

Schedule D – Allocated Overhead Calculation

The purpose of this Schedule is to determine the quantum of Enbridge Inc. related allocable charges to be included in the Older System operating costs for the purpose of determining operating costs in Cost Performance Sharing Net Income as per Article 11.3. To ensure comparability, all net plant numbers reflect the original cost to the legal entity within the Enbridge group of companies originally owning the particular assets less the accumulated depreciation associated with those assets. The ratio used to calculate the Enbridge Inc. related allocable charges included in these calculations is based on the relative net property, plant and equipment as determined at the end of the preceding fiscal year for each of the entities included. This ratio will be determined in the same manner as depicted in the attached example:

Enbridge Pipelines Inc.
Allocated Overhead Calculation
Illustrative Example
For Year ended December 31, 200X
\$MM

Determination of Net Property, Plant and Equipment Factor

1	Enbridge Inc. reported Net Plant ¹ (excluding Purchase Price Discrepancies)	8,000.0
2	Adjustments ¹	
	a. EEP Net Plant	3,000.0
	b. Other ²	-
	Total Adjustments	3,000.0
3	Adjusted Enbridge Inc. Net Property, Plant and Equipment	11,000.0
4	Enbridge Pipelines Inc. Net Property, Plant and Equipment	2,000.0
5	Enbridge Pipelines Inc. Net Property, Plant and Equipment Factor (Line 4 / Line 3)	18.2%

Determination of Allocated Overhead used in Calculation of CPS Net Income

6	Total Enbridge Inc. Related Allocable Charges ³	82.0
7	Enbridge Pipelines Inc. Net Property, Plant and Equipment Factor (Line 5)	18.2%
8	Maximum Enbridge Inc. Related Allocable Charges to be included in CPS Net Income	14.9
9	Actual Enbridge Inc. Related Allocable Charges to Enbridge Pipelines Inc.	13.0
10	Actual Enbridge Inc. Related Allocable Charges to be included in CPS Net Income (Lesser of Line 8 and Line 9) – Allocated Overhead	13.0

¹ – There is to be no duplication in the determination of Net Property, Plant and Equipment.

² – Other includes other Enbridge Inc. investments which are not consolidated but which are operated by Enbridge and which receive an Enbridge Inc. Related Allocable Charge in accordance with Enbridge Inc. Cost Allocation Policy.

³ – Excludes charges directly related to Enbridge Pipelines Inc. operations (e.g. Insurance and Rent)