PHMSA)²¹¹ and Enbridge itself.

The chart shows that 49 significant incidents (35 on the U.S. portion of Enbridge’s mainline system) related to Enbridge’s operations have occurred in the United States since 1999. These incidents resulted in the deaths of three workers, the spillage of over 26,000 barrels of various materials and property damage totaling \$30.8 million (USD). The State of Minnesota experienced the largest number of incidents with a total of 18.

The chart below only shows the significant incidents caused by Enbridge and does not show the total number of spills or leaks caused by the company.

State and City	Date	Operator	Cause	Fatalities	Injuries	Property Damage	Gross Barrels Lost	Net Barrels Lost
Illinois, Carpentersville	04/01/2005	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$109,370	5	0
Indiana, Griffith	05/08/2003	Enbridge Energy, Limited Partnership	All Other Causes	0	0	\$11,506	700	5
Indiana, Griffith	04/15/2008	Enbridge Energy, Limited Partnership	Incorrect Operation	0	0	\$105,000	260	0
Indiana, New Carlisle	05/27/2008	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$100,000	6	6
Kansas, El Dorado	10/21/2005	Enbridge Pipelines (Ozark) Llc	Material Failure (ie Weld)	0	0	\$28,016	2,350	10
Kansas, El Dorado	08/13/2006	Enbridge Pipelines (Ozark) Llc	Corrosion	0	0	\$95,678	140	2
Kansas, El Dorado	04/06/2008	Enbridge Pipelines (Ozark) Llc	Corrosion	0	0	\$200,000	550	0
Louisiana Fairbanks	09/03/2001	Mid Louisiana Gas Company	Corrosion	0	0	\$546,648	428 ²¹²	N/A
Louisiana	10/19/2003	Enbridge Pipelines (Louisiana)	Material Failure (ie Weld)	0	0	\$460,302	0	0

dollars. 3) highly volatile liquid releases of 5 barrels or more or other liquid releases of 50 barrels or more. 4) liquid releases resulting in an unintentional fire or explosion”

²¹¹ <http://www.phmsa.dot.gov>

²¹² Enbridge 2002 Environment, Health & Safety Report, <http://www.enbridge.com/corporate/pdf/2002-ehs-report.pdf>. The 2002 report also states that as a result of this incident Approximately 7 million cubic feet of natural gas were released from the pipeline.

		Liquids) LLC						
Louisiana, Belle Chase	10/22/200 3	Enbridge Pipelines (Louisiana Liquids) LLC	Material Failure (ie Weld)	0	0	\$489,041	0	0
Louisiana, Vidalia	04/05/200 6	Enbridge Pipelines (Midla) LLC	All Other Causes	0	1	\$1,051,642	N/A	N/A
Michigan, Samaria	02/27/200 3	Enbridge Pipelines (Toledo) Inc.	Natural Force	0	0	\$293,424	130	5
Michigan, Bay City	10/13/200 3	Enbridge Energy, Limited Partnershi p	Material Failure (ie Weld)	0	0	\$138,082	500	70
Michigan, Grand Rapids ²¹³	2/19/2004	Enbridge Energy, Limited Partnershi p	Leak	N/A	N/A	N/A	1,000	N/A
Michigan, Bay City	01/18/200 5	Enbridge Energy, Limited Partnershi p	Natural Force	0	0	\$51,320	100	15
Michigan, Britton	04/20/200 6	Enbridge Pipelines (Toledo) Inc.	Material Failure (ie Weld)	0	0	\$122,065	25	0
Michigan, Marysville	05/31/200 6	Enbridge Energy, Limited Partnershi p	Material Failure (ie Weld)	0	0	\$159,215	20	0
Minnesota	02/22/199 9	Lakehead Pipe Line Co Inc. ²¹⁴	All Other Causes	0	0	\$62,130	400	15
Minnesota	08/25/199 9	Lakehead Pipe Line Co Inc.	All other Causes	0	0	0	1	1
Minnesota	01/07/200 0	Lakehead Pipe Line Co Inc.	Material Failure (ie Weld)	0	0	\$233,856	25	15
Minnesota	02/23/200	Lakehead Pipe Line Co Inc.	All Other Causes	0	0	\$121,800	10	5
Minnesota	07/22/200 0	Lakehead Pipe Line Co Inc.	All Other Causes	0	0	\$372,708	50	40
Minnesota	01/25/200 1	Lakehead Pipe Line Co Inc.	All Other Causes	0	0	\$238,030	25	15
Minnestoa	03/04/200 1	Lakehead Pipe Line Co Inc.	All Other Causes	0	0	\$238,030	25	10
Minnesota, Cass Lake	02/14/200 2	Enbridge Energy, Limited Partnershi	Excavation Damage	0	0	\$11,811	50	5

²¹³ Enbridge's 2005, Corporate Social Responsibility Report, <http://www.enbridge.com/corporate/pdf/2005-csr.pdf>

²¹⁴ In 1999, Enbridge operated the Lakehead Pipeline and held a %16.6 interest in the Lakehead PipeLine Co Inc., Enbridge 1998, Annual Report.

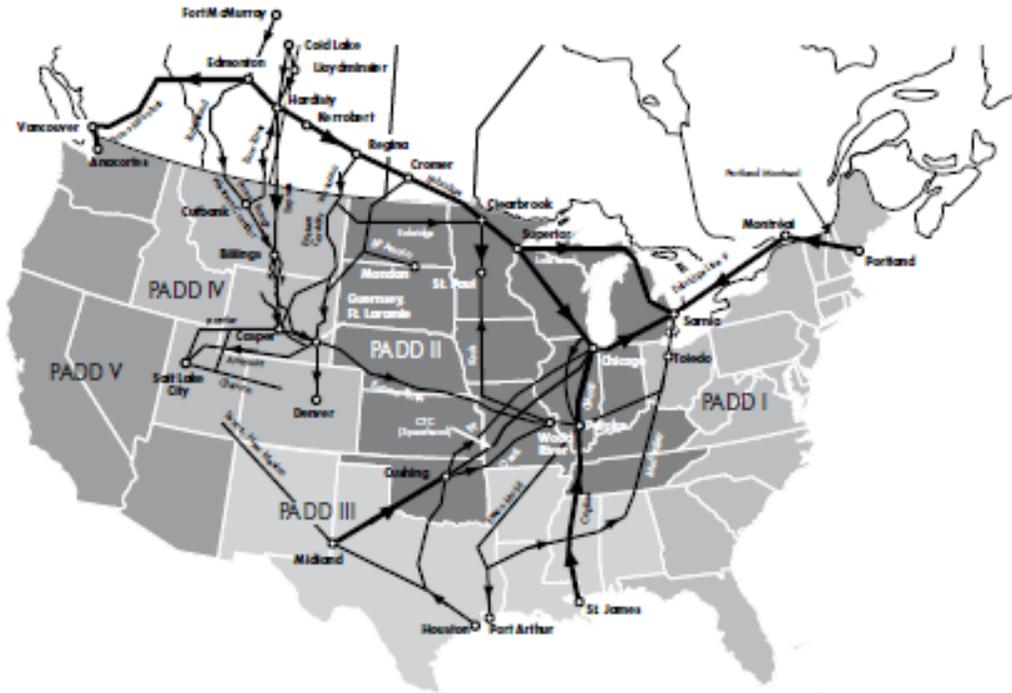
		p						
Minnesota, Clearbrook	02/22/2002	Enbridge Energy, Limited Partnership	Incorrect Operation	0	0	\$140,336	50	0
Minnesota, Cohasset	07/04/2002	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$6,545,858	6,000	3,426
Minnesota, Floodwood	11/04/2002	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$175,420	4	3
Minnesota, Trail	04/14/2003	Enbridge Energy, Limited Partnership	Enbridge Energy, Limited Partnership	0	0	\$1,150,684	125	50
Minnesota, Clearbrook	05/26/2003	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$23,013	100	0
Minnesota, Grand Rapids	02/19/2004	Enbridge Energy, Limited Partnership	Natural Force Damage	0	0	\$1,237,751	1,003	994
Minnesota, Clearbrook	05/20/2004	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$113,577	0	0
Minnesota Clearbrook	11/28/2007	Enbridge Energy, Limited Partnership	Incorrect Operation	2	0	\$2,726,400	325	325
Minnesota Viking	2/27/2009	Enbridge Energy, Limited Partnership	Incorrect Operation	0	0	\$4,006	0	0
Mississippi, Satartia	2/13/2001	Mississippi Valley Gas	All other causes	1	1	\$109,329	100 ²¹⁵	
Montana, Sheridan County ²¹⁶	12/22/2006	Enbridge Energy Partners	Nipple failure	N/A	N/A	N/A	2,000	N/A
North Dakota	09/27/2005	Enbridge Pipelines (North Dakota) LLC	Excavation Damage	0	0	\$392,613	350	30
North Dakota, Stanley	01/25/2007	Enbridge Pipelines (North Dakota) LLC	Incorrect Operation	0	0	\$78,6767	215	15
North Dakota,	11/24/200	Enbridge	Incorrect Operation	0	0	\$10,697	84	0

²¹⁵ Enbridge 2002 Environment, Health & Safety Report, <http://www.enbridge.com/corporate/pdf/2002-ehs-report.pdf>.

²¹⁶ Enbridge 2007 Corporate Social Responsibility Report, <http://www.enbridge.com/csr2007/pdf/enbridgecsr2007.pdf>

Maxbass	7	Pipelines (North Dakota) LLC						
Oklahoma, Cushing	09/16/2004	Enbridge Pipelines (Ozark) LLC	Natural Force	0	0	\$2,654,408	0	0
Oklahoma, Cushing	09/27/2004	Enbridge Pipelines (Ozark) LLC	Corrosion	0	0	\$113,582	1	0
Oklahoma, Cushing	10/14/2004	Enbridge Pipelines (Ozark) LLC	Corrosion	0	0	\$43,159	90	0
Oklahoma, Cushing	08/29/2006	Enbridge Pipelines (Ozark) LLC	Corrosion	0	0	\$159,252	0	0
Texas, Livingston	12/10/2007	Enbridge Pipelines (East Texas) L.P.	Corrosion	0	0	\$113,020	N/A	N/A
Wisconsin, Superior	01/16/1999	Lakehead Pipe Line Co Inc	Corrosion	0	0	\$453,550	130	100
Wisconsin	07/27/2000	Lakehead Pipe Line Co Inc	All Other Causes	0	0	\$243,600	1,200	50
Wisconsin, Superior	01/24/2003	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$3,282,904	4,500	50
Wisconsin, Superior	04/02/2004	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$11,357	2	0
Wisconsin, Superior	05/13/2004	Enbridge Energy, Limited Partnership	Corrosion	0	0	\$92,865	40	2
Wisconsin, Atwood	01/01/2007	Enbridge Energy, Limited Partnership	Material Failure (ie Weld)	0	0	\$729,636	1,500	50
Wisconsin, Exeland	02/02/2007	Enbridge Energy, Limited Partnership	Excavation Damage	0	0	\$4,432,343	4,800	2,066
Wisconsin, Superior	08/25/2008	Enbridge Energy, Limited Partnership	Corrosion	0	0	\$50,800	115	7
Wisconsin, Superior	05/21/2009	Enbridge Energy, Limited Partnership	Incorrect operation	0	0	\$103,700	154	14
Totals				3	1	\$30,871,915	29,693	7,387

Appendix 3 - Map of Canadian and U.S. Crude Oil Pipelines²¹⁷



²¹⁷ National Energy Board