

Enbridge Pipelines Inc.
Mainline Competitive Toll Settlement
Representative Shipper Group Agreement
March 20, 2012

1. Mandate

The Enbridge Pipelines Inc. (“Enbridge”) Mainline Competitive Toll Settlement (“CTS”) Representative Shipper Group (“RSG”) has been established to provide a collaborative forum to exchange information relating to issues arising in connection with the CTS and to raise, debate and resolve issues related to the CTS. The RSG will provide a collaborative environment to attempt to reach solutions, which is recognized as being superior to litigation.

The RSG process does not preclude communication between Enbridge and individual shippers or amongst Members of the RSG in the normal course of business including, but not limited, to Enbridge Mainline Shipper and Enbridge Business Forum meetings and the Enbridge Committee of the Canadian Association of Petroleum Producers (“CAPP”).

2. Background

The RSG will review and administer issues related to the CTS. The scope of the issues (“Scope of the RSG”) that may be addressed within the RSG is limited to any and all items covered by the CTS that may need subsequent regulatory approval by, or submission to, the National Energy Board (“NEB”) and/or the Federal Energy Regulatory Commission (“FERC”). For clarity, the Scope of the RSG is set out in Appendix A to this Agreement.

The purpose of the RSG process is to work toward reaching agreement on the resolution of issues related to the CTS during its Term and to provide a counter-party to negotiate any required changes to the CTS resulting from unanticipated events relating to the CTS, with a view to reducing adversarial aspects of NEB and FERC hearings, as well as reducing hearing time and associated costs.

The RSG serves as a forum for the communication and discussion of issues pertaining to the CTS, between Enbridge and Interested Parties. For clarity, the RSG is developed in accordance with Section 22 of the CTS Agreement to reach agreement on the resolution of issues related to the CTS during its Term.

Responsibility for compliance with competition and antitrust laws rests with every participant in the RSG. For guidance, Competition and Antitrust Guidelines will be read at the beginning of each RSG meeting. Capitalized terms not otherwise defined in this Agreement shall have the meaning set out in the CTS.

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3. Terms of Membership

The RSG is comprised of Representatives of Enbridge and Interested Parties. “**Interested Party**” means an Enbridge Mainline (as defined in the CTS) shipper of record, who shipped within the previous calendar year (represented by a company), a refiner (represented by a company) using liquid hydrocarbons that were transported on the Enbridge Mainline in the previous calendar year, or a producer (represented by a company) whose liquid hydrocarbons were transported on the Enbridge Mainline in the previous calendar year so long as the primary business of such shipper, refiner or producer is the exploration for, production of, or refining of liquid hydrocarbons; CAPP or other industry associations representing shippers, refiners or producers; or representatives of the governments of Western Canadian producing provinces. RSG participants will consist of Enbridge, Members and Observers.

A. Notice

Enbridge has provided notice of initiation of the RSG process to Enbridge’s shippers, CAPP, and other parties who wish to participate in RSG. Enbridge will post this Representative Shipper Group Agreement and the schedule of RSG meetings for the current calendar year, upon their availability, on Enbridge’s website at www.enbridgepipelines.com.

Interested Parties who wish to participate in the RSG may apply to become either a Member or Observer by submitting a request in writing to the Secretary. If Enbridge determines that the applicant qualifies as an Interested Party, Enbridge will inform the applicant and verify that an RSG Agreement is signed both by the applicant and by Enbridge prior to joining the RSG.

B. Chairperson/Secretary

The Chairperson shall be a senior employee of Enbridge who will attend and chair RSG meetings. The Chairperson will strive to assume an unbiased facilitator role and will not sponsor issues or negotiate issue resolution on behalf of Enbridge or any other Interested Party.

An Enbridge employee shall serve as the Secretary of the RSG and will attend and co-ordinate each meeting of the RSG.

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C. Members

Members will have voting privileges as described in Section 9 below and will receive copies of all RSG communications and materials and may have their Representative attend RSG meetings. Only Members may participate in RSG sub-committees.

Notwithstanding the preceding paragraph, if two or more Interested Parties are Affiliates, then no more than one of those Affiliates may be a Member, or in the case of Enbridge, no Affiliate may be a Member. An Interested Party that is an Affiliate of a Member, or of Enbridge, as applicable, may be an Observer.

“Affiliate(s)” of any party shall mean any company or legal entity which (a) controls, either directly or indirectly, such party; or (b) which is controlled, directly or indirectly, by such party; or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls such party.

Members who no longer wish to participate or who no longer qualify as an Interested Party in the RSG, who wish to be Observers, or who merge with or are sold to other companies, shall notify the Secretary in writing.

D. Observers

Observers may have their Representatives attend RSG meetings and will receive copies of RSG communications and materials. Observers will not have any voting privileges and may not participate in RSG sub-committees. The participation of other stakeholders who are not Interested Parties in the RSG will be at the sole discretion of Enbridge, acting reasonably.

Observers who no longer wish to participate or who no longer qualify as an Interested Party in the RSG, who wish to be Members, or who merge with or are sold to other companies, shall notify the Secretary in writing.

E. Representatives

“**Representatives**” are those individuals designated by Enbridge, Members and Observers to participate in the RSG. Representatives will be “business” people, who have been given the authority to represent their company or organization in relation to the CTS. Representatives will be individuals who are versed in business matters related

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to the CTS. Enbridge, Members and Observers may designate one primary Representative and one alternate Representative. Normally, only one Representative from each Member or Observer will attend RSG meetings and only one Representative from each Member will attend RSG sub-committee meetings.

Each Member or Observer must give notice in writing to the Secretary of its primary Representative and alternate Representative prior to such Representative attending any meeting of the RSG or, for Members, a meeting of a RSG sub-committee. A Member or Observer may change its primary or alternate Representative by giving notice of such change to the Secretary in writing.

F. RSG Roster

During the first quarter of each year, the Secretary shall provide all the participants with a comprehensive RSG participant list. The Secretary will communicate any changes of Members and Observers in the RSG Roster to the Representatives of the RSG within one (1) business day.

4. Use of RSG Materials

To facilitate free and open communication in the discussion and negotiation of issues, participation by Enbridge, Members and Observers in the RSG shall be conducted on a completely “without prejudice”¹ basis. Enbridge, Members and Observers, expressly acknowledge that the RSG was negotiated as part of the CTS and that proposals, discussions and negotiations are subject to judicial and administrative settlement privileges.

As well, any documents, information and any communications, written or oral, not already in the public domain or otherwise in the lawful possession of the party without breach of this agreement, that are created or made as part of the RSG process shall be considered to be confidential (“Confidential Information”). Confidential Information shall be divulged only to persons within Enbridge’s, Members’ or Observers’ own organization, including consultants, who have a need to have that information and only after ensuring that any

¹ *Black’s Law Dictionary* defines “without prejudice” as “without loss of any rights; in a way that does not harm or cancel the legal rights or privileges of a party”. It is intended that all discussions and exchanges of oral and written information be made on an entirely without prejudice basis and not be referenced in any regulatory, court, or other dispute resolution proceedings unless expressly provided for by the Parties.

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person to whom disclosure is made is made aware of the confidential nature of the information. For greater certainty, Interested Parties with affiliates that compete with Enbridge who wish to participate in the RSG must ensure that sufficient internal processes are in place to ensure that confidential Enbridge information will not be shared with the competing affiliate.

The documents, communications or information relating to the discussion and negotiation of issues shall not be filed, referred to or otherwise used in any hearing or other proceeding before the NEB, FERC, any other regulatory tribunal or administrative body or court, or otherwise made public, without the prior consent of the disclosing party. Notwithstanding anything in this Section, any party may file, refer to, or otherwise use a document created by it a) for any purpose, in its sole discretion, unless the document contains privileged (“without prejudice”) or confidential RSG information from another party, or b) if such disclosure is required by law, or by the order of a court, regulatory tribunal or other governmental body of competent jurisdiction.

Notwithstanding anything in this Section, in the event of a dispute at the NEB, FERC, any other administrative body or court, no party to this agreement will be foreclosed or prohibited from seeking in the proceeding, any and all documents other than those produced pursuant to the work of the RSG, even if such documents sought contain the same or similar information, subject to the established requirements, determinations as to relevance and other lawful process of the tribunal or court in question.

A disclosing party shall endeavour to label all RSG documents as “Confidential” or “Confidential and Without Prejudice”; however, failure to do so will not waive the treatment of that document or any communications regarding that document as confidential or confidential and without prejudice.

The obligations set forth in this Section 4 with respect to without prejudice and privilege shall apply regardless of whether the party signing this agreement is Enbridge, a Member, an Observer or no longer a Member or Observer, and shall survive the termination of this agreement. The obligations set forth in this Section 4 with respect to Confidential Information shall apply regardless of whether the party signing this agreement is Enbridge, a Member, an Observer or no longer a Member or Observer, and shall continue to apply for thirty-six months after the termination of this agreement.

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5. Meetings

The RSG will meet quarterly and may agree to meet more frequently to work to resolve issues and concerns as identified. All RSG meetings will be conducted under, and limited to, an agenda that Enbridge will prepare and distribute in advance. It is recognized that, if Members' Representatives are to take positions on issues during meetings, the Representatives may need to distribute relevant RSG documents within their own organizations to those individuals who have a need to have that information and conduct internal meetings in advance of the RSG meeting. To this end, except in extraordinary circumstances, Enbridge shall distribute an agenda and any relevant documents on the issues to be considered at the meeting, in electronic format, to all Representatives at least two weeks prior to an RSG meeting. The agenda will clearly identify all issues that require resolution by a vote, all issues being raised for adoption pursuant to Section 6 below and all Informational Items as per Section 7 below.

Where possible, an issue will initially be identified as an agenda item for discussion and possible adoption but its proposed resolution will not be voted on until the following or a subsequent meeting.

All RSG meetings shall be scheduled in Calgary unless otherwise agreed by Enbridge and a majority of the Representatives who are eligible to vote.

6. Issues

Enbridge and Members recognize that the RSG should not be a forum for the discussion of issues that are beyond the Scope of the RSG as defined in Section 2, or for discussion of individual shipper information. Accordingly, no such issues will be placed on the agenda or adopted, nor will such issues be discussed at RSG meetings or RSG sub-committees.

A. Process for Adoption of Issues

Members and Enbridge may propose new issues that are within the Scope of the RSG as defined in Appendix A to this Agreement.

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Members may propose new issues for adoption by submitting a statement of the issue to the Secretary in writing. The statement of the issue must provide a description of the issue and include information sufficient for the RSG to discuss whether to adopt the issue for consideration. Except in extraordinary circumstances, the description of the issue and all supporting documents must be provided to the Secretary for inclusion with the agenda for the next scheduled meeting at least three weeks prior to that meeting. Typically, when a Member or Enbridge brings forward an issue they will make a presentation at the RSG meeting prior to a vote on adoption of the issue. A hard copy and an electronic copy of such presentation, if any, must be provided to the Secretary for inclusion in the meeting notes or agenda for the next RSG meeting.

The RSG will discuss each issue identified for adoption and Members will determine whether to adopt the issue by a simple majority vote of Members. RSG Members will not unreasonably withhold the adoption of issues that are within the Scope of the RSG (Appendix A).

B. Adopted Issue

Upon adoption of an issue by Members, the RSG will decide, with Enbridge's agreement whether that issue will be, (a) addressed by the RSG, (b) referred to a sub-committee of the RSG or (c) if the issue has a broader impact that the RSG cannot consider on its own, referred to a separate process. The recommendations of the RSG sub-committee will be brought before the RSG for consideration and final vote. The resolution of issues that are referred to a process outside of the RSG may be reported to the RSG as an Informational Item.

Once an issue has been adopted by the RSG, the Secretary will give it an issue number. The Secretary will then ensure that the issue is addressed in the appropriate forum (RSG or RSG sub-committee) and in a reasonable time frame. Issues adopted by the RSG will be scheduled and prioritized by Members and Enbridge in order to ensure that appropriate and adequate resources from both Enbridge and Members can be devoted to the resolution of all adopted issues.

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C. Exceptions

On an exception basis an issue may be dealt with on an expedited basis as agreed to by the RSG. Dealing with an issue on an expedited basis means that either, with the support of the majority of Members, an issue is presented at a RSG meeting without having been previously identified as an item in the agenda or the Secretary polls Members, and a majority approve the scheduling of a special RSG meeting to address a recently emerged item for consideration by the RSG prior to the next scheduled RSG meeting. In no event will such issue be beyond the Scope of the RSG.

7. Informational Items

The RSG may be used as a means to facilitate the distribution of pertinent information within the Scope of the RSG to RSG participants (“**Informational Item**”).

8. RSG Sub-Committees

An issue referred to a sub-committee of the RSG will be dealt with in a timely manner. Enbridge or a Member of the sub-committee will report on the progress on the issue at each RSG meeting until the matter is resolved and a recommendation is brought forward. All recommendations of RSG sub-committees will be brought forward to the RSG for review and final vote pursuant to Section 9.

Each RSG sub-committee will be comprised of at least three RSG Member Representatives and at least one Enbridge Representative.

Standing RSG sub-committees may be established.

9. Voting

A. Notification

The Secretary shall notify each Member and Observer of an impending vote at the RSG and provide an issue resolution sheet no less than four weeks prior to the RSG meeting at which the vote is to be taken. The issue resolution sheet will include a clear

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statement of the proposed final resolution and any CTS amendments required to implement the proposal. Shippers may provide comments on the wording of the issue resolution sheet no less than two weeks prior to the RSG meeting. Enbridge will provide the final issue resolution sheet, if required, no less than one week prior to the RSG meeting. In this manner, Members will vote on the proposed resolution with full knowledge of the wording with respect to the issue resolution.

B. Quorum for Voting

A vote shall only be taken if 50% of Members or 12 Members, whichever is less, are available to vote.

Each Member shall have one vote on each issue. For clarity, neither Observers nor Enbridge will be eligible to vote on issue resolutions. A Member may vote to approve or oppose a resolution, or may abstain from voting. Only approved and opposed votes will be considered to be votes cast. Members who do not cast a vote will be deemed to have abstained from voting.

C. Procedures for Voting

Members are encouraged to attend meetings in person. If circumstances prevent personal attendance, a Member may contact the Chairperson or Secretary in advance of the meeting to arrange for participation in the discussion of the issue(s) and voting by means of a telephone conference call. On an exception basis, a Member may cast its vote by facsimile transmission or by electronic mail, provided, however, that such vote is received by the Secretary no later than one hour prior to the beginning of the meeting at which a vote is to be taken.

On an exception basis, a vote by facsimile or by electronic mail may be conducted, a minimum of one week after receipt of the final issue resolution sheet by all Members. Voting instructions will be distributed with the final issue resolution sheet. Consistent with the procedures for a vote at a meeting, any Member who does not cast a vote by facsimile or by electronic mail will be deemed to have abstained from voting.

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10. Outcome of Vote on Resolution of an Issue

The vote on any proposed issue resolution shall be recorded as Approved or Not Approved.

The result of a vote on any proposed issue resolution will be categorized as follows:

“Approved” – if two-thirds of the votes cast are in favour of the proposed issue resolution; or

“Not Approved” – if the criteria for Approved are not met.

Following a vote, Enbridge may make any appropriate filings with the NEB and/or FERC, or other relevant regulators, as it deems appropriate in its sole discretion. Notwithstanding any other provision of this Agreement, in any such filing Enbridge may disclose whether the filing is supported by an Approved vote of the RSG Members. If the result of the RSG vote is disclosed, Enbridge shall also file the final issue resolution sheet. Enbridge may, where a resolution is Approved, provide a draft of the regulatory application to the RSG prior to filing such application.

While a Member’s vote once cast is final with respect to an issue, a Member’s vote regarding the issue shall not be construed as necessarily establishing an irrevocable position for that Member’s company or organization. The regulatory filing to be submitted by Enbridge with respect to a specific issue shall reflect the information provided to the RSG at the time the vote took place.

Notwithstanding the results of any vote, Enbridge, or any Member or Observer may pursue any options otherwise available to it, including, but not limited to, initiation of or participation in a proceeding before the NEB and/or FERC.

11. Meeting Notes

The Secretary shall produce and distribute meeting notes within two weeks after each meeting reporting on the scope of discussions and on decisions reached by the RSG. Members may convey any requested changes to the meeting notes in writing (by fax or

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email) to the Secretary prior to the next scheduled meeting, or may seek changes orally at the next meeting. For further clarity, meeting notes are privileged and confidential and subject to the rules set out in Section 4 above.

Meeting notes shall include a list of attendees and the results of any votes on a proposed issue resolution. The meeting notes from each RSG meeting will be raised as a motion for adoption at the following RSG meeting.

12. RSG Member Only Meetings

Pursuant to Sections 13.2², 21.1, 21.2 and 27.3 of the CTS, RSG Members may act on their own by calling RSG Member Only meetings.

RSG Members will designate one RSG Member (Designated Member) who will act as Secretary and have the responsibility to send notices of RSG Member Only meetings to all RSG members with an agenda and to maintain notices, agendas, and meeting notes. RSG Members will also designate two RSG Members (a CAPP Member and a non-CAPP Member) who will act as Co-Chairs and have the responsibility to Chair RSG Member Only meetings.

Any RSG Member may request an RSG Members Only meeting concerning any of the above Sections, by sending a note to the Designated Member who will then call a meeting of all RSG Members to discuss the relevant Section. When a vote is to take place concerning one of the above Sections, the notice sent to all RSG Members by the Designated Member will specify that a vote is to be held and the subject matter of the vote. A vote will be conducted in accordance with the paragraph below.

RSG Members may draft the final issue resolution sheet and vote on the proposed resolution. Any such vote shall be subject to the voting rules in Sections 9 and 10 of this Agreement. In order to communicate the results of such a vote to the RSG, the Designated Member or one of the Co-Chairs will notify the RSG Secretary to include the relevant item in the agenda of an RSG meeting called by Enbridge. The Designated Member or one of the Co-Chairs will communicate the results of such vote at the Enbridge RSG meeting and the RSG will act in accordance with the result of such vote, notwithstanding the vote of any Member that abstained or opposed such resolution; provided however that nothing herein

² For the purposes of Members (or Enbridge) referring relevant items to dispute resolution under CTS Article 20 only.

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shall prejudice the participation in a proceeding before the NEB and/or FERC by any party, as set out in Section 10 above.

Enbridge shall add the adoption of an issue with respect to the above-referenced Sections of the CTS to any agenda when requested by either the Designated Member or one of the Co-Chairs.

CAPP will act as Designated Member for the purpose of calling the first RSG Member Only meeting and the first item of business at that first RSG Member Only meeting will be to vote to select a Designated Member and two Co-Chairs. Nominations may be made in writing prior to the meeting or may be made orally at the time of the meeting and the nominees must agree in writing, if not present at the meeting, or orally, if present, to the nomination. Upon designation of the Designated Member, CAPP will yield the position to the new Designated Member if required. The vote for replacing the Designated Member and selecting Co-Chairs shall be subject to the voting rules in Sections 9 and 10 of this Agreement. The RSG Members will reconsider the designation of the Designated Member and selection of the Co-Chairs annually and will also immediately replace any vacancy in the Designated Member or Co-Chairs. To prevent a gap, until a vacancy in Designated Member is filled, CAPP will serve as Designated Member.

13. Filing

Enbridge shall file this Agreement with the NEB no later than July 3, 2012.

14. Term

The term of this RSG Agreement shall match the Term of the CTS.

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15. Authorization

The undersigned company, partnership or other business entity is a Member or Observer of the Enbridge Mainline CTS RSG. The Member or Observer hereby agrees to abide by the terms of this agreement at all times and acknowledges that failure to do so may result in being precluded from further participation in the RSG, if such failure is repeated, significant or willful.

Executed this ____ day of _____, 20__.

_____ Member _____ Observer

Company/Organization:

_____	Enbridge Pipelines Inc.
Name: _____	Name: _____
Name (printed): _____	Name (printed): _____
Title: _____	Title: _____

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Appendix A to the Representative Shipper Group Agreement

Introduction

The RSG is one of a number of forums that will be utilized by Enbridge in dealings with its shippers.

Enbridge, Members and Observers recognize that the RSG should not be a forum for the discussion of issues that are beyond the Scope of the RSG or that relate to competitively sensitive information, for example, prices of shippers' products and individual shipper information. Accordingly, no such issues will be placed on the agenda or adopted, nor will such issues be discussed at RSG meetings or RSG sub-committees.

Scope of the RSG

Table 1 provides all the articles that reference the RSG in the CTS. This will assist the RSG in deciding what is within Scope of the RSG.

Table 1	
CTS – Part	References to RSG in CTS (in Scope)
I – Introductory Matters	2.6
II – Interpretation	3.1 (ee)
III – Term & Applicability	Applicability of CTS & US Agreements – 7.1, 7.2
IV – Tolls and Financial Related Matters	Annual Toll Adjustment – Alternative regulatory treatment for tankage fees – 10.2
	Contingent Toll Adjustments – 13.1 (a), (c), (d), (e), 13.2, 13.3
	Toll Incentives – 14.2
	Capital Expenditures – 16.2, 16.3
	Commodity Surcharge – 18.1
V – Renegotiation and/or Termination of the CTS	Minimum Threshold Volumes – 19
	Material Change in Business Circumstances – 20 (as it relates to 13.1(d))
	Events Triggering a Renegotiation Period – 21.1, 21.2, 21.3, 21.4

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VI – Other CTS Matters	Representative Shipper Group – 22.1, 22.2 End of Term Issues – 25.1
VII – General Provisions	Reporting & Filing Requirements – 26. 1 Audit – 27.3

In addition, at Enbridge’s discretion, certain matters on the Enbridge Mainline that directly relate to the CTS but may not be identified in the CTS as an RSG item may be raised as an Informational Item. For example, the following items (which are not referred to the RSG) may be brought as Informational Items to the RSG throughout the CTS Term:

1. The annual IJT and CLT Toll Filings (including OAS) where tolls are effective July 1 of each year.
2. The annual operating, integrity and service metrics plans referred to in Section 26.1 of the CTS.
3. The tolls related to the NEB’s LMCI process which will be filed by Enbridge for the Mainline for NEB approval.
4. The impact on tolls of the Line 5 Claim referenced in Article 17 of the CTS.