2001 REPORT

“We believe that prevention of accidents and injuries and protection of the environment benefits everyone, and delivers increased value to our shareholders, customers and employees.”
As this report shows, 2000 was an important year in terms of our environment, health and safety performance. During the year, we:

- adopted a company-wide environment, health and safety policy that consolidated and improved upon our existing corporate standards and policies.
- implemented a comprehensive climate change action plan that includes operational efficiencies, alternative and renewable energy, policy development and public outreach programs.
- took a lead role in the national greenhouse gas emissions reduction program, Action By Canadians.
- actively participated in the Ontario government’s Anti-Smog Action Plan by encouraging our employees to take action at home and at work to reduce smog-forming emissions.
- worked in consultation with regulators and industry associations in the United States to develop comprehensive industry standards for public safety along pipeline routes.
- continued to maintain high levels of worker safety.

At Enbridge, responsible environment, health and safety performance is one of our highest priorities. We believe that the prevention of accidents and injuries and the protection of the environment benefits all our stakeholders and delivers increased value to our shareholders, customers and employees.

This Environment, Health and Safety Report — our first — discusses our environment, health and safety achievements and challenges in the year 2000, focusing on our two core businesses — Energy Transportation and Energy Distribution. A Summary of Performance Indicators section provides detailed historical tables, documenting our performance.

Future reports will be published annually, and will include expanded coverage of environment, health and safety performance in our business areas.
Welcome to Enbridge’s 2001 Environment, Health and Safety Report. At Enbridge, we are committed to achieving strong environmental, health and safety (EH&S) performance and to maintaining open communications with our stakeholders — our customers, investors, employees, communities and the general public. In this, our first report, we discuss our achievements and challenges related to EH&S performance in the year 2000.

Our corporate EH&S goals are nothing less than to have no accidents and to cause no harm to the environment. These are aggressive goals, especially given the scope and complexity of our business.

In Canada and the United States, Enbridge operates the world’s longest crude oil and liquids pipeline system comprising 15,000 kilometres of pipeline. In 2000, this system delivered 2.2 million barrels per day, serving major refining centres in Canada and the Great Lakes region of the United States. We also own and operate Canada’s largest natural gas distribution system, which includes 30,000 kilometres of distribution lines and provides gas to 1.5 million customers in Ontario, Quebec, New Brunswick and New York State. Through these systems and our other business activities, our aim is to provide energy reliably and responsibly to meet a wide range of society’s energy needs.

As demand for our energy products and services continues to increase, our commitment to having a strong EH&S performance remains uncompromised. It’s a commitment that extends from our Board of Directors to our employees in the field, and is an important part of our corporate strategies for continued profitable growth.

Going forward, we have to continue doing well all those things that have contributed to our present success. In addition, we have to identify new opportunities to sustain and accelerate our EH&S progress.

Worker safety will continue to be at the top of our list of priorities. Over 1999 and 2000, we assessed our company’s safety culture in Energy Transportation. While this study showed that safety is solidly entrenched as a core value among our staff, it also showed us opportunities for improvements, including contractor and office safety management. Despite our record of achievement in this area, we continue to strive to better our performance toward our goal of zero accidents. Over the next year, we will work to address these and other related findings.

We also recognize that climate change continues to be one of industry’s — and society’s — greatest environmental challenges and opportunities. As a responsible energy company, our overall objectives will be to take proactive measures to limit our emissions and to invest in environmentally friendly technologies. In 2000, we acted on these objectives in a number of ways, including introducing our climate change strategy and entering a strategic alliance to develop energy-efficient fuel cell products. We are also developing a wind power project in Saskatchewan. These are important but early steps in what will be an ongoing journey to address our greenhouse gas emissions.

Finally, as part of our “One Company, One Vision” strategy, we will continue to promote consistent EH&S standards and procedures throughout our organization. We will do so wherever this approach adds value, while allowing flexibility for business- and geographic-specific practices and procedures. Our goal will be to build a company that goes beyond others to develop energy and related services, while doing what is right in terms of the environment and the health and safety of our workers and the public.

Patrick D. Daniel
President & Chief Executive Officer
July 4, 2001
Enbridge is a leading supplier of energy transportation, distribution and energy-related services.

We operate the world’s longest crude oil and petroleum products pipeline system. This system carries liquid hydrocarbons from their point of supply in Western Canada and the United States to refinery markets in Eastern Canada and Midwestern United States. These liquids provide fuel for transportation, heat for our homes and the resources to make plastics and a wide range of consumer products.

We also own and operate Canada’s largest natural gas distribution company, which delivers gas to customers in Ontario, Quebec, New Brunswick and New York State.

In addition, we are involved in natural gas pipelines, international energy projects, emerging alternative and renewable energy technologies, as well as retail energy products and services in Canadian and U.S. markets.

Headquartered in Calgary, Alberta, we employ approximately 6,000 people in Canada, the United States and Latin America. Enbridge is a publicly traded company, listed on the Toronto Stock Exchange (ENB) and on The NASDAQ National Market in the United States (ENBR).
OPERATIONS

Our two core businesses are Energy Transportation and Energy Distribution.

ENERGY TRANSPORTATION

The Enbridge mainline system consists of the wholly owned and operated Enbridge Pipelines System in Canada and the 14.5%-owned Lakehead System in the United States. This mainline system transports more than 75 different commodity types, including light, medium and heavy crude oils; natural gas liquids; and refined petroleum products. The system serves all of the major refining centres in Ontario and the Great Lakes region of the United States. Enbridge also owns a number of pipelines that connect to the mainline, and has significant ownership investments in three U.S. liquids pipelines. Enbridge (U.S.) Inc., a wholly owned subsidiary, operates the Lakehead System through services agreements with the Lakehead Pipe Line Partnership.

Enbridge has a growing interest in natural gas transmission pipelines. The Alliance Pipeline, in which Enbridge has a 21.4% interest, extends from Fort St. John, B.C., to the Chicago, Illinois area, and delivers gas to a number of connecting pipelines and local distribution companies at the Chicago hub. Enbridge is also the lead operator of the Vector Pipeline, and has a 45% interest. This natural gas pipeline extends from the Chicago hub to Dawn, Ontario, delivering Western Canadian and U.S. gas to markets and storage in Ontario, Quebec and the Midwest and Northeast regions of the United States.

ENERGY DISTRIBUTION

This business includes Enbridge Consumers Gas, which delivers natural gas to customers in central and eastern Ontario, including Toronto and the Ottawa and Niagara regions. Through subsidiaries and affiliates, Enbridge Consumers Gas also serves customers in parts of Quebec and upper New York State. Enbridge Consumers Gas serves approximately 1.5 million residential, commercial, industrial and transportation service customers. Enbridge is also developing and installing a gas distribution network for the province of New Brunswick, and we distribute electricity through Cornwall Electric.

This report focuses on these two core businesses. Additional information on our businesses is provided in the Enbridge Inc. 2000 Annual Report and on our website at www.enbridge.com.
Enbridge strives to meet or exceed all environment, health and safety (EH&S) regulations and laws. Our EH&S policy sets our goals as having no accidents and causing no harm to the environment.

This section focuses on our internal EH&S management structures and compliance issues.

POLICIES

Enbridge has a corporate strategic statement of “One Company, One Vision.” This statement defines the way the diverse entities of our organization work collectively to achieve corporate goals; to deliver energy safely, reliably and responsibly; and to create shareholder value.

In 2000, as part of our One Company, One Vision philosophy, Enbridge adopted a company-wide EH&S policy. The new policy sets our goals as having no accidents and causing no harm to the environment. This policy defines the company’s position on EH&S issues and what is expected of all employees in carrying out the policy.

All operating business segments that are fully owned or operated by Enbridge adhere to this policy. For companies in which the company does not have a direct controlling interest, Enbridge strives to bring the same high standards of EH&S performance through its role on the Board of Directors or equivalent.

Our One Company, One Vision philosophy sets the overall direction of the company and oversight of our EH&S issues.

However, we recognize the unique circumstances of our various businesses and have implemented individual EH&S management systems appropriate to their requirements.

ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

Enbridge’s activities are diverse, but all share a common commitment to health, safety and protection of the environment. This commitment extends from our Board of Directors to employees in the field.

The Board of Directors’ EH&S Committee monitors performance and provides strategic direction and commitment to our EH&S stewardship. The committee, which consists of six members of the Board, meets quarterly.

Senior management provides input to the Board Committee, and is responsible for establishing, reinforcing and communicating EH&S policy and strategic commitment across our various businesses.

These businesses have line responsibility for EH&S performance and are supported by 33 full-time EH&S professionals in Canada and the United States. EH&S departments in Edmonton, Alberta; Toronto, Ontario; and Duluth, Minnesota provide technical expertise and advice to the corporation.

Local EH&S committees throughout the organization provide further assistance by providing a forum for management and employees to address EH&S issues, policies and objectives.

ENVIRONMENT, HEALTH AND SAFETY POLICY

Enbridge Inc. is committed to the protection of the health and safety of our employees and the general public, and to sound environmental stewardship. We believe that prevention of accidents and injuries and protection of the environment benefits everyone, and delivers increased value to our shareholders, customers and employees.

Our goal is to have no accidents and to cause no harm to the environment. To achieve this, we will:

- consult openly with our customers, neighbors, employees and partners, work with our regulators, industry peers and other partners to promote responsible environmental, health and safety performance.
- strive for continuous improvement, with all Enbridge operations establishing business-specific policies compatible with this policy, setting measurable targets and reporting on performance.

This commitment is a shared responsibility involving the corporation, our subsidiaries, employees and contractors. To this end:

- Enbridge will conduct business in a manner that recognizes health and safety management as an integral part of our activities, and that promotes pollution prevention and resource conservation to achieve environmental sustainability.
- Employees are responsible for conducting their activities in a manner that makes health, safety and environmental management a primary part of their daily activities.
MANAGEMENT SYSTEMS

Strong commitment to EH&S stewardship is an integral part of our company’s planning and operations. We use a management system approach to integrate EH&S components into Enbridge’s day-to-day business activities. These include policies, programs and procedures that:

- promote the safety of all workers and the general public
- ensure the company is operating in an environmentally responsible manner
- identify and manage hazards and risks to the business
- incorporate EH&S planning into our various projects

The framework has been established to deliver EH&S programs in an effective manner. It provides ongoing feedback to senior management and the EH&S departments regarding all aspects of our EH&S performance and identifies opportunities for continuous improvement.

AUDITS AND INSPECTIONS

We conduct comprehensive internal EH&S audits at each of our various facilities. These range in frequency from regular monthly facility inspections to broad comprehensive system reviews at least every five years. Our auditors are professionally trained Enbridge employees who assess our procedures and practices against regulatory compliance requirements and our own corporate EH&S standards and objectives, and identify opportunities for improvement.

In 2000, for example, we conducted two comprehensive internal audits in our North American operations. These consisted of a major audit of the Enbridge NW System, which transports crude oil from Norman Wells, Northwest Territories to Zama, Alberta, and a major audit of Energy Distribution’s 37 gate stations. In each case, the audits identified no significant compliance issues.

Routine environmental and safety audits and inspections of the company’s operations are carried out by local EH&S committees and various regulatory agencies.

The U.S. Department of Transportation, Office of Pipeline Safety carried out an environmental and safety audit along sections of the Lakehead System in North Dakota, Minnesota, Michigan and New York. The audit reviewed damage prevention programs, pipeline control and field inspections along the system, and found no significant issues of non-compliance.

Enbridge was the first company to undergo an external audit under the National Energy Board’s new Onshore Pipeline Regulations. The National Energy Board assessed Enbridge Transportation’s compliance with the new regulations, with a focus on our EH&S management systems. No significant compliance issues were identified. However, the audit revealed opportunities to improve EH&S documentation and to clarify procedures and roles for carrying out EH&S responsibilities. We have initiated actions to address these findings.

MAJOR INCIDENTS

Major incidents are EH&S events that result in a critical injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

Throughout our operations, Enbridge experienced three major incidents in 2000. These included two spills totaling approximately 5,960 barrels on the Enbridge (Saskatchewan) System as well as a spill of 1,200 barrels at the Lakehead Superior Terminal in Superior, Wisconsin (page 10).

Emergency response procedures effectively contained the spills, minimizing environmental impacts. Enbridge is working in consultation with regulatory agencies and landowners to remediate contaminated areas.

REGULATORY COMPLIANCE

Enbridge operates in Canadian, U.S. and international government jurisdictions. These involve various local, provincial, state and federal agencies and provide an EH&S legal framework under which the company is accountable.

Our objective is full compliance with government regulations and corporate guidelines designed to protect the environment, our workers and the public. Full compliance is an ongoing objective, and non-compliance events may sometimes occur. Enbridge uses two measures to report non-compliance incidents: regulatory citations, and fines and penalties.

During 2000, we received no regulatory citations. However, the Lakehead Partnership and its contractors paid a shared settlement of US$195,000 to the Wisconsin Department of Justice as a result of two previous incidents. The first incident involved discharge of trench water and ground water at a rate exceeding permit requirements, and occurred in 1998 during construction of additional pipeline for the Lakehead System. The second was for lack of timely notice to the appropriate state environmental agency concerning a leak in 1999 at the Superior Terminal.
Enbridge is committed to the protection of the health and safety of our workers and the general public, and to sound environmental stewardship. We believe that the prevention of accidents and injuries and the protection of the environment benefits everyone, and delivers increased value to our shareholders, customers and employees.

This section focuses on the company’s significant EH&S achievements and challenges in 2000.

ENVIRONMENT

GREENHOUSE GASES

Enbridge shares the scientific and political concerns about the potential impacts of climate change, and strongly supports prudent, precautionary action to address its own greenhouse gas emissions.

Approximately 70% of Enbridge’s annual greenhouse gas emissions result indirectly from electricity consumed to operate our transportation and distribution systems. The remainder is produced directly from the use of equipment to drive product through our systems, the release of fugitive methane emissions from storage tanks and pipes, and emissions from our vehicle fleet.

In 1999, we established a Climate Change Task Force to provide strategic direction to our climate change activities. This task force is comprised of representatives from business units in Canada and the United States, and reports to our group vice-president, planning and development.

Under the leadership of the task force, we introduced a comprehensive strategy in 2000 to limit our company’s greenhouse gas emissions. This plan focuses on operational efficiencies, the development of alternative and renewable energy, policy development and public outreach programs as well as expanded emissions tracking and reporting.

According to our most recent results, which were reported for 1999, our overall greenhouse gas emission performance has continued to improve. Total emissions were 1,225 thousand tonnes of carbon dioxide (CO₂) equivalent, compared with 1,461 thousand tonnes in 1998 and 1,487 thousand tonnes in 1996.

This downward trend largely reflected our activities to make operational improvements that reduce energy use and to prevent fugitive leaks. In Energy Transportation, for example, we increased the efficiency of system pumps. In Energy Distribution, we continued our 10-year, $200-million program to replace cast iron pipe with corrosion-free polyethylene pipe.

However, as volumes on our systems continue to increase to meet consumer demand for energy, further climate change reduction actions will be required. We plan to do that by maintaining our pursuit of new efficiencies, by replacing old equipment and by investing in alternative and renewable energy sources.
In 2000, the company signed a joint venture agreement with Global Thermoelectric to develop energy-efficient fuel cell products for residential use (page 9). In 2001, we also announced a partnership with Suncor Energy to develop the SunBridge Wind Power Project in southwestern Saskatchewan. This $20-million project — the province’s first major supply of renewable energy — will generate more than 11 megawatts of electricity for distribution through the Saskatchewan power grid. The project is expected to be fully operational by June 2002.

Outside our operations, we continue to support policy development that encourages alternative approaches to reduce emissions at lower cost. An example is emissions trading, which allows organizations to buy and sell greenhouse gas emission reductions.

Enbridge is involved in two emissions trading pilot project groups: the Greenhouse Gas Emission Reduction Trading (GERT) Pilot and Clean Air Canada (formerly called the Pilot Emission Reduction Trading Project). Through these multi-stakeholder initiatives, industry, government and environmental groups are working together to gain practical experience in emissions trading.

We are also a member of the Greenhouse Emissions Management Consortium (GEMCo), a not-for-profit Canadian corporation formed by companies to demonstrate leadership in developing voluntary and market-based approaches to greenhouse gas emission management.

We believe that the responsibility for addressing climate change lies with all sectors of society. As a result, Enbridge participates in public education initiatives that promote awareness and individual actions to reduce emissions. In 2000, Enbridge continued to play a lead role in the Action By Canadians Program on climate change (page 9).

Since 1994, Enbridge has actively participated in Canada’s Climate Change Voluntary Challenge and Registry (VCR), a national initiative to reduce greenhouse gas emissions. Through the VCR, we voluntarily report on our emissions and our various initiatives to reduce emissions. In 2000, Enbridge Consumers Gas and Enbridge Pipelines (Saskatchewan) received Gold Champion Reporting Level awards from the VCR for their most recent reports, and Enbridge Pipelines received a Silver Champion Reporting Level award.
ENBRIDGE’S CLIMATE CHANGE STRATEGY

As a leader in the energy sector, Enbridge will work to ensure that its activities are part of the solution to climate change. In 2000, we introduced a climate change strategy that includes:

- establishing a comprehensive management framework to address climate change
- implementing cost-effective greenhouse gas emission reductions in our operations
- adopting economically viable conservation and energy-efficient technologies
- monitoring progress in emission reductions
- developing the capacity to assess life cycle aspects of emission reduction initiatives
- implementing least-cost solutions through emissions trading and the use of offsets
- utilizing appropriate alternative and renewable energy sources
- supporting voluntary programs and credit for early action
- pursuing financial incentives for innovative emissions reduction technologies
- sharing best practices to reduce greenhouse gas emissions
- partnering with key stakeholders to develop innovative solutions
- building awareness and advocating actions by individual citizens, including employees, customers and stakeholders

LOCAL AIR QUALITY

Growing concerns about urban smog are focusing more attention on the issue of nitrogen oxide (NO\textsubscript{x}) emissions and volatile organic compounds (VOCs). NO\textsubscript{x} and VOCs react with sunlight to form smog.

In Ontario, one of the largest single domestic sources of NO\textsubscript{x} is vehicle emissions. For its part, Enbridge promotes the use of natural gas by vehicles as an environmentally preferred

PROMOTING THE EFFICIENT USE OF ENERGY BY CUSTOMERS

Demand-side management enables our customers to more efficiently use energy with reduced greenhouse gas emissions, helping them to contribute to environmental solutions.

Enbridge Consumers Gas has an aggressive demand-side management program to reduce residential, commercial and industrial energy consumption. As part of this program, we offer rebates on the purchase of energy-saving heating equipment in homes, identify solutions for plant operations and promote energy-efficient design in the building industry. In 2000, we introduced a program to promote energy-efficient equipment in the residential marketplace.

Since 1996, our demand-side management program has reduced customers’ emissions by 364,000 tonnes of CO\textsubscript{2} equivalent.
ENGAGING INDIVIDUALS IN CLIMATE CHANGE ACTION

Enbridge believes that a solution to climate change must involve all sectors of society, including individual Canadians who account for approximately 28% of Canada’s annual greenhouse gas emissions.

Since 1999, Enbridge has been a founding supporter of the Action By Canadians (ABC) Program, a national initiative to engage individual Canadians in voluntarily reducing their greenhouse gas emissions. The program, developed by the Energy Council of Canada, provides interactive workshops that increase awareness of climate change and demonstrate the importance of individual actions to managing greenhouse gas emissions.

To date, more than 355 Enbridge employees have participated in ABC Program workshops and made personal commitments to reduce greenhouse gas emissions.

SPILLS

Enbridge’s goal is to prevent all spills from our transportation and distribution systems. This is a challenging objective that we continue to strive for but have not yet achieved.

Working with this goal in mind, we carry out spill prevention and detection procedures based on continual monitoring of pipeline integrity, day-to-day maintenance activities, training and computerized control systems. Our communication programs are designed to keep all property owners and neighbors along our rights-of-way informed about our operations and to enlist their help in the prevention and detection of pipeline spills.

In spite of these measures, our systems do experience occasional spills. To maintain a high level of emergency preparedness, all of our facilities maintain a spill prevention and response plan to minimize and properly manage any spill. When a spill occurs, we take prompt, corrective action to manage spills, recover liquids and to remediate lands so as to protect public health and safety and the environment.

SUPPORTING FUEL CELL DEVELOPMENT

Enbridge is committed to achieving growth through the development of complementary businesses that create new market opportunities and provide environmental benefits.

One example is the development of fuel cells, a rapidly evolving new technology that can transform fuel sources, such as natural gas, directly into electric power and heat with high efficiency and reduced emissions of greenhouse gases per kilowatt generated.

In 2000, Enbridge entered into a strategic alliance with Calgary-based Global Thermoelectric to develop fuel cell products for residential use. Under the alliance, Enbridge invested $25 million to fund further technology, design and product development work required to reach commercialization. The fuel cell products, which are scheduled for field-testing in 2001, are natural gas fuelled.

In 2000, the Lakehead System began a program to upgrade emissions control equipment in tanks at its three terminals in Superior, Wisconsin; Griffith, Indiana; and Clearbrook, Minnesota.

fuel. Compared to gasoline-powered automobiles, natural gas-powered vehicles emit significantly less NOx and VOCs. At present, approximately 65% of Enbridge Distribution’s fleet of 1,395 vehicles is powered by natural gas.

Since 1999, Energy Distribution has partnered with the City of Toronto, the Ontario government and the Toronto Atmospheric Fund in the Better Transportation Partnership Program to promote the use of natural gas-powered taxis. Enbridge contributes a subsidy to help cover the price of new natural gas-powered taxis. As a result of these efforts, the city’s fleet of natural gas taxis has increased by five times to 4,000 during this period.

We also actively participate in the Ontario government’s Anti-Smog Action Plan. In 2000, Enbridge Distribution introduced its Anti-Smog Response Plan to encourage employees to take action at home and at work to reduce smog-forming emissions. In January 2001, Enbridge received an Industry Award of Excellence from the Ontario Ministry of Environment in recognition of these and other related anti-smog efforts.

In the United States, Enbridge Transportation follows stringent government regulations to control VOC emissions in heavily populated areas. These include carrying out maintenance and repair programs to limit emissions from tank storage facilities.

In 2000, the Lakehead System began a program to upgrade emissions control equipment in tanks at its three terminals in Superior, Wisconsin; Griffith, Indiana; and Clearbrook, Minnesota.

environment.
During 2000, Enbridge was required to report 48 spills in Canada and the United States, for a total volume of 7,513 barrels spilled. Approximately 75% of the total was recovered. Site remediation plans were developed in consultation with regulatory agencies, landowners and other concerned parties. These incidents included a spill of 1,500 barrels of crude oil near Innes, Saskatchewan on the Enbridge (Saskatchewan) System. The company responded promptly to minimize environmental impact. More than 2,000 tonnes of contaminated soil were removed for off-site disposal. In 2001, we will carry out a full environmental assessment of the site and implement remediation plans.

In the United States, Enbridge experienced two significant releases of crude oil on the Lakehead System. These included 50 barrels into a wetland in a remote area of northwest Minnesota and 1,200 barrels on company property at the Superior Terminal. In both cases, our response efforts effectively mitigated our impacts on the environment, and we are continuing monitoring and remedial activities.

Enbridge Consumers Gas reported five spills to the Ontario Ministry of Environment. Of this total, the most significant incident involved a spill of inert bentonite used in directional drilling.

SITE REMEDIATION

Enbridge is committed to managing, remediating and restoring land or water bodies impacted by our operations and activities.

In late 1999, we identified soil and groundwater contamination from an Enbridge Pipelines tank farm in Westover, Ontario. Detailed investigations were immediately conducted, and as a result of tests, we determined that contamination was contained on our property. We worked with regulators in 2000 to develop a long-term monitoring and remediation plan for the site.

Working closely with regulatory agencies, we continued remediation activities at Milepost 444 on the Enbridge Pipelines System east of Regina, where 20,600 barrels of crude oil were spilled in 1999. We carried out additional site investigations and removed contaminated soil for off-site disposal. Remaining soil was treated to promote the natural biodegradation of residual hydrocarbon contaminants. In 2001, we will begin landscaping of the site as part of final reclamation.

Enbridge’s pipeline systems have been operating for more than 50 years. During this period, society’s understanding and expectations of environmental performance have increased significantly. In Canada and the United States, Energy Transportation routinely inspects and evaluates historic leak sites on our pipeline systems to ensure the sites have been appropriately remediated and meet current standards and expectations. We also assess older facilities within our transportation and distribution systems for potential contamination to land or water. When a potential risk is discovered, the company undertakes tests and site remediation to ensure our operations address any concerns.

Since 1994, Energy Distribution has carried out a comprehensive inspection and remediation program for its gate stations in Ontario, some of which date from the mid-1950s. In 2000, the company undertook an internal audit of the 37 stations and remediated two sites at Brockville and Oshawa, Ontario. To date 19 gate stations have been remediated.

WASTE MANAGEMENT

When materials that could be reused or recycled are landfillxed, natural resources are wasted. Once in a landfill, they contribute to environmental impacts on land, air and groundwater, and
remove valuable land and soil resources from other uses. An aggressive waste management plan can minimize these effects.

Most of Enbridge’s waste streams are non-hazardous and include packaging materials, paper, construction and demolition waste, and scrap metal. Enbridge operates waste management programs at each of its locations that help to reduce the amount of non-hazardous waste shipped for landfill disposal.

In 2000, for example, Enbridge Distribution diverted 506 tonnes, or approximately 34% of its total non-hazardous waste, from landfills. A key contributor to this reduction was recycling programs that manage materials such as plastic pipe and paper.

Our businesses also have programs and plans in place to safely manage and dispose of hazardous wastes. Within Energy Transportation, most hazardous waste consists of used lubricating oils and solvents. The majority of hazardous waste in Energy Distribution is used oils and vehicle antifreeze. These materials are removed and sent to an appropriate landfill or treatment facility.

WILDLIFE PROTECTION

We recognize that our activities can have impacts on wildlife and their habitats. Before building new transportation pipeline facilities, we undertake environmental assessments to minimize our impacts to sensitive areas, including wildlife habitats, streams and rare plants. We also have a history of working closely with local conservation organizations to protect wildlife and their habitat.

In Western Canada, the Enbridge System runs through areas that are home to a number of endangered species including the Burrowing Owl and the Piping Plover. In 2000, we funded a Burrowing Owl poster campaign by Nature Saskatchewan and the Alberta Fish and Game Association to raise public awareness and promote habitat conservation throughout the owls’ breeding range in southeastern Alberta and southern Saskatchewan. Since 1996, we have also supported a research and conservation project by the Canadian Wildlife Service to assist in the recovery of Piping Plover at Lake Diefenbaker near Saskatoon, Saskatchewan.

In the United States, the Karner Blue Butterfly is recognized as a federally endangered species. Our Lakehead System crosses butterfly habitat areas in Wisconsin. Since 1999, we have participated in a state-wide partnership program, involving government and industry, to protect this species.

HEALTH AND SAFETY

Each of the company’s activities is undertaken with great care and attention to the health and safety of our workers and the general public. We maintain high levels of health and safety through our safety management system and by our strong emphasis on employee training, pipeline integrity and emergency preparedness programs. Our goal is zero work-related injuries.

SUMMARY

A key measure of safety performance is lost-time injury frequency. Over the past five years, we have achieved overall improvement in lost-time injury frequency. In 2000, we experienced 0.66 employee lost-time injuries per 200,000 hours worked, compared with 0.91 in 1999 and 1.03 in 1996.

In 2000, Energy Distribution achieved an employee lost-time injury frequency of 0.95 — the lowest in its history.

Energy Transportation’s employee lost-time injury frequency increased from zero in 1999 to 0.09 in 2000. This frequency, however, remained well below the Canadian Energy Pipeline Association’s industry average of 0.63.

In the United States, we completed construction of the Vector Pipeline mainline project with an overall lost-time injury frequency rate of 1.66, which was less than half the industry average of 4.1, as measured by the U.S. Bureau of Labor. Enbridge (U.S.) Inc., which operates the Lakehead System, continued to have no employee lost-time injuries for the second consecutive year.

We are committed to further improving our safety performance. In late 1999 and 2000, Enbridge Transportation carried out an internal safety culture assessment. Results of the employee survey showed that safety is well integrated into daily business activities at Enbridge and that safety is a core value among staff. The assessment also indicated opportunities to improve several areas, including contractor and office safety management. In 2000, a cross-functional team of employees from our Canadian and U.S. operations was formed to address these findings.
HEALTH AND SAFETY TRAINING

In maintaining high levels of safety in our operations, an important contributor to our success is the health and safety knowledge and awareness of our workers. Over the period 1999 and 2000, we continued to provide new opportunities for health and safety training and education for our employees, including:

- incident command system training to approximately 200 Canadian field employees in Energy Transportation as part of ongoing emergency preparedness programs
- workplace inspection training and occupational health and safety certification for the 70 members of Energy Distribution’s Joint Environment, Health and Safety Committees
- the introduction of an intranet site to promote employee awareness of EH&S policies and programs within Energy Distribution

We also increased our attention to ergonomic issues in the field and in our offices. In 2000, we completed assessments in high-risk job areas in Energy Distribution to increase employee awareness and prevent ergonomic-related injuries.

EMPLOYEE HEALTH

Throughout its operations, Enbridge provides an extensive set of health programs that promote the well-being of employees and contribute to business productivity. These include employee seminars on wellness issues such as fitness, nutrition and stress, self-help information, access to health care professionals, and employee voluntary assistance programs.

Building on these efforts, Enbridge Consumers Gas announced plans in 2001 to initiate a comprehensive worksite wellness program in Toronto to support employee health and productivity.

PIPELINE INTEGRITY

Over the years, pipelines have proved to be the safest and most efficient way to transport oil and gas products. Still, pipeline failures or ruptures are an inherent risk of operations that can result in environmental damage or personal injury.
To minimize this risk, we focus on maintaining a high degree of pipeline integrity in all aspects of our transportation and distribution systems. This program helps to ensure our pipeline networks have the strength and operating fitness to do their job safely and reliably. It involves a comprehensive program of tools, technologies and strategies, including:

- cathodic protection to prevent pipeline corrosion
- frequent visual inspections and aerial surveillance of the lines
- computerized systems to continuously monitor pipelines
- in-line inspection tools to detect changes in the condition of the pipe

Enbridge supports the development of sound policies and regulations that maintain pipeline integrity and contribute to public safety and awareness. In 2000, the company, in consultation with industry and the U.S. Office of Pipeline Safety, contributed to the development of comprehensive, risk-based industry standards and government regulations to maintain high levels of public safety along pipeline routes.

**EMERGENCY PREPAREDNESS**

However, rare, pipeline incidents in our transportation and distribution systems can have wide-ranging implications for the public, the environment and our operations. As a result, we maintain high levels of emergency preparedness throughout our operations.

We have developed comprehensive emergency response plans for all our facilities and areas of operations. These plans are adapted to the specific needs of the individual areas, and are coordinated with the activities of local emergency response agencies.

We also provide regular emergency training to staff and hold simulated emergency exercises with community-based emergency response organizations, such as fire and police departments, in select locations throughout the year. This allows the different groups to learn from each other and to ensure procedures and equipment are in proper order.

In 2000, Enbridge Transportation carried out 53 emergency preparedness exercises in Canada and the United States.
Enbridge is committed to contributing to the quality of life in communities where we operate. Our corporate social vision states:

We’re Enbridge. In partnership with our communities, we deliver more than energy; we deliver on our commitment to enhance the quality of life in our communities by supporting programs in health, education, social services and the environment. Together with our employees we have the energy to make a difference.

Throughout our operations, we put this vision into action in different ways, including through our community investments, the volunteer efforts of our employees, and our public consultation programs.

In this section, we focus on community relations activities that contribute to EH&S awareness and protection.

COMMUNITY INVESTMENT

Our community investment program supports not-for-profit organizations through financial contributions and human resources. In 2000, this program donated a total of $3 million to 192 charitable and non-profit organizations across Canada and the United States. Of this total, 13% was allocated to EH&S programs and initiatives.

Examples of our EH&S community investments during the year included:

- the Environmental Initiative Program in Canada, which provides grants to community-based projects that enhance the environment and increase the awareness of being environmentally responsible (page 15)
- a Green Electricity Primer, developed by the Friends of the Earth, to build public awareness in Canada of the benefits of alternative and renewable electricity options
- the St. Lawrence River Institute of Environmental Studies, a not-for-profit organization in Cornwall, Ontario that brings together world-renowned scientists and educators to study and share knowledge about large river ecosystems
- Boundless Adventures, a registered charity in Ontario dedicated to building the personal strengths of individuals with special needs through outdoor education
- the U.S. Nature Conservancy’s programs in Minnesota, Wisconsin and Illinois
- the Hartley Nature Centre, a public environmental education center being constructed in Duluth, Minnesota

Our financial contributions are complemented by the volunteer hours and efforts of our employees. In Western Canada, Energy Transportation supports an employee-driven program called
BUILDING RELATIONS WITH INDIGENOUS PEOPLES

Indigenous peoples are often key stakeholders in our activities, and positive relationships based on shared respect and trust are of mutual benefit. Through public consultation, we involve indigenous peoples in our plans and activities.

In New Brunswick, Enbridge Gas New Brunswick is constructing a new natural gas distribution network for the province. As part of regulatory review for the system, the company consulted in 2000 with First Nations communities on environmental, economic and social issues and opportunities.

We also established an Aboriginal Relations Council, made up of employees from across our operations. This team is developing a corporate indigenous peoples relations policy to assist Enbridge in enhancing relationships with indigenous peoples and reaching our strategic business objectives.

ENVIRONMENTAL INITIATIVE PROGRAM

By working together with local communities, Enbridge helps to turn environmental commitment and ideas into action.

An important example is our Environmental Initiative Program (EIP), which provides funding to grassroots community groups along our Enbridge Pipelines System to help them implement environmental projects. Since its inception in 1991, the EIP has contributed approximately $740,000 to 244 community-based projects. In 2000, for example, we supported:

- a native prairie preservation project in Luseland, Saskatchewan
- a pilot waste reduction project by The Centre and South Hastings Waste Services Board in Trenton, Ontario
- production of an interpretative guide for the Baie Brazeau and Ruisseau à Charette natural areas in Pointe-Fortune, Quebec
- construction of a community garden greenhouse in Inuvik, Northwest Territories

Volunteers In Partnership. This program engages employees in supporting a wide range of community programs, including environmental activities. In Edmonton, for example, employees and their families participated in an annual cleanup of the city’s North Saskatchewan River valley.

In Ontario, we partner with local conservation groups to enhance natural areas. In 2000, Enbridge Consumers Gas employees took part in tree planting and neighborhood cleanups as part of Earth Day events across the province.

PUBLIC CONSULTATION

Enbridge recognizes that the success of our business depends on constructive and mutually beneficial relationships with our stakeholders — landowners, municipalities, indigenous peoples and other interested parties — along our rights-of-way and near our facilities. One of the ways we build these relationships is through our public consultation programs.

When we expand or upgrade our systems or facilities, we include public notification, stakeholder consultation and environmental and socio-economic assessments as an integral part of the planning process. We also communicate with local stakeholders on our existing operations through open houses, mailings and direct contacts. These activities ensure that we address public concerns and that regulators and the public are well informed on land and environmental matters.

In 2000, we carried out public consultation during construction of the Vector Pipeline. We also held open houses and completed an extensive environmental and socio-economic impact assessment for the Terrace Phase II expansion program on the Enbridge Pipelines System. These studies involved input from government, regulators, landowners, environmental interest groups and local communities.

Public open houses also form an integral part of the pipeline routing process for Energy Distribution. In 2000, open houses were held for four projects to ensure that local communities and interested parties had an opportunity to comment on proposed routes.
### SUMMARY OF PERFORMANCE INDICATORS

#### ENERGY TRANSPORTATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (thousands of barrels/day)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1,970</td>
<td>2,083</td>
<td>2,136</td>
<td>2,023</td>
<td>2,164</td>
</tr>
<tr>
<td>Barrel miles (billions)&lt;sup&gt;3&lt;/sup&gt;</td>
<td>768</td>
<td>771</td>
<td>771</td>
<td>696</td>
<td>743</td>
</tr>
<tr>
<td>Miles of right-of-way</td>
<td>4,398</td>
<td>5,560</td>
<td>5,679</td>
<td>6,054</td>
<td>5,974</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,081</td>
<td>1,144</td>
<td>1,205</td>
<td>1,209</td>
<td>1,178</td>
</tr>
</tbody>
</table>

### EH&S management

| Major incidents<sup>4</sup> | 14 | 12 | 9 | 8 | 3 |
| Regulatory citations<sup>5</sup> | 0 | 0 | 3 | 2 | 0 |
| EH&S fines and penalties (thousands of dollars)<sup>6</sup> | 0 | 0 | 313 | 162 | 0 |
| EH&S professionals (full-time) | 17 | 19 | 22 | 22 | 22 |

### Environmental performance

#### Greenhouse gas emissions<sup>7</sup>

| Total emissions (thousand tonnes of CO₂ equivalent) | 1,106.1 | 1,145.2 | 1,101.8 | 868.7 | $835.6^{8}$ |
| Emissions per unit throughput (thousand tonnes of CO₂ equivalent/million cubic metres of throughput) | 10.41 | 10.24 | 9.76 | 7.62 | 6.11<sup>8</sup> |

#### Energy<sup>7</sup>

| Energy use (million gigajoules) | 6.9 | 7.2 | 7.5 | 5.8 | 5.6<sup>8</sup> |
| Energy intensity (million gigajoules/million cubic metres of throughput) | 0.065 | 0.065 | 0.066 | 0.051 | 0.041<sup>8</sup> |

### Reportable spills<sup>9</sup>

| Number of spills | 49 | 47 | 34 | 54 | 43 |
| Spill volume (barrels) | 13,698 | 19,853 | 7,690 | 28,758 | 7,475 |
| Spill volume per unit throughput (barrels/million barrels of throughput) | 19.05 | 26.11 | 9.86 | 38.95 | 9.46 |

### Waste

| Recycled material (tonnes)<sup>10,11</sup> | no data | no data | 48 | 96 | 96<sup>8</sup> |

### Health and safety<sup>12</sup>

| Employee lost-time injury frequency (lost-time injuries/200,000 hours worked) | 0.31 | 0.24 | 0.09 | 0.00 | 0.09 |
| Employee lost-time injury severity (days lost/200,000 hours worked) | 0.62 | 1.38 | 1.53 | 0.00 | 0.09 |
| Employee recordable injury frequency (recordable injuries/200,000 hours worked)<sup>13</sup> | 1.08 | 1.54 | 1.19 | 1.10 | 1.04 |
| Absenteeism (number of days absent/employee) | 3.10 | 2.96 | 2.93 | 3.44 | 3.26 |
| Preventable motor vehicle incident frequency (incidents/million kilometres driven)<sup>14</sup> | 1.69 | 1.93 | 0.88 | 1.09 | 1.33 |

### Notes


2. 1 barrel = 0.159 cubic metres or 42 U.S. gallons.

3. Barrel miles is the number of barrels delivered multiplied by the distance traveled in miles.

4. Major incidents are EH&S events that result in a critical injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

5. Regulatory citations are non-attainment of regulatory requirements resulting in formal regulatory proceedings against the company.

6. EH&S fines and penalties are penalties levied against the company as a result of regulatory citations. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.

7. Includes Enbridge Pipelines Inc., Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc. and Enbridge Pipelines (Athabasca) Inc.

8. 2000 estimates are projections.

9. Reportable spills are any spill reportable to a regulatory jurisdiction in which Enbridge Transportation operates.

10. Includes Enbridge Pipelines Inc., Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc. and Enbridge Pipelines (Athabasca) Inc.

11. Recycled material includes office paper, aluminum, glass, metal and newspaper. Materials such as wax, waste oil, rags and batteries are recycled but not tracked.

12. Health and safety statistics refer only to Enbridge employees.

13. Includes lost-time and medical aid injuries.

14. Motor vehicle incident frequency rates do not include incidents that occurred at office locations in Edmonton, Alberta and Duluth, Minnesota, because mileage is not tracked for these locations.
### Summary of Performance Indicators

**Energy Distribution**

#### Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas distribution volumes (billion cubic feet)</th>
<th>Length of pipeline (thousand kilometres)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>429</td>
<td>25.7</td>
<td>4,200</td>
</tr>
<tr>
<td>1997</td>
<td>428</td>
<td>25.6</td>
<td>4,200</td>
</tr>
<tr>
<td>1998</td>
<td>397</td>
<td>26.8</td>
<td>4,122</td>
</tr>
<tr>
<td>1999</td>
<td>402</td>
<td>28.5</td>
<td>4,000</td>
</tr>
<tr>
<td>2000</td>
<td>421</td>
<td>28.7</td>
<td>1,681</td>
</tr>
</tbody>
</table>

#### EH&S Management

- **Major Incidents**
  - 1996: No data
  - 1997: 2
  - 1998: 1
  - 1999: 0
  - 2000: 0

- **Regulatory Citations**
  - 1996: 0
  - 1997: 0
  - 1998: 0
  - 1999: 0
  - 2000: 0

- **EH&S Fines and Penalties (thousands of dollars)**
  - 1996: 0
  - 1997: 0
  - 1998: 0
  - 1999: 0
  - 2000: 0

- **EH&S Professionals (full-time)**
  - 1996: 14
  - 1997: 14
  - 1998: 13
  - 1999: 14
  - 2000: 11

#### Environmental Performance

- **Greenhouse Gas Emissions**
  - Total emissions (thousand tonnes of CO₂ equivalent): 381, 370, 359, 357, 345
  - Emissions per unit throughput (thousand tonnes of CO₂ equivalent/billion cubic feet of throughput): 0.89, 0.86, 0.90, 0.88, 0.81

- **Energy Use**
  - Energy use (million gigajoules): 0.110, 0.117, 0.122, 0.115, 0.103
  - Energy intensity (million gigajoules/billion cubic feet of throughput): 0.0002, 0.0002, 0.0003, 0.0002, 0.0002

- **Reportable Spills**
  - Number of spills (gas): 4, 5, 3, 0, 0
  - Number of spills (liquid): 1, 1, 1, 1, 5
  - Spill volume (litres of liquid): 100, 100, 100, 1,600, 6,000
  - Spill volume per unit throughput (litres of liquid/billion cubic feet of throughput): 0.23, 0.23, 0.25, 3.9, 14.2

#### Waste

- **Waste to Off-Site Disposal**
  - Total non-hazardous waste (tonnes): no data, 3,611, 2,670, 1,705, 978

- **Total Liquid Ministry of Environment Registrable Waste (thousand litres)**
  - 1996: 159.1
  - 1997: 59.7
  - 1998: 50.6
  - 1999: 41.3
  - 2000: no data

- **Total Solid Ministry of Environment Registrable Waste (kilograms)**
  - 1996: no data
  - 1997: 45
  - 1998: 3,430
  - 1999: 402,455
  - 2000: no data

- **Recycled Material (tonnes)**
  - 1996: no data
  - 1997: 689
  - 1998: 616
  - 1999: 590
  - 2000: 506

#### Health and Safety

- **Employee Lost-Time Injury Frequency**
  - 1996: 1.27
  - 1997: 1.33
  - 1998: 1.61
  - 1999: 1.17
  - 2000: 0.95

- **Employee Lost-Time Injury Severity**
  - 1996: 9.25
  - 1997: 10.52
  - 1998: 9.41
  - 1999: 9.05
  - 2000: 8.61

- **Employee Recordable Injury Frequency**
  - 1996: 4.15
  - 1997: 3.86
  - 1998: 3.44
  - 1999: 2.94
  - 2000: 3.07

- **Absenteeism (Days Absent/Employee)**
  - 1996: 7.20
  - 1997: 8.40
  - 1998: 6.43
  - 1999: 7.53
  - 2000: 5.14

- **Preventable Motor Vehicle Incidents Frequency**
  - 1996: 2.84
  - 1997: 2.46
  - 1998: 3.02
  - 1999: 2.98
  - 2000: 1.71

#### Notes

1. Includes the overall distribution system of Enbridge Consumers Gas, Gazifère Inc., Tecumseh Gas Storage Operations, Niagara Gas Transmission and St. Lawrence Gas Company, Inc.
2. Due to the unbundling of the company, this figure includes Enbridge Consumers Gas, Gazifère Inc. and St. Lawrence Gas Company, Inc.
3. Includes Enbridge Consumers Gas, Gazifère Inc., and St. Lawrence Gas Company, Inc. 2000 data also includes Enbridge Gas New Brunswick Inc., Enbridge Services Inc. and Enbridge Commercial Services Inc.
4. Major incidents are EH&S events that result in a critical injury or fatality, a significant regulatory enforcement action or a significant adverse impact to the environment.
5. Regulatory citations are non-attainment of a regulatory requirement, resulting in formal regulatory proceedings against the company.
6. EH&S fines and penalties are penalties levied against the company as a result of regulatory citations. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.
7. Includes Enbridge Consumers Gas and Gazifère Inc. Data includes indirect emissions (i.e., emissions resulting from electricity consumed for operations) and excludes customer emissions.
8. 2000 estimates are projections.
9. Includes Enbridge Consumers Gas, Gazifère Inc. and St. Lawrence Gas Company, Inc.
10. Reportable spills are any spill reportable to a regulatory jurisdiction in which Enbridge Distribution operates. Includes Enbridge Consumers Gas, Gazifère Inc. and Tecumseh Gas Storage Operations.
11. Includes Enbridge Consumers Gas.
12. The majority of this waste resulted from soil remediation activities.
Enbridge invites public comment on this report.

To share your comments, please e-mail us at webmaster@cnpl.enbridge.com

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