

15<sup>TH</sup> ANNUAL INVESTMENT COMMUNITY CONFERENCE

# ENBRIDGE DAY

2013

## Liquids Pipelines

Steve Wuori

President, Liquids Pipelines & Major Projects

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This presentation will make reference to certain financial measures, such as adjusted net income, which are not recognized under GAAP. Reconciliations to the most closely related GAAP measures are included in the earnings release and also in the Management Discussion and Analysis posted to the website.

**President, Liquids Pipelines  
& Major Projects**  
*Steve Wuori*

**Chief Operating  
Officer**  
*Leon Zupan*

**Senior VP Business  
& Market  
Development**  
*Vern Yu*

**Senior VP Major  
Projects**  
*Byron Neiles*

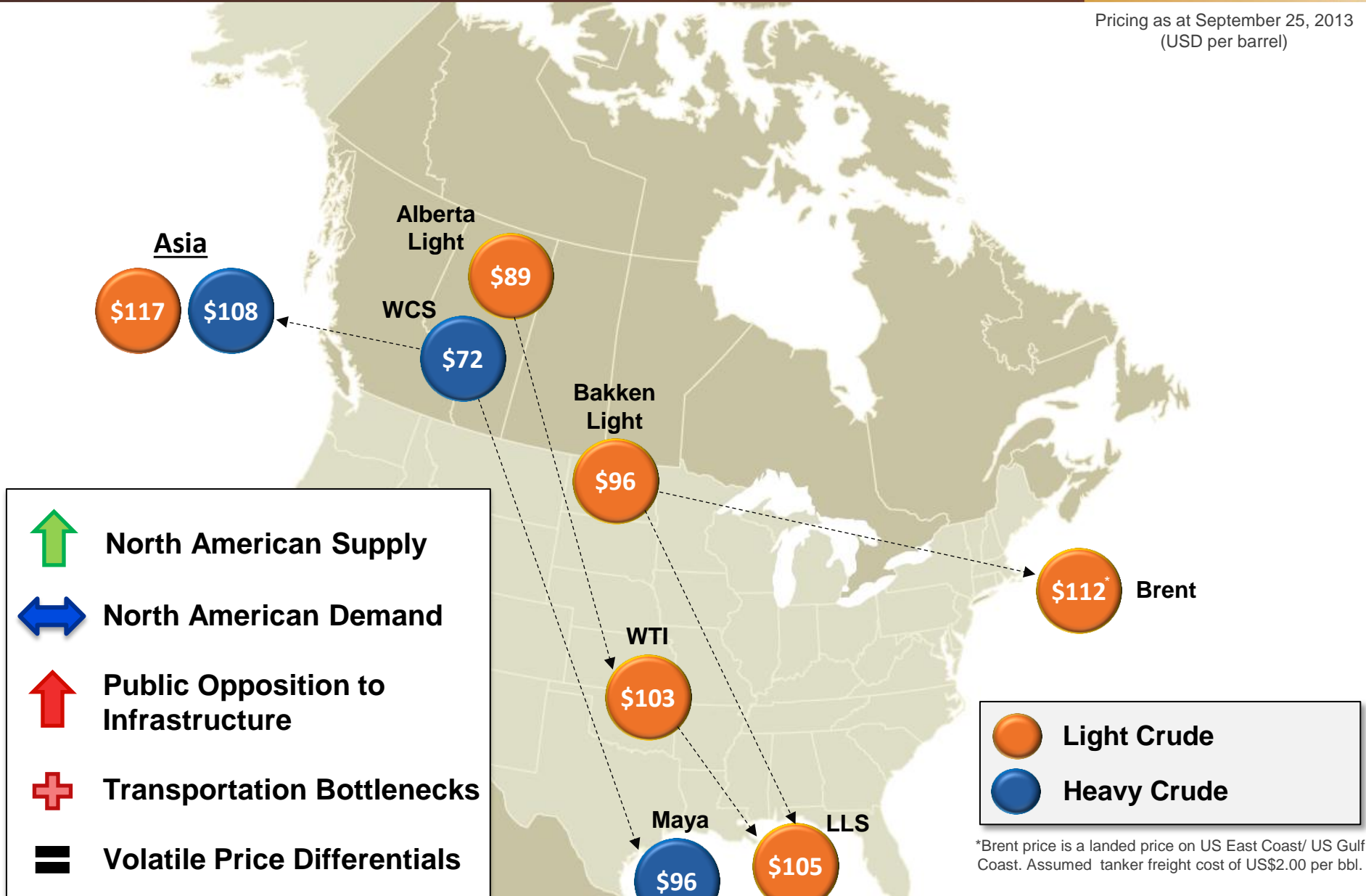
**VP Strategy &  
Integrated Services**  
*David Bryson*

**VP Customer  
Service**  
*Sonya Buys*

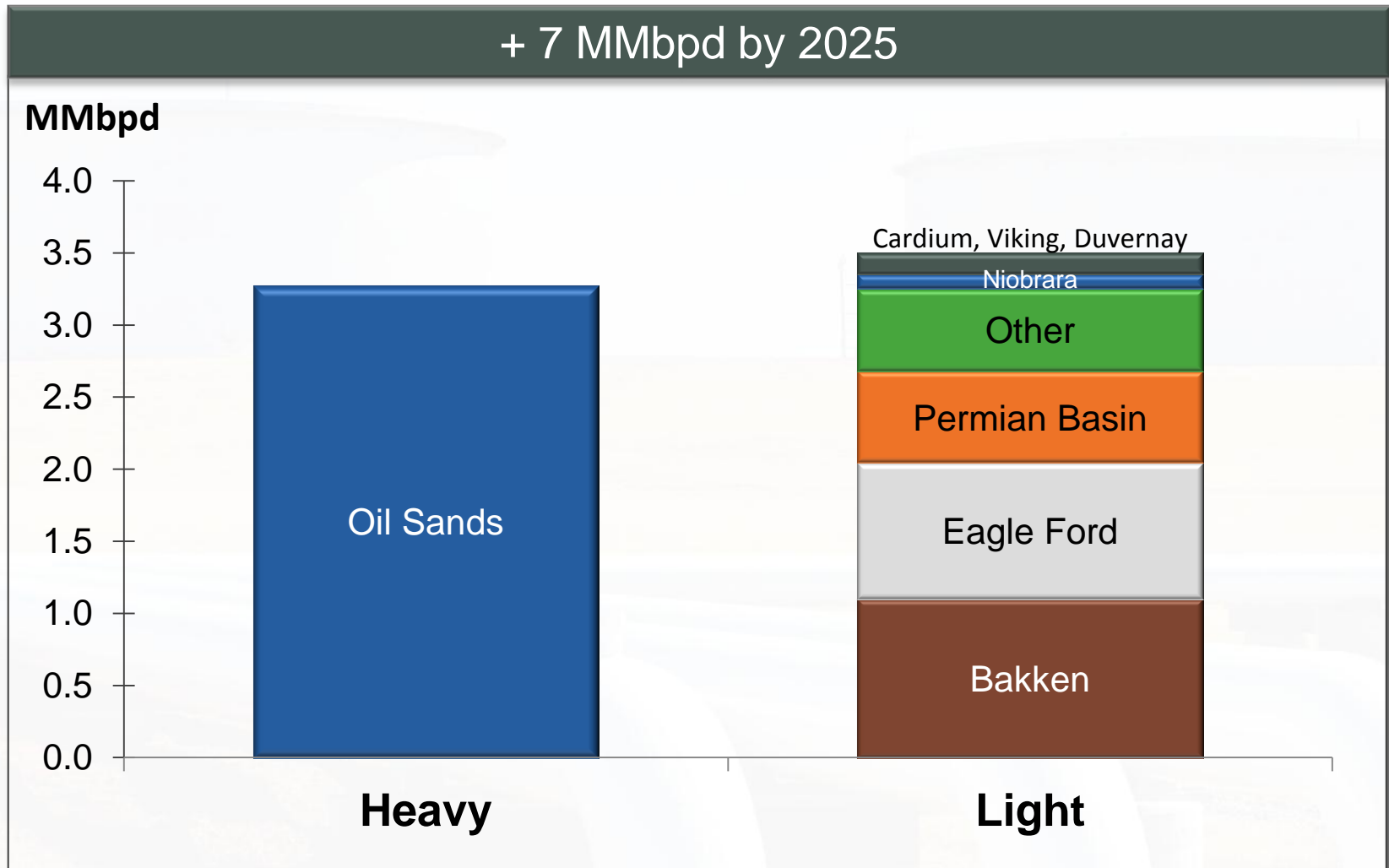
**VP Finance**  
*Bill Ross*

# North America Crude Oil Pricing

Pricing as at September 25, 2013  
(USD per barrel)

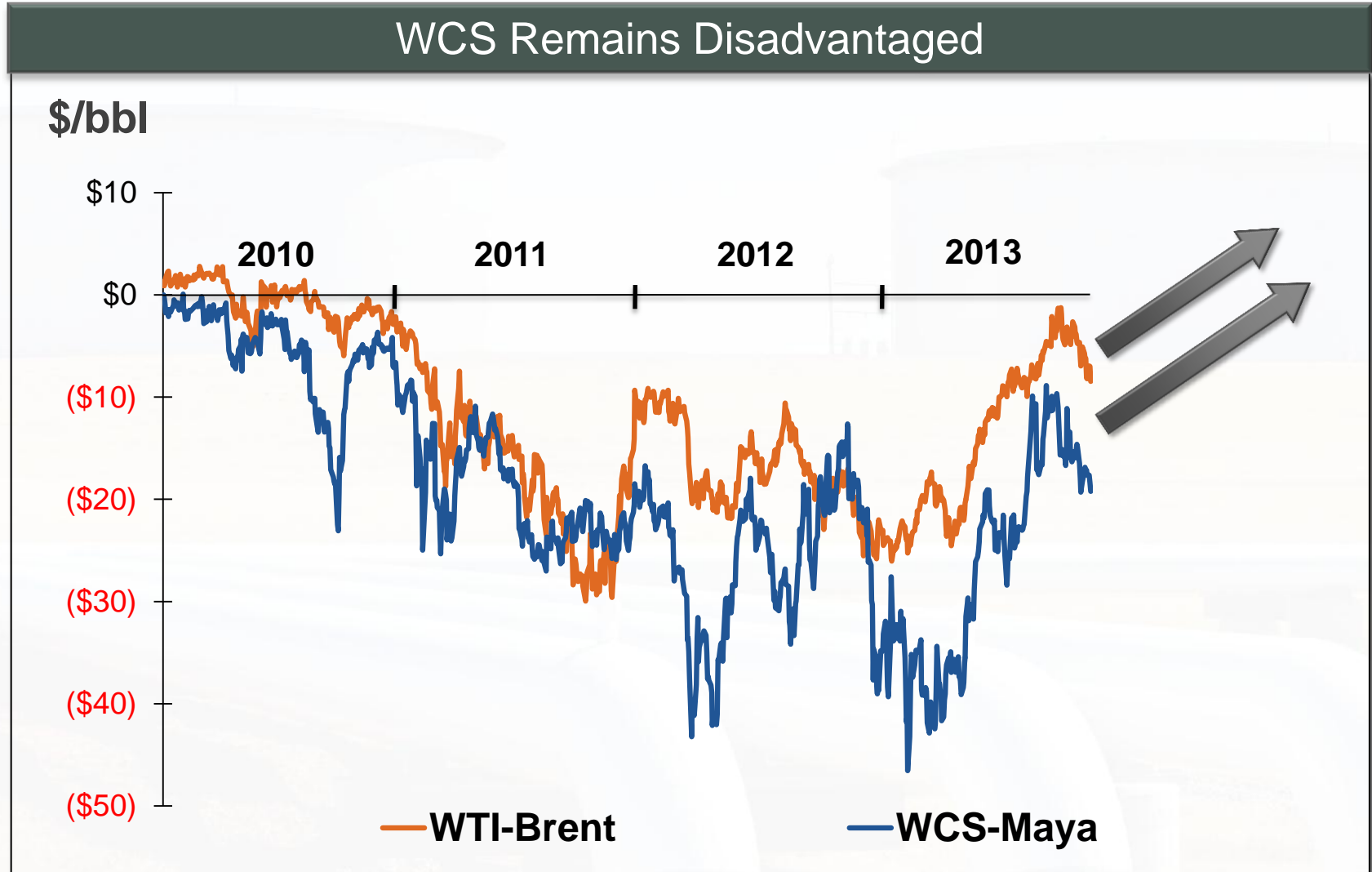


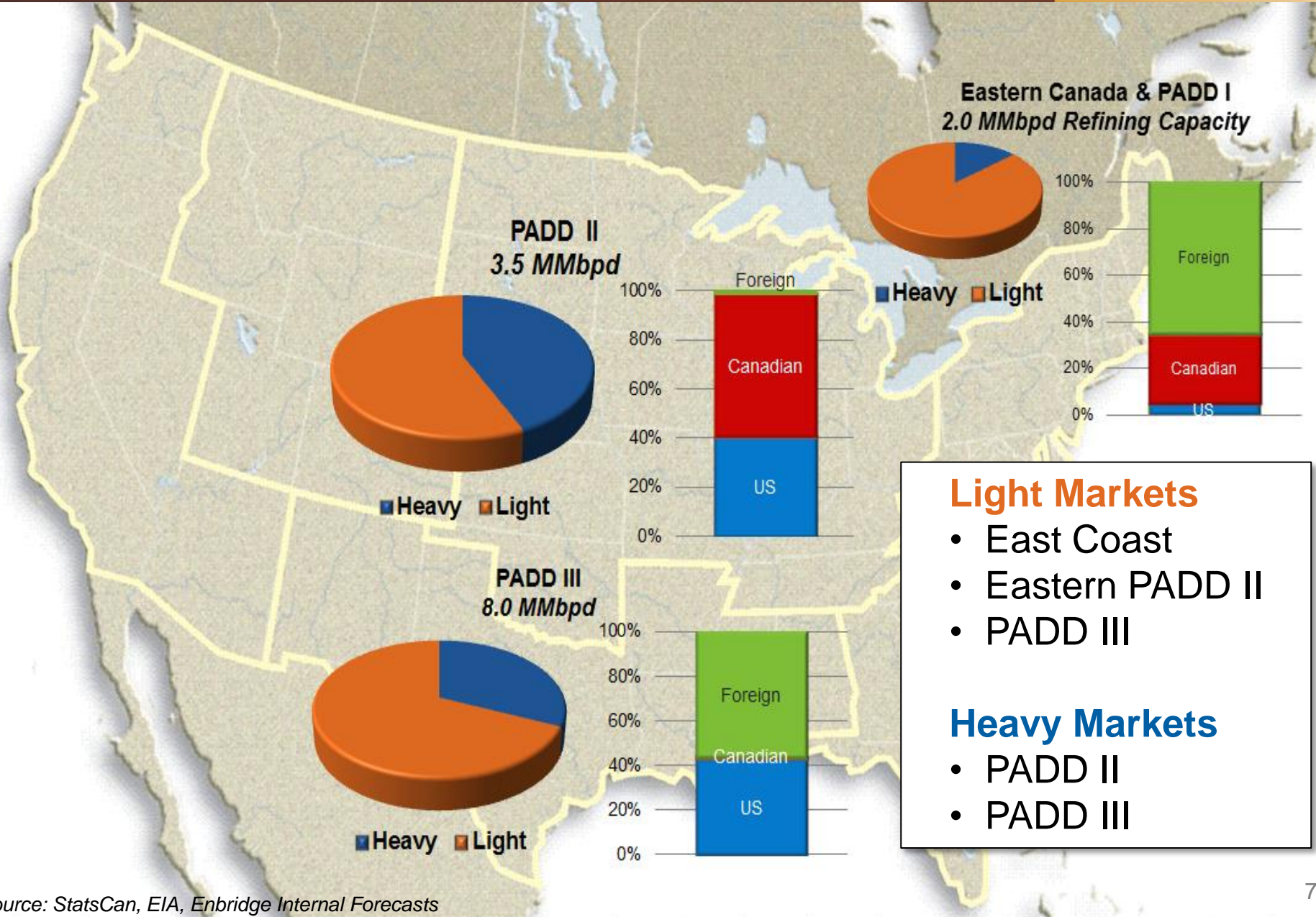




Sources: Enbridge Internal Forecast and External Forecasts

## WCS Remains Disadvantaged

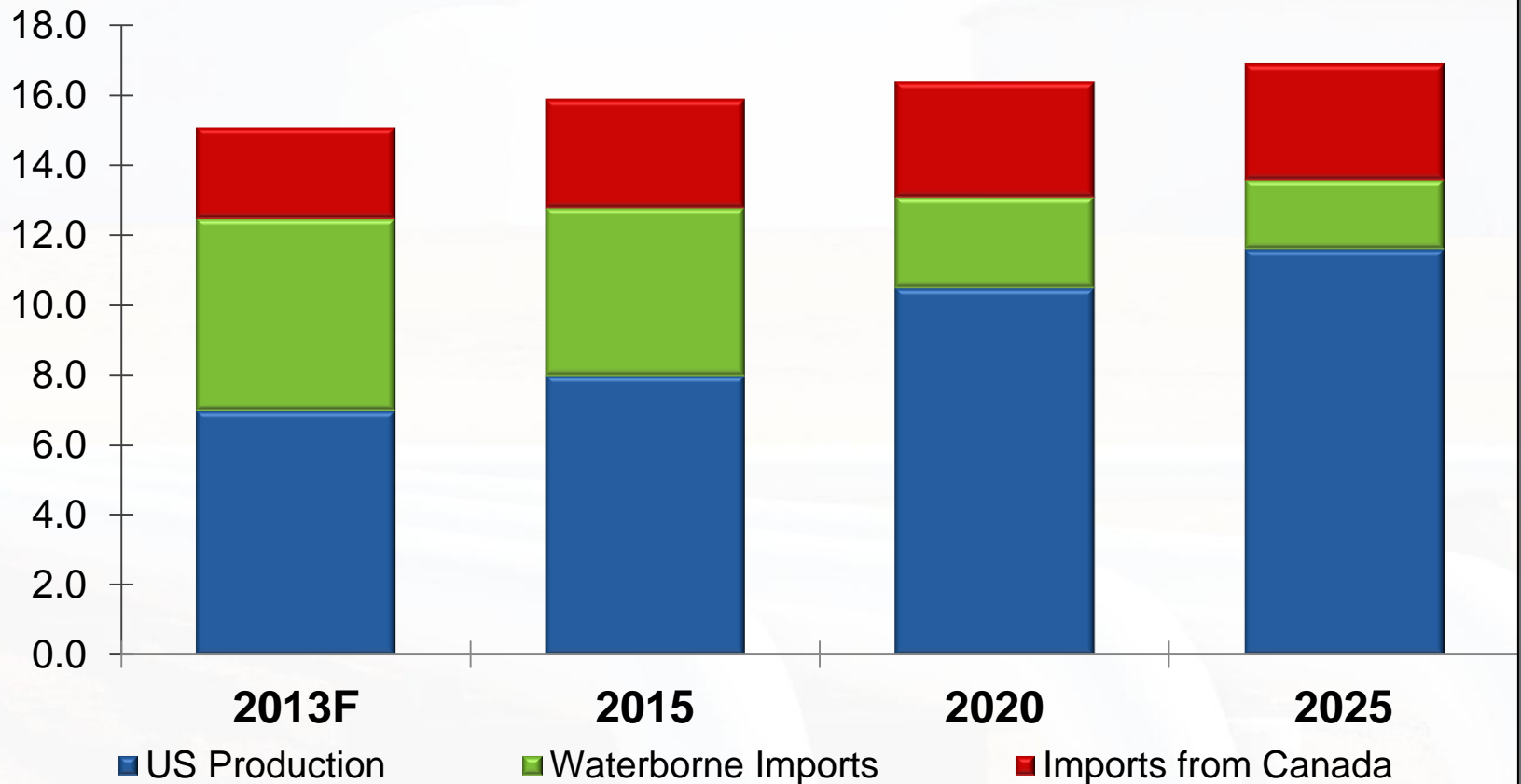




- Light Markets**
- East Coast
  - Eastern PADD II
  - PADD III
- Heavy Markets**
- PADD II
  - PADD III

## U.S. Production Displaces Waterborne Imports

MMbpd



Sources: Enbridge Internal Forecast



# Providing New Market Access (Heavy & Light)

## Incremental Market Access Volumes

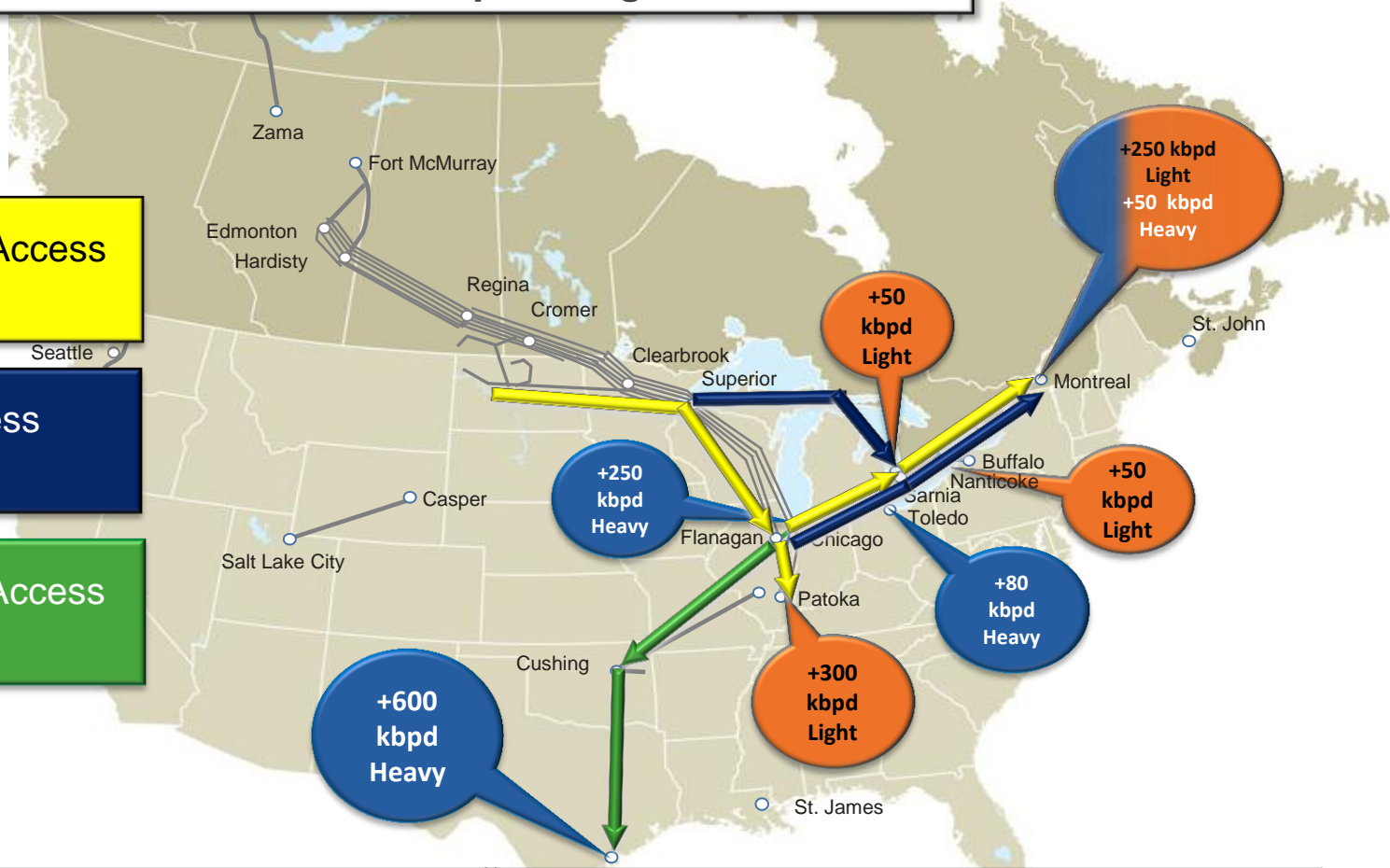
+ ~1.0 MMbpd of Heavy

+ ~0.7 MMbpd of Light

Light Oil Market Access  
(\$6.3B)

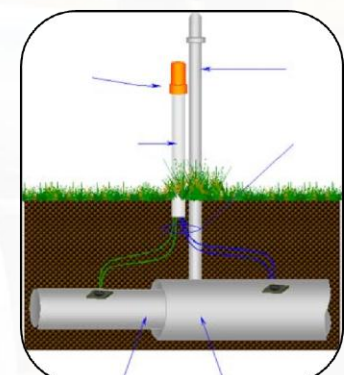
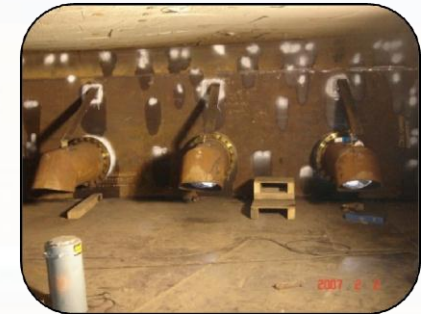
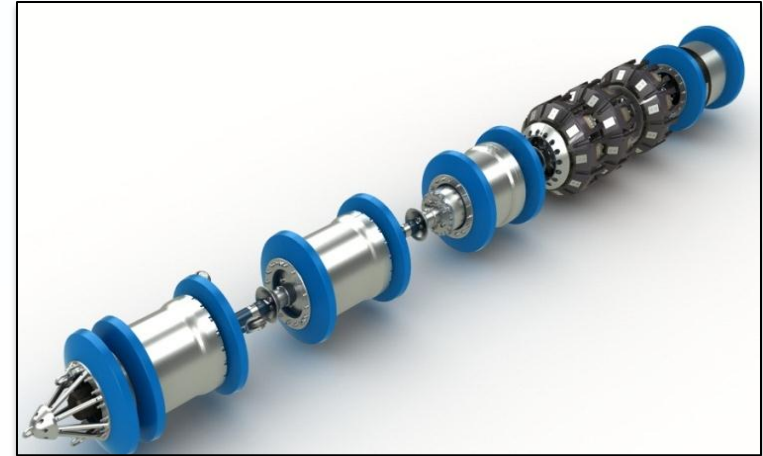
Eastern Access  
(\$2.7B)

Western USGC Access  
(\$6.4B)



+1.7 MMbpd New Market Access by 2015

- **Risk Management**
  - Risk Policy, Risk Framework, Risk Culture Survey + Training
- **Inline inspection (ILI)**
  - Significant dig program 3,400 pipe joints examined followed with non-destructive testing
  - Research and Development in tool enhancements - Medical imaging technology
- **On-line sensors**
  - Pressures/cycling, pipe movement, external & internal corrosion, vibration
- **Surveys**
  - Pipe depth, river crossing and geotechnical conditions, corrosion control, 3rd party activity
- **Incident Response**
  - Focused Emergency response tactical plans
- **Health + Safety**
  - Process safety management implementation





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## Liquids Pipelines

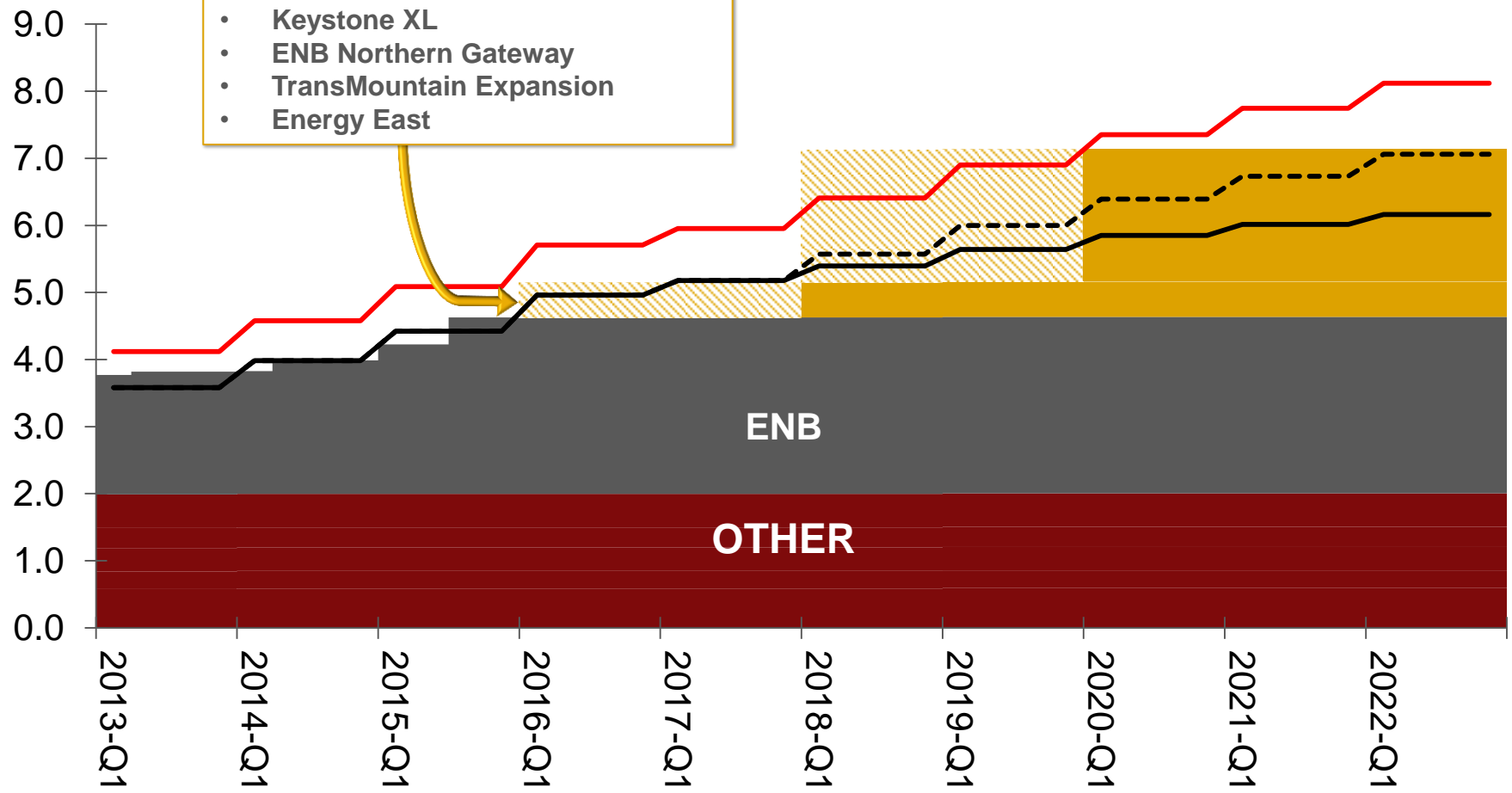
Vern Yu

Senior Vice President, Business & Market Development

# WCSB Pipeline Takeaway Capacity\*

MMbpd

- Keystone XL
- ENB Northern Gateway
- TransMountain Expansion
- Energy East

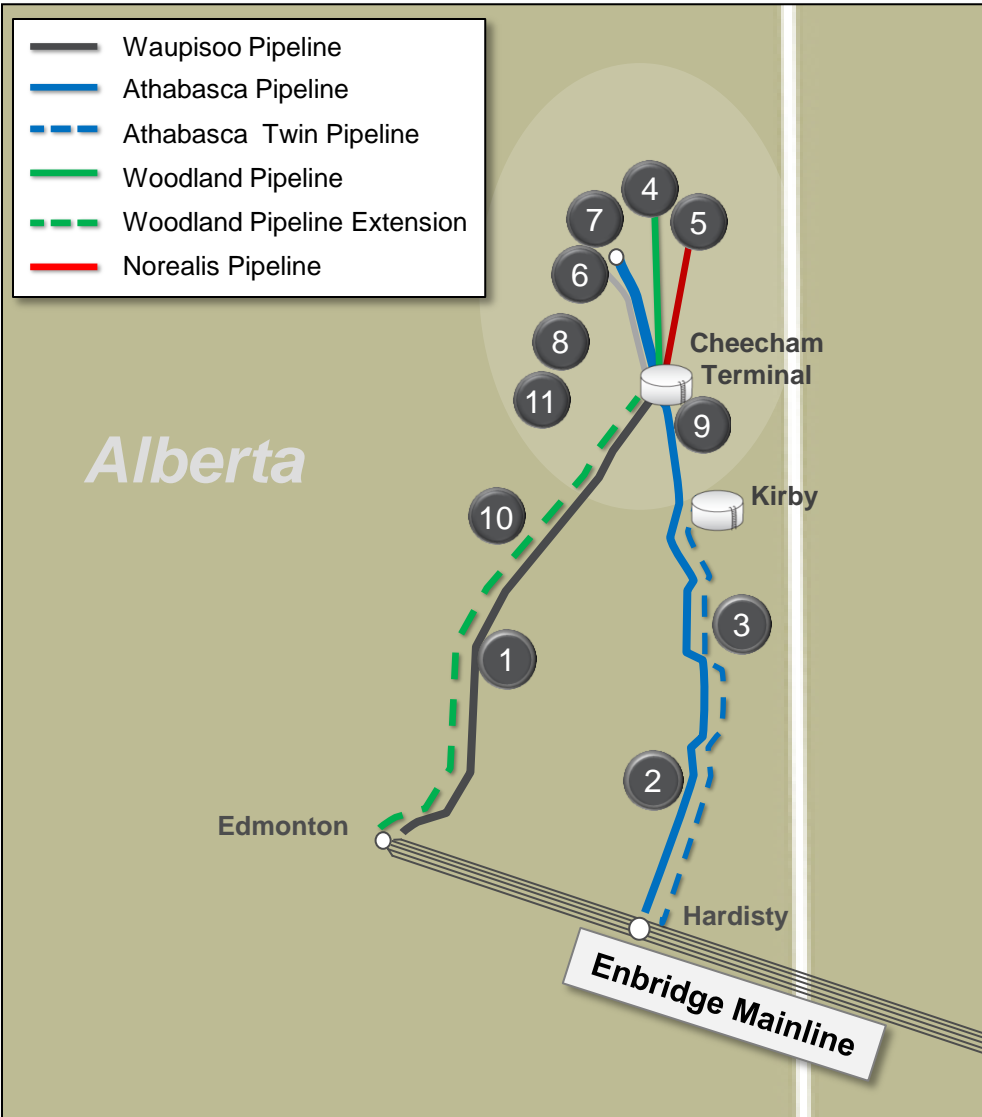


2013 Enbridge Forecast     
  2013 Enbridge Upside Forecast     
  Optimal Pipeline Capacity

Sources: Enbridge Internal Forecast

\*Includes Bakken entering ENB Mainline





## Secured Projects:

- 1 - Expand Waupisoo Pipeline to 550 kbpd (In-service)
- 2 - Expand Athabasca Pipeline to 570 kbpd (PH2 2014)
- 3 - Twin Athabasca Pipeline 450 kbpd (2014)
- 4 - Woodland Pipeline 400 kbpd (In-service)
- 5 - Norealis Pipeline 90-270 kbpd (2013)
- 6 - Wood Buffalo Pipeline (In-service)
- 7 - Suncor Bitumen Blend (In-service)
- 8 - AOC Hangingstone Lateral 20 kbpd (2015)
- 9 - Surmont Cheecham Facilities (Q4 2014/ Q1 2015)
- 10 - Woodland Pipeline Extension 400 kbpd (2015)
- 11 - JACOS Lateral 40 kbpd (2016)

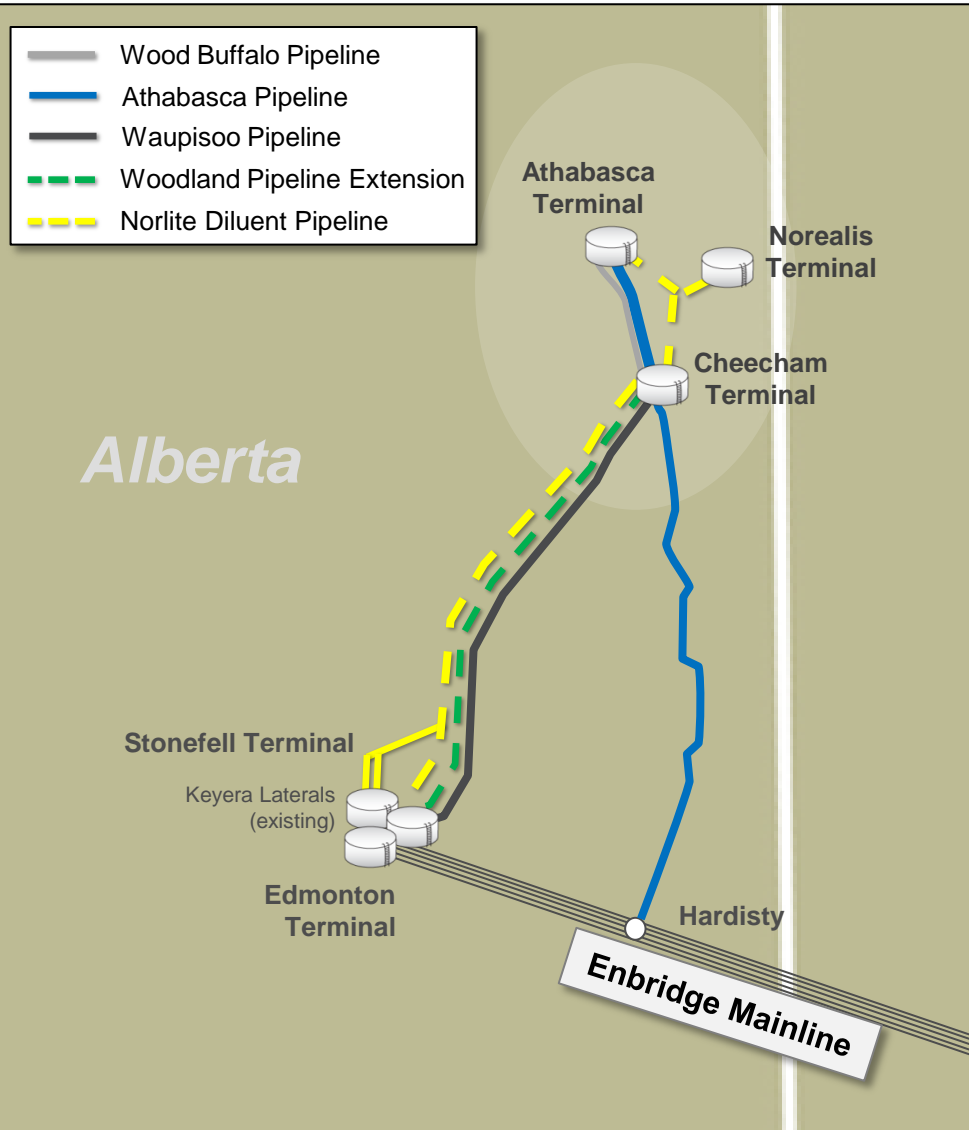
## Potential Projects:

- Industry Diluent Pipeline (Norlite)
- Cheecham to Edmonton Pipeline
- Cheecham to Hardisty Pipeline
- Gathering Laterals

**Total Secured Capital = \$4.5 B\***

**Total Potential Capital ~\$4 B**

\* Includes ~\$1.0B of projects that came into service in 2012



## Base Case:

- **Scope:** 489km, 16” pipeline
- **Expected In-service:** Q2 2017
- **Capacity:** 200 kbpd

## Expanded Case:

- **Scope:** 489km, 24”/20” pipeline
- **Expected In-service:** Q2 2017
- **Capacity:** 270 kbpd
- Keyera has the option to participate in the project with a 30% working interest

**Total Potential Capital ~ \$1.4 B**

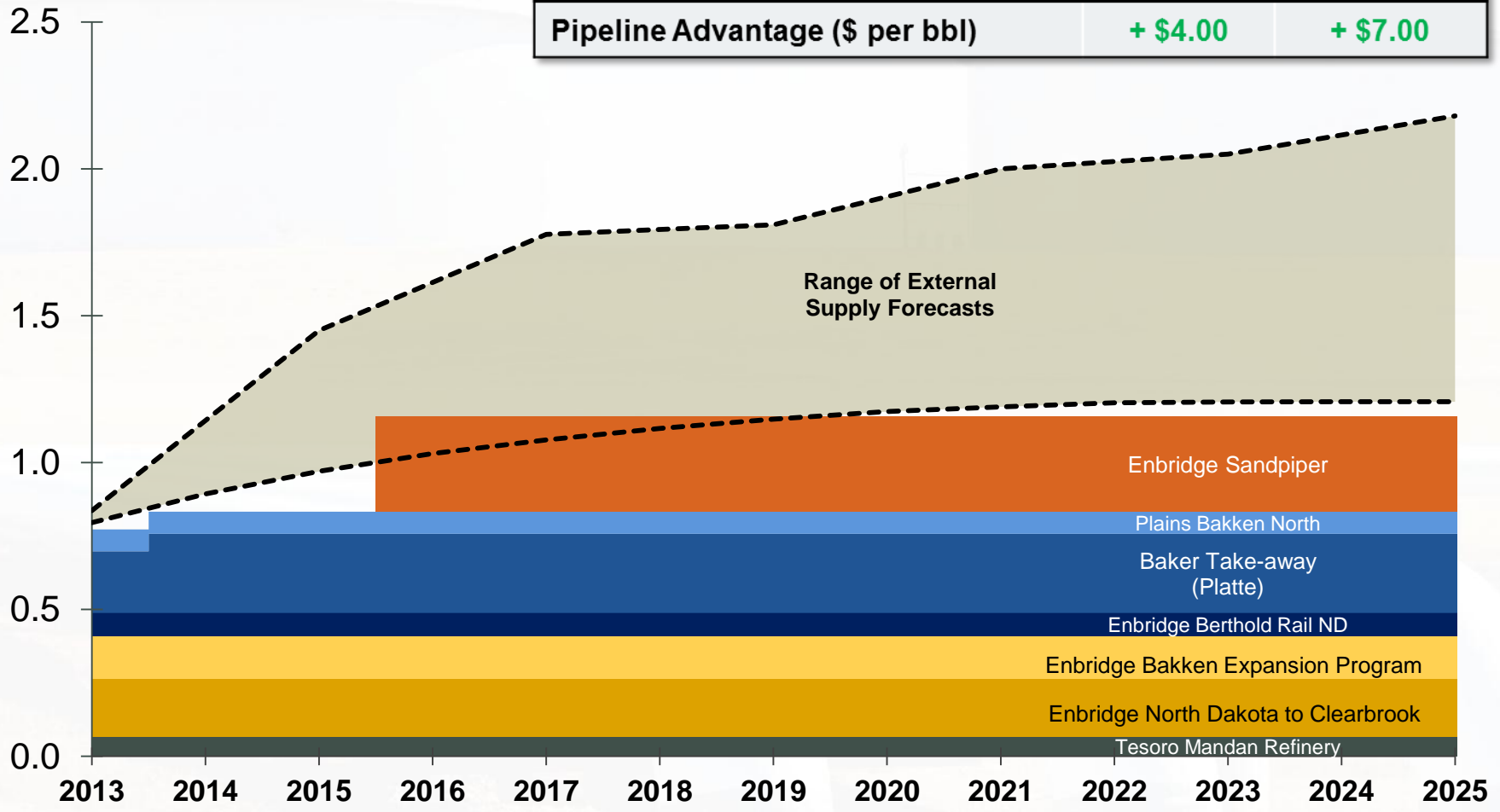
# Bakken Crude Oil Supply vs. Pipeline Takeaway Capacity



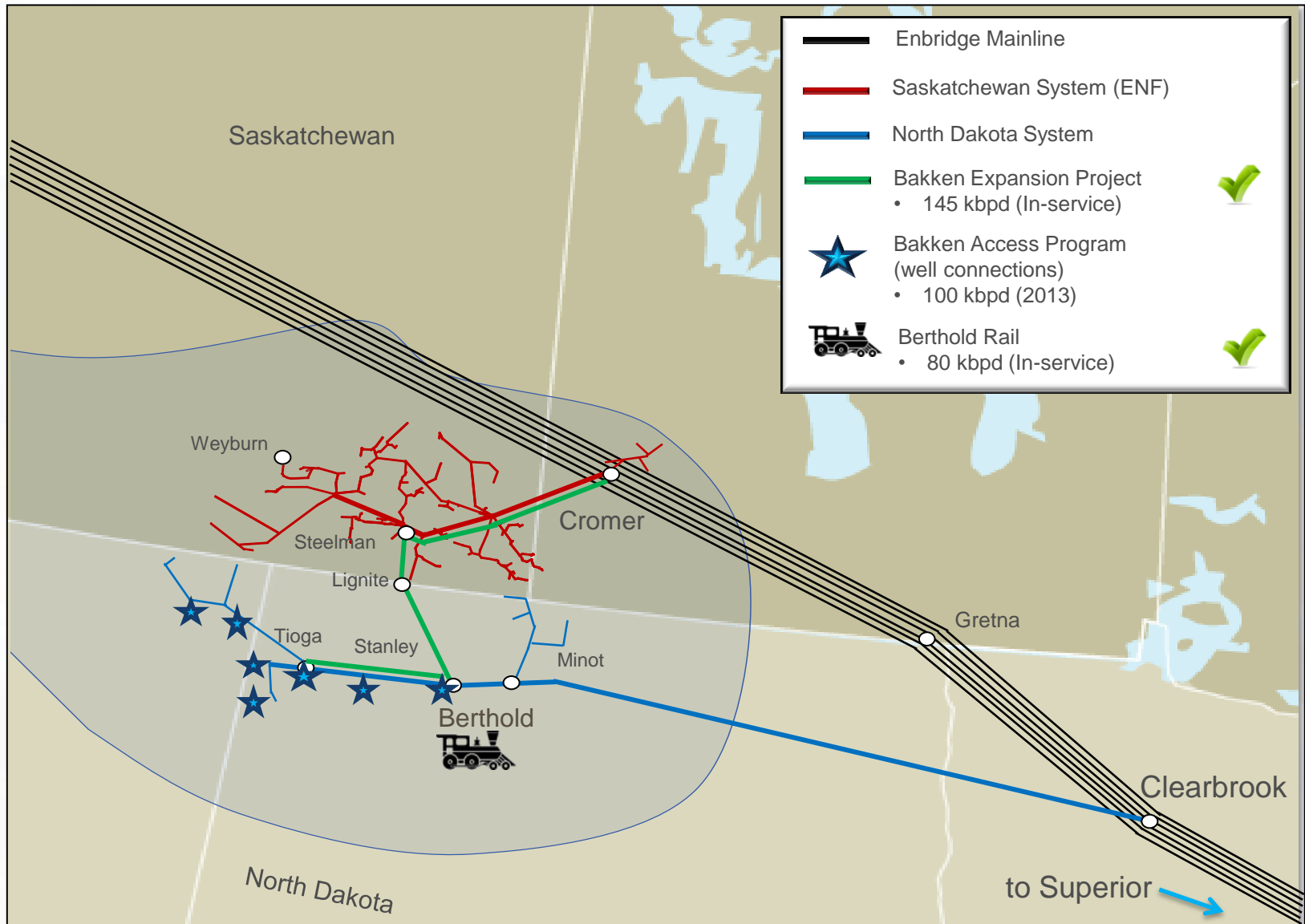
2013

	Patoka	Montreal
Rail Cost (\$ per bbl)	\$10.50	\$14.50
Pipeline Cost (\$ per bbl)	\$6.50	\$7.50
<b>Pipeline Advantage (\$ per bbl)</b>	<b>+ \$4.00</b>	<b>+ \$7.00</b>

**MMbpd**



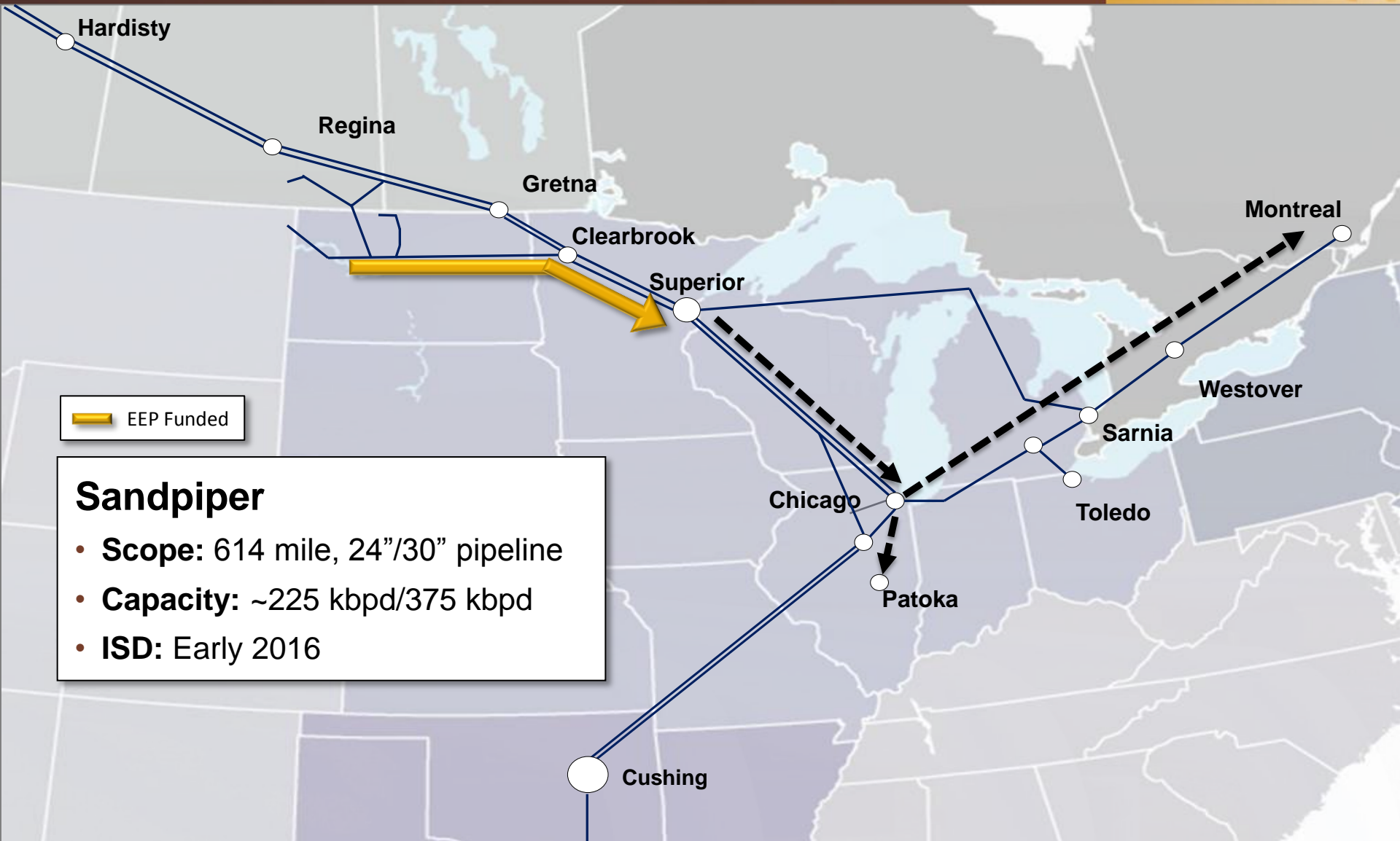
# Bakken Regional Projects



**Total Secured Capital = \$0.7 B**



# Sandpiper



EEP Funded

**Sandpiper**

- **Scope:** 614 mile, 24"/30" pipeline
- **Capacity:** ~225 kbpd/375 kbpd
- **ISD:** Early 2016

Total Secured Capital = \$2.6 B\*

\* Total Secured Capital of \$2.6B is a component of Light Oil Market Access Program



**1 Flanagan South Pipeline (\$2.8B)**

- Enbridge Inc. 100%
- Twin Spearhead Pipeline (36-inch pipeline, 591 miles)
- Initial capacity 585 kbpd, expandable to 800 kbpd
- In-service mid-2014

**2 Seaway Pipeline Acquisition + Reversal (\$1.3B)**

- Enbridge Inc. and Enterprise JV
- Initial capacity 150 kbpd, up to 400 kbpd by Q1 '13
- Reversal started May 2012
- Connectivity to ECHO Terminal in 2013 (65 miles)

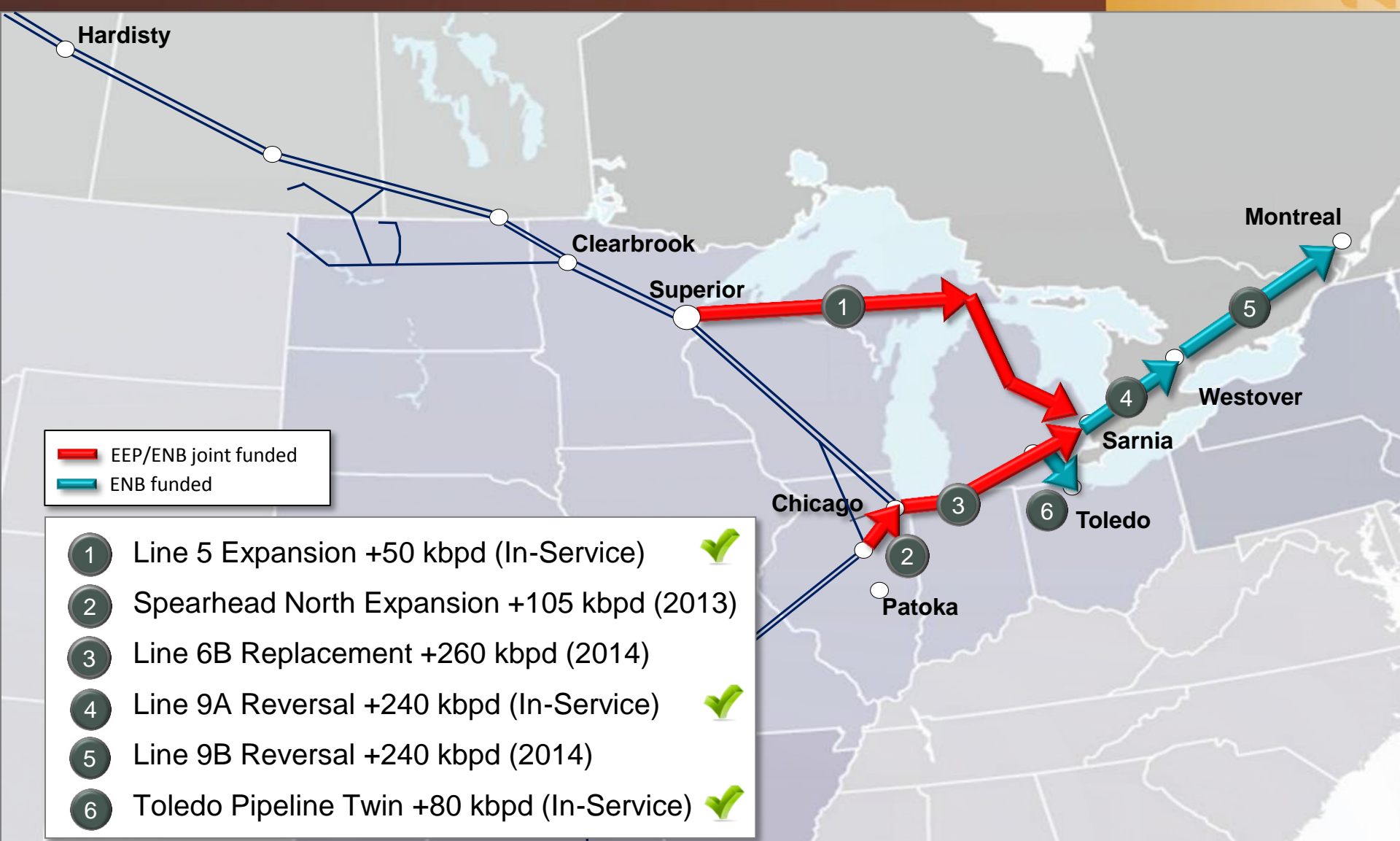
**3 Seaway Pipeline Twin + Lateral (\$1.1B)**

- Enbridge Inc. and Enterprise JV
- Twin Seaway Pipeline (515 miles)
- Initial capacity 450 kbpd, In-service mid-2014
- Connectivity to Port Arthur (85 miles)

**Total Secured Capital = \$5.2 B\***

\* Excluding associated Mainline expansions

# Market Access – Eastern Access

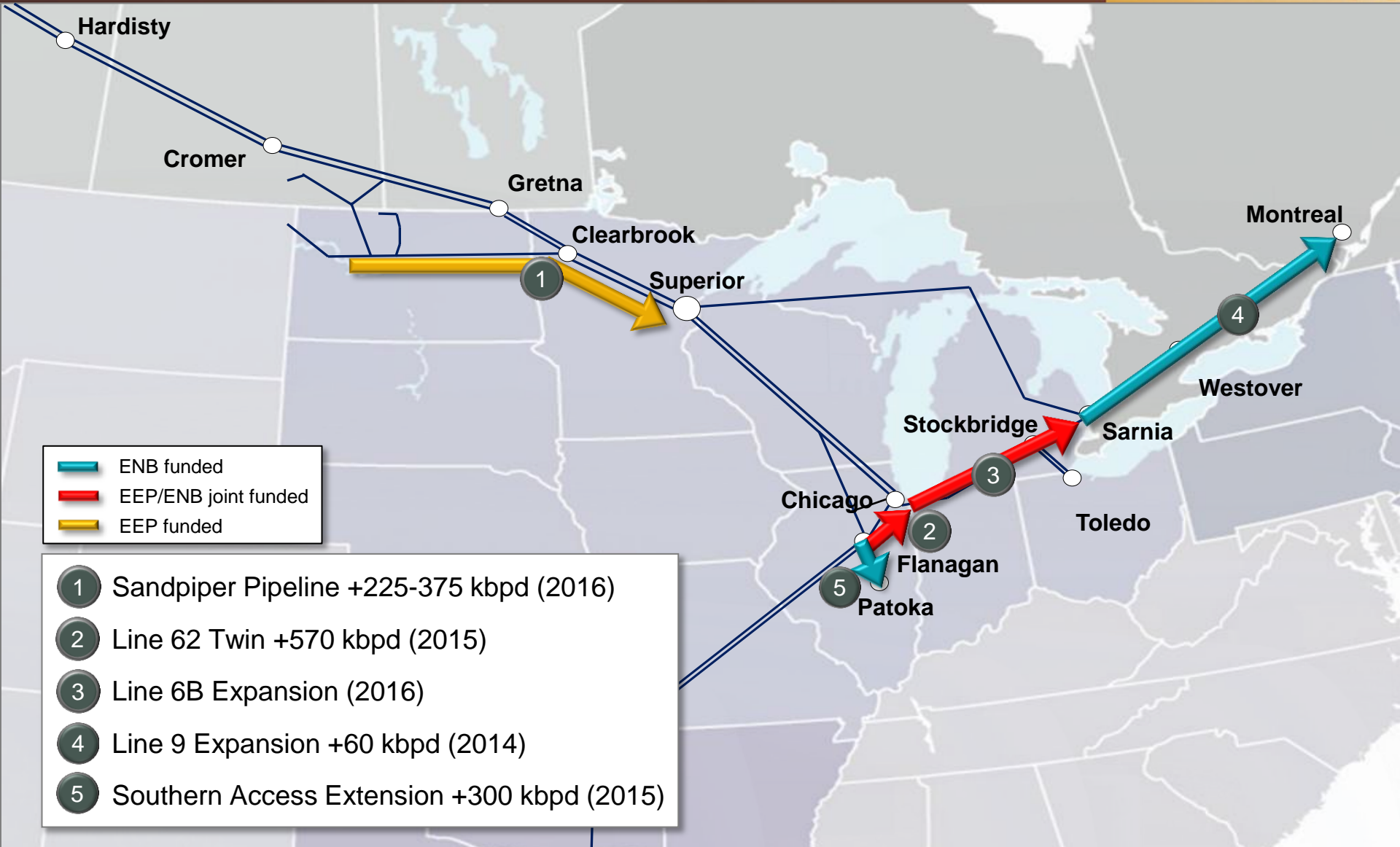


— EEP/ENB joint funded  
— ENB funded

- ① Line 5 Expansion +50 kbpd (In-Service) ✓
- ② Spearhead North Expansion +105 kbpd (2013)
- ③ Line 6B Replacement +260 kbpd (2014)
- ④ Line 9A Reversal +240 kbpd (In-Service) ✓
- ⑤ Line 9B Reversal +240 kbpd (2014)
- ⑥ Toledo Pipeline Twin +80 kbpd (In-Service) ✓

Total Secured Capital = \$2.7 B

# Market Access – Light Oil Market Access



█ ENB funded  
█ EEP/ENB joint funded  
█ EEP funded

- 1 Sandpiper Pipeline +225-375 kbpd (2016)
- 2 Line 62 Twin +570 kbpd (2015)
- 3 Line 6B Expansion (2016)
- 4 Line 9 Expansion +60 kbpd (2014)
- 5 Southern Access Extension +300 kbpd (2015)

**Total Secured Capital = \$4.4 B\***

\* Excluding associated Mainline expansions



# Enbridge Mainline Expansions



	Western U.S. Gulf Coast	Light Oil Market Access
<b>Canadian Mainline Terminal Capability</b> (\$0.6B) – 2013/2015		✓
<b>Edmonton to Hardisty</b> (\$1.8B) – 2015		
<b>Alberta Clipper to 570 &amp; 800 kbpd</b> (\$1.0B) – 2014/2015	✓	
<b>Southern Access to 560 kbpd</b> (\$0.2B) – 2014	✓	
<b>Southern Access to 1,200 kbpd</b> (\$1.3B) – 2015		✓

█ Edmonton to Hardisty  
█ Alberta Clipper  
█ Southern Access

**Total Secured Capital = \$4.9 B**

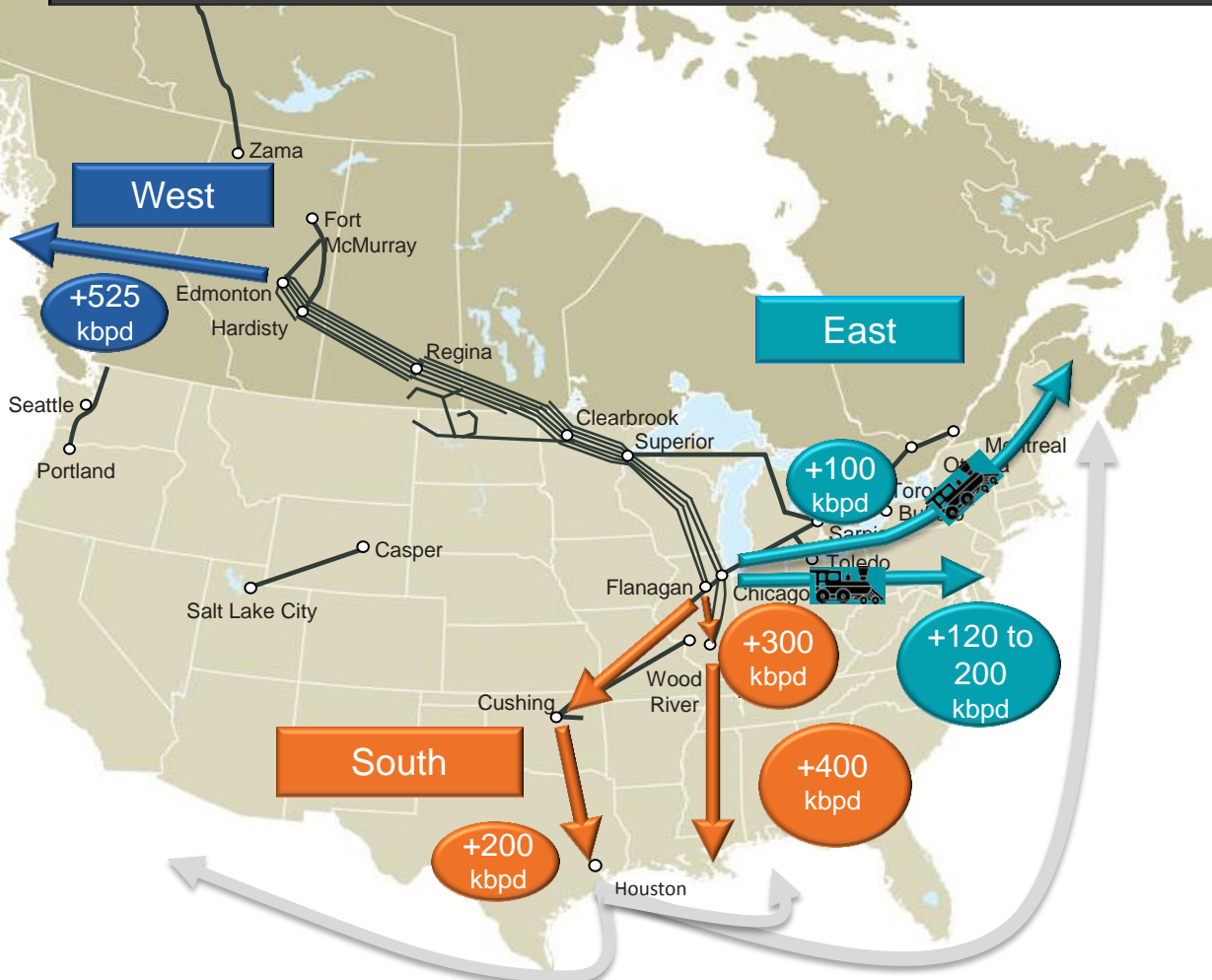
## Southern Lights Expansion:

- Open season before end of 2013
- **Capacity:** +95 kbpd (to 275 kbpd)
- **ISD:** Q4 2016



**Total Potential Capital ~ \$0.7 B**

## ~1.7 MMbpd of potential new market access



- West**
- Northern Gateway Pipeline
- East**
- Chicago Rail
- South**
- Flanagan South / Seaway Expansion
  - Southern Access Extension Upsize
  - Eastern U.S. Gulf Coast Access

**Total Potential Capital ~ +\$7.5B**

- North American crude oil fundamentals support significant investment opportunities
- Enbridge system provides the best netbacks for Shippers
- Regional Oil Sands investment opportunities continue to be robust



# Q & A

## Liquids Pipelines