

Appendix 4

Stakeholder Consultation

CTS AGREEMENT PUBLIC OPEN HOUSE

Enbridge Pipelines Inc. (Enbridge) has reached an agreement with its shippers on the principal terms of a 10-year toll agreement for its mainline system. The Competitive Tolling Settlement (CTS) will prescribe the tolls for service on the Canadian mainline and will supersede all existing tolling agreements for term of the CTS. The CTS also provides for an international joint tariff for deliveries originating in Canada to delivery points in the U.S. and eastern Canada.

Enbridge will host an open house meeting to explain the terms of the proposed CTS and to address any concerns in relation to the agreement before a final draft is filed with the National Energy Board for approval.

The CTS Open House will be held:

Thursday, April 14, 2011
2:00 p.m. – 4:00 p.m.
The Robert Brown Jr. Room (Room 205, 2nd Floor)
Calgary Chamber of Commerce
100-6th Avenue SW
Calgary, AB

Please RSVP by Tuesday, April 12, 2011.

To RSVP, or for any questions, please contact Feisal Gazie at (403) 231-5940 or feisal.gazie@enbridge.com.



WAX

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April 8, 2011

To: Enbridge Pipelines Inc. Mainline Shippers

**Re: Enbridge's Proposed Competitive Tolling Settlement
Invitation to Open House**

Enbridge Pipelines Inc. (Enbridge) has reached an agreement with its shippers on the principal terms of a 10-year toll agreement for its mainline system. The Competitive Tolling Settlement (CTS) will prescribe the tolls for service on the Canadian mainline and will supersede all existing tolling agreements for term of the CTS. The CTS also provides for an international joint tariff for deliveries originating in Canada to delivery points in the U.S. and eastern Canada.

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Sincerely,

A handwritten signature in blue ink, appearing to read 'Feisal Gazie', is written over a large, stylized blue scribble.

Feisal Gazie,
Acting Manager
Regulatory Strategy and Compliance



2011 Competitive Toll Settlement (CTS) Open House – April 14, 2011

Cynthia Hansen

Vice President, Canadian Operations

Michael J. Hrynychshyn

Director, Special Projects and Research

2011 CTS Overview



- Scope of 2011 Competitive Toll Settlement (CTS)
- Settlement Process
- Drivers
- Key Terms
- Next Steps/ Timeline
- Questions

Scope



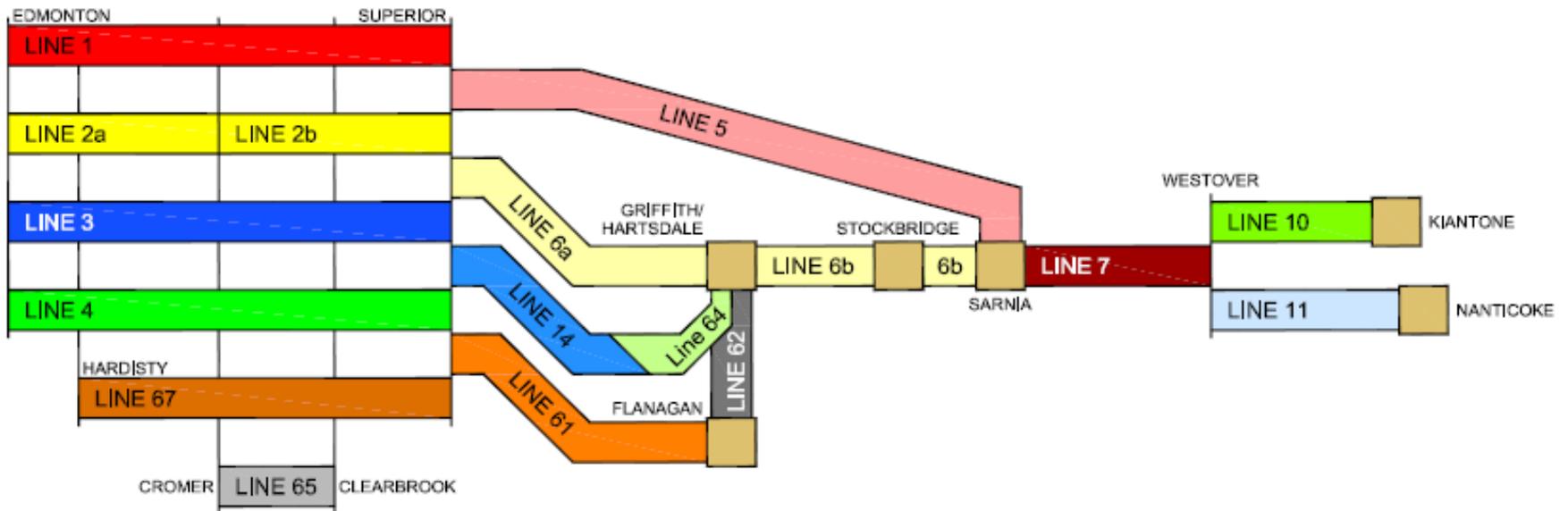
- **Covers hydrocarbons on Enbridge Mainline originating in Western Canada**
 - Combined toll for both Canadian Mainline and Lakehead System for hydrocarbons originating in Western Canada
- **All existing Canadian Mainline Toll Settlements are superseded during CTS Term**
- **All Lakehead System Agreements remain in effect**

Enbridge Mainline System



Mainline System Configuration

Enbridge Pipelines Inc. / Enbridge Energy Partners, LP



Canadian Mainline Scope



- Canadian Mainline now covers facilities that had variety of different agreements in the past:

Base Toll + Terrace Surcharge + Mainline Expansion Toll (MET)

Base Toll

+

**Terrace
Surcharge**

+

MET

=

Canadian Mainline Toll

Lines 1, 2, 3, 4,
5, 6B, 7, 10, 11,
65, related
facilities, and
applicable NRAs

Terrace
Facilities

Southern
Access, Line
4 Extension,
Alberta
Clipper

Lines 1, 2, 3, 4, 5, 6B, 7,
10, 11, 65, 67 and all
related facilities related
to or required to
operate these Lines

Settlement Process



- Commenced meetings November 2008 to address expiration of 2005 ITS at the end of 2009
- 2010 & 2011 ITS established basis for 2011 CTS
- Participants in direct negotiations included representatives from Shippers, Producers, Refiners and CAPP
- Continuous meetings since November 2008
- Full transparency during the negotiation process

Settlement Process (con't)



- Open house
- Receipt of comments and recommendations
- Changes made to application
- Target filing early May

Key Drivers



- Builds on history of 16 years of successful settlement agreements for the Enbridge Canadian Mainline
- Preserves historic principles
 - co-operation, cost savings
 - win-win-win
- Creates competitive toll structure
- Alignment of financial interests, risks & rewards
- Contributes to overall constructive relationship with Industry through value creation
- Promotes regulatory efficiency

CTS Benefits



- Toll certainty for volumes received in Canada
- Competitive tolls retain & attract volumes
- Leverages common carrier structure – no individual shipper commitments
- Eliminates toll deferrals
- Long term agreement provides certainty and stability
- Less complex tolls & tariff structure
- Preserves cost causality

Key CTS Terms



- 10 year term commencing July 1, 2011
- Provides for appropriate financial return to Enbridge based on the risks assumed
- Enbridge business drivers aligned with customers
- Incorporates tolls that are fixed and then inflated by a prescribed index
- Starting point for tolls tied to cost of service model

International Joint Tariff (IJT)



- Volumes moved from western Canada to the U.S. or Ontario use an IJT
- IJT based on U.S. \$3.85 for a Hardisty to Chicago Heavy – other movements distance and commodity adjusted
- Adjusted by 75% of GDPP each July 1
- Includes Transmission, Receipt and Delivery Terminalling – IJT excludes Tankage
 - Tankage fee mechanism has also been established

International Joint Tariff (con't)



- IJT must be equal to, or less than, the sums of the respective local tolls to be valid
- Prior Year Adjustments calculated in 2011 will be recovered by Enbridge via surcharge
 - \$0.067 per barrel for heavy movements from Hardisty to Border from July 1, 2011 to June 30, 2013 – other movements distance and commodity adjusted

Canadian Local Toll (CLT)



- 2011 CLT based on April 1, 2011 ITS tolls using forecast volumes
- Adjusted by 75% of GDPP each year
- Includes Transmission, Receipt and Delivery Terminalling fees – CLT excludes Tankage
 - Tankage fee mechanism has also been established

Canadian Local Toll (con't)



- Excludes net Prior Year Adjustment balances:
 - Prior Year Adjustments from 2010/ 2011 ITS generated from volume, cost and toll variances
 - Adjustment for tax impacts
 - Adjustment for other unusual items
- Prior Year Adjustments calculated in 2011 will be recovered by Enbridge via surcharge
 - \$0.067 per barrel for heavy movements from Hardisty to Border from July 1, 2011 to June 30, 2013 – other movements distance and commodity adjusted

U.S. Local Rates



- Lakehead System Rates continue to be set as usual
- Combination of Indexed and Facility Surcharge Mechanism (FSM), and other U.S. Agreements
- Lakehead System rates continue to be updated during CTS term per FERC process

Contingent Toll Adjustments



- IJT and CLT will be adjusted during the CTS Term for:
 - Changes agreed to by Enbridge and Shippers
 - Results of NEB LMCI process
 - New capital expenditures greater than \$250 million where shippers responsible for some or all expenditures
 - Material Change In Business Circumstances (Regulatory Changes resulting in > \$10 million op cost increase per year)

Allowance Oil



- EPI and Lakehead continue to collect 1/20th of 1% of each barrel
- IJT - Allowance Oil of 1/10th of 1% of each barrel will be collected by EPI and split between EPI and Lakehead

Threshold Volumes



- Provides a floor to volume variance
- Based on 9 month rolling average volumes ex-Gretna:
 - To December 31, 2014 = 1,250,000 bpd
 - After December 31, 2014 = 1,350,000 bpd
 - Threshold is adjusted down if shippers can't meet threshold if:
 - Lack of Mainline capacity for reason other than Force Majeure
 - Bakken receipts exceed 305kpd and all volumes delivered into PADDII or Sarnia on the Enbridge Mainline

Capital and Operating Costs



- Enbridge responsible for all operating and capital expenditures other than:
 - Capital projects greater than \$250 million require negotiation with shippers and could result in change to IJT & CLT
 - Material Change in Business Circumstances
 - Shippers can directly support projects that do not benefit Enbridge Mainline through backstop agreements

Renegotiation Notices



- Shippers have the option to renegotiate if:
 - Keystone XL does not receive U.S. presidential permit by January 1, 2013
 - Cumulative capital expenditures for integrity as a result of regulatory changes exceed \$100 million during the term
- Enbridge has the right to renegotiate if ex-Gretna volumes drop below Minimum Thresholds

Other Matters



- Standard dispute resolution process
- Transparent process to review and administer issues related to tolls and tariffs
 - Representative Shipper Group
- Audit and reporting provisions

Summary



- 10 year deal governing tolls on the Canadian Mainline and Lakehead System for WCSB production
- Enbridge Mainline tolls are predictable and competitive to existing markets which will:
 - Retain and attract volumes on the Enbridge Mainline
 - Provide platform to extend delivery of volumes to new markets
- Provides for fair and equitable return for the risks assumed

Target Timing/ Next Steps



DATES	DESCRIPTION
April 14, 2011	Open House
April 26, 2011	Receive feedback and comments
By early May	Target to file application with NEB
By early May	Target to file tolls and tariffs
By late May	Comment Period
July 1, 2011	Target Effective Date

Questions





NEWS RELEASE

Enbridge Reaches 10-Year Toll Agreement on Crude Oil Mainline System

CALGARY, Alberta, March 16, 2011 – Enbridge Inc. (TSX, NYSE: ENB) announced today that agreement has been reached with shippers on its crude oil mainline system with respect to the principal terms of a 10-year Competitive Toll Settlement (CTS). The CTS remains subject to completion of the definitive settlement agreement, and to approval by the National Energy Board (NEB). The CTS is expected to be filed with the NEB in mid May, accompanied by a support letter from the Canadian Association of Petroleum Producers, and to be effective July 1, 2011.

The CTS covers the local tolls to be charged for service on the Canadian portion of the mainline system held by wholly owned subsidiary Enbridge Pipelines Inc. (EPI), and during the term of the CTS all existing toll agreements on the Canadian system will be superceded. Local tolls for service on the U.S. portion of the system, held by affiliate Enbridge Energy Partners L.P. (EEP) (NYSE: EEP), will not be affected by the CTS and will continue to be established by EEP's existing toll agreements. The CTS also provides for an International Joint Tariff (IJT) for crude oil shipments originating in Canada on the EPI system, and delivered in the U.S. off the EEP system. The IJT is designed to provide mainline shippers with a stable and competitive long-term toll, preserving and enhancing throughput on both the EPI and EEP systems.

Enbridge President and Chief Executive Officer, Patrick D. Daniel, said the CTS continues Enbridge's track record of working cooperatively with our shippers to establish win/win toll arrangements which are responsive to their priorities and by so doing provide an opportunity for Enbridge to earn a higher return relative to regulated rates.

"I am very pleased with this settlement," said Mr. Daniel. "It is very much in the spirit of our cooperative relationship with our shippers, building on 16 prior years of various forms of incentive agreements which delivered value to our shippers and a premium return to Enbridge. I'm particularly pleased with the 10-year term of the agreement as it provides greater certainty for both Enbridge and its customers."

Mr. Daniel noted that the CTS will enable Enbridge to benefit from the anticipated growth in production from the Alberta oil sands with favourable returns under conservative throughput assumptions. At the same time, the settlement provides a stable and competitive toll to shippers.

"The U.S. Midwest refining market remains a key destination for Western Canada producers. Based on our discussions with shippers, we believe that the toll will provide them with the best producer netbacks and refinery supply costs for barrels moved on our system relative to competing alternatives. By doing so, the CTS will preserve and enhance throughput on both the Enbridge Pipelines Canadian mainline system, and the Enbridge Energy Partners U.S. system."

Mr. Daniel further noted that Enbridge will work closely with shippers to capture value from the flexibility the CTS provides to support further extensions off the mainline system to new markets. This can be accomplished by providing a lower toll service to the new market relative to what the sum of the local tolls to that market would otherwise be.

Under the terms of the CTS, the initial Canadian local toll will be based on the 2011 Incentive Tolling Settlement recently filed with the NEB. The Canadian local toll will then be adjusted by 75% of the Canadian GDPP inflation index for the remaining 9 years of the settlement. The local tolls on the U.S. portion of the system will continue to be established by EEP's existing agreements.

The initial IJT will be US \$3.85 per barrel of heavy crude oil from Hardisty, Alberta to Chicago, Illinois. The tolls for other receipt and delivery points will be based on the \$3.85 adjusted for relative distances and commodity types. The IJT will then be adjusted by 75% of the Canadian GDPP inflation index for the remaining 9 years of the settlement. The IJT toll revenue will be allocated first to EEP such that EEP will receive an amount of revenue per barrel transported equal to its applicable local toll, with the remainder of the revenue allocated to EPI.

The CTS will include provisions that allow for the Canadian local toll and the IJT to be adjusted upwards in certain circumstances with the agreement of the shippers. Upward adjustment or surcharges could occur in the event that capital expenditures are required to provide additional facilities requested by shippers which do not generate sufficient incremental revenues to Enbridge under the IJT to provide an adequate return on the capital invested. The Canadian local toll and IJT would also be adjusted upward in the event of a material change in Canadian or U.S. pipeline regulations which require an increase in annual operating costs of more than \$10 million per year or an increase in integrity capital costs of more than \$100 million over the term of the settlement, subject to shipper approval for the capital adjustment.

If at any time prior to December 31, 2014 the throughput on the mainline system at Gretna falls below 1,250,000 bpd based on a 9 month rolling average, and thereafter if it falls below 1,350,000 bpd, the CTS terms would be renegotiated or, if settlement is not reached, Enbridge could complete a new toll filing with the NEB. It is anticipated that any material change in business circumstances, will result in negotiations to amend the settlement agreement. If new terms are not reached, the IJT would cease to exist and Canadian local tolls would revert to existing toll agreements where applicable, and otherwise a cost of service filing would be completed, which would entail a related hearing.

More complete details of the CTS will be available in the definitive settlement agreement to be filed with the NEB in Mid May.

Conference Call

Enbridge will hold a conference call on Thursday, March 17, 2011 at 9:00 a.m. Eastern time (7:00 a.m. Mountain time) to discuss the CTS. Analysts, members of the media and other interested parties can access the call at +617-597-5376 or toll-free at 1-866-510-0707 using the access code of 48152414. The call will be audio webcast live at www.enbridge.com/investor.

A webcast replay will be available approximately two hours after the conclusion of the event and a transcript will be posted to the website within approximately 24 hours. The webcast replay will be available at toll-free 1-888-286-8010 or +617-801-6888. The access code for the replay is 89219238.

The conference call will begin with a presentation by the Company's Chief Executive Officer, President, Liquids Pipelines and Chief Financial Officer followed by a question and answer period for investment analysts. A question and answer period for members of the media will immediately follow.

Enbridge Inc., a Canadian company, is a North American leader in delivering energy and one of the Global 100 Most Sustainable Corporations. As a transporter of energy, Enbridge operates, in Canada and the U.S., the world's longest crude oil and liquids transportation system. The Company also has a growing involvement in the natural gas transmission and midstream businesses, and is expanding its interests in renewable and green energy technologies including wind and solar energy, hybrid fuel cells and carbon dioxide sequestration. As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company, and provides distribution services in Ontario, Quebec, New Brunswick and New York State. Enbridge employs approximately 6,400 people, primarily in Canada and the U.S. ranked as one of Canada's Greenest Employers, and one of the Top 100 Companies to Work for in Canada. Enbridge's common shares trade on the Toronto and New York stock exchanges under the symbol ENB. For more information, visit enbridge.com

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Certain information provided in this news release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although Enbridge believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties pertaining to operating performance, regulatory parameters, weather, economic conditions and commodity prices. You can find a discussion of those risks and uncertainties in our Canadian securities filings and American SEC filings. While Enbridge makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Except as may be required by applicable securities laws, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

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