

# Enbridge 2010 Corporate Social Responsibility Report

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## About Enbridge

Headquartered in Calgary, Alberta, Canada, Enbridge is a North American leader in energy delivery. The company transports natural gas and crude oil, which are used to heat homes, power transportation systems and provide fuel and feedstock for industries. It also operates the world's longest oil and liquids pipeline system and is actively involved in natural gas transmission, gas distribution, renewable and alternative energy, and international energy projects.

Enbridge's vision is to be North America's leading energy delivery company and its key objective is to generate superior shareholder value. It employs almost 6,500 people, primarily in Canada and the U.S.

Investment opportunities in Enbridge include: Enbridge Inc. ("ENB"), shares of which trade on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE); Enbridge Income Fund ("ENF.UN"), units of which trade on the TSX; Enbridge Energy Partners, L.P. ("EEP"), units of which trade on the NYSE; and Enbridge Energy Management, L.L.C. ("EEQ"), shares of which trade on the NYSE. For more information on Enbridge, please visit [www.enbridge.com](http://www.enbridge.com).

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# About the Enbridge 2010 Corporate Social Responsibility Report

Enbridge's 2010 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines, which serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. Abbreviations such as EC1, EN3 and PR6 refer to GRI Performance Indicators, which Enbridge addresses in this report. For more information on the GRI, please visit [www.globalreporting.org](http://www.globalreporting.org).

## Forward-Looking Information

Forward-looking information, or forward-looking statements, have been included in Enbridge's 2010 Corporate Social Responsibility Report to provide the company's shareholders and potential investors with information about the company and its subsidiaries, including management's assessment of Enbridge's and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate," "expect," "project," "estimate," "forecast," "plan," "intend," "target," "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to: expected earnings or adjusted earnings; expected earnings or adjusted earnings per share; expected costs related to projects under construction; expected in-service dates for projects under construction; expected tariffs for pipelines; expected capital expenditures; and estimated future dividends.

Although Enbridge believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about: the expected supply and demand for crude oil, natural gas and natural gas liquids; prices of crude oil, natural gas and natural gas liquids; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approvals for the company's projects; anticipated in-service dates; and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas and natural gas liquids, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the company's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the company operates, may impact levels of demand for the company's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected earnings or adjusted earnings and associated per share amounts, or estimated future dividends. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated in-service dates, and expected capital expenditures include: the availability and price of labour and pipeline construction materials; the effects of inflation and foreign exchange rates on labour and

material costs; the effects of interest rates on borrowing costs; and the impact of weather and customer and regulatory approvals on construction schedules.

Enbridge's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and ongoing support, weather, economic and competitive conditions, exchange rates, interest rates, commodity prices and supply and demand for commodities, including but not limited to those risks and uncertainties discussed in this 2010 Corporate Social Responsibility Report and in the company's filings with Canadian and United States securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and Enbridge's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this 2010 Corporate Social Responsibility Report or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward looking statements, whether written or oral, attributable to Enbridge or persons acting on the company's behalf are expressly qualified in their entirety by these cautionary statements.

# AWARDS AND RECOGNITION

## Corporate Social Responsibility Awards and Recognition

Enbridge received many CSR-related awards and recognition in 2008, 2009 and 2010. Criteria such as financial health; environmental performance; workplace health, safety and fairness; community relations; and public disclosure were considered in the following awards:

- **100 Most Trustworthy Companies** (Enbridge Energy Partners), 2010. For the fourth year, Audit Integrity provided Forbes with a list of the 100 Most Trustworthy Companies. Enbridge Energy Partners was one of two “large-cap” companies to come closest to a perfect score of 100, scoring 95.
- **Alberta’s Top Employers**, 2008, 2009, 2010.
- **Alberta’s Most Respected Corporations** (*Alberta Venture*) – Top three for Financial Performance, 2010.
- **Best Utility-Scale Project in North America**, Renewable Energy World (for Enbridge’s Sarnia Solar Project), 2010.
- **Canada’s 10 Most Admired Corporate Cultures** (Waterstone Human Capital), 2009.
- **Canada’s Greenest Employers**, 2010. The 2010 winners were announced on Earth Day, April 22, in an extended editorial feature in *The Globe and Mail* and online at Eluta.ca.
- **Canada’s Top 100 Employers**, 2008, 2009, 2010.
- **City of Toronto Environmental Award of Excellence** (Green Toronto Awards), Energy Conservation Award, 2009, for Enbridge Gas Distribution’s contributions toward developing renewable energy sources to improve air quality.
- **Conference Board of Canada Carbon Disclosure Leadership Index**, 2008.
- **Corporate Knights Best 50 Corporate Citizens in Canada**, 2008, 2009, 2010. In 2010, *Corporate Knights* ranked Enbridge number 13 in its assessment of the environmental, social and governance practices of Canada’s largest companies in the S&P/TSX 60 index. The assessment used measures drawn from similar criteria used to mark the Global 100.
- **Corporate Knights Global 100 list of the Most Sustainable Large Corporations in the World**, 2010. Enbridge was ranked 16<sup>th</sup> in the world, and first in Canada. The rating system is designed to be as transparent and standardized as possible, and to rely exclusively on criteria that can be measured and quantified.
- **Dow Jones Sustainability Index (North America)**, 2008, 2009, 2010.
- **EnerQuality Corporation Award of Excellence**, Industry Partner of the Year, 2008, for Enbridge Gas Distribution’s contributions toward sustainable and energy efficient home building.
- **Financial Post’s Ten Best Companies to Work For**, 2010.

- **Forbes.com Most Trustworthy Companies**, 2009, for Enbridge Energy Partners' accounting and governance practices.
- **Fortune magazine's Most Admired Companies**, 2008 and 2009, for Enbridge Energy Partners' excellent reputation.
- **FTSE4Good Index**. The Financial Times (and London) Stock Exchange (FTSE) named Enbridge Inc. to its 2010 FTSE4Good index. The UK-based index judges companies on their non-financial and financial performance in the areas of environmental management, climate change, human and labour rights, countering bribery, and supply chain labour standards. Inclusion in the FTSE4Good index signifies that that a company has policies and management systems in place to help address relevant corporate responsibility risks.
- **Gold Champion Level Reporter** (Canadian Standards Association's GHG Registry), 2008, 2009.
- **Governance Metrics International**, highest rating for corporate governance standards, 2008.
- **Houston Chronicle 100**, 2008, for Enbridge Energy Partners' approach to running the business.
- **Human Resources Institute of Alberta, Alberta's Top Employers**, 2008 and 2009.
- **Indian and Northern Affairs Canada, Aboriginal Relations – Best Practice Award of Distinction**, 2008, for outstanding achievement in Aboriginal relations, including economic development, employment and training, and Aboriginal community support.
- **Intranet Design Annual 2010: The Year's 10 Best Intranets**, 2010. Enbridge Inc. received best in the world honours as the winner of the award. The award, organized by Nielsen Norman Group, a leading user experience research firm, recognizes the world's best designed intranets.
- **Jantzi-Sustainalytics 50 Most Responsible Corporations in Canada**, 2008, 2010. Jantzi-Sustainalytics evaluates companies based on a wide range of environmental, social and governmental indicators and monitors their performance using its proprietary Best of Sector™ approach.
- **Natural Gas STAR for Continuing Excellence**, Enbridge Energy Partners (U.S. Environmental Protection Agency), 2009.
- **Natural Gas STAR International Partner of the Year Award**, Enbridge Inc. (U.S. Environmental Protection Agency), 2009.
- **Outstanding Corporate and Employee Campaign Award** (United Way/Centraide Central New Brunswick for Enbridge Gas New Brunswick), 2010. This was the sixth consecutive year that employees of Enbridge Gas New Brunswick have received this award.
- **Pollution Probe's Annual Clean Air Commute**, 2008.
- **Toronto Star, "Greenest Companies in Canada,"** 2009, for the emphasis that Enbridge Gas Distribution is placing on energy conservation and alternatives such as solar, thermal, wind and fuel cell technologies.

In addition, Enbridge received the following safety awards in 2008 and 2009:

- **Canadian Energy Pipeline Association Safety Awards** for lowest recordable personal injury frequency rate and lowest recordable vehicle incident frequency rate for category 2 (large pipelines) member companies, 2008, 2009.
- **National Safety Council Million Work Hours Award** (Liquids Pipelines). This award recognizes organizations that complete one million hours without a days-away incident or fatality, 2009.
- **National Safety Council Occupational Excellence Achievement Award** for organizations whose lost workday incident rate is equal to or less than 50 per cent of the United States Department of Labor Bureau of Labor Statistics rating, 2008.
- **National Safety Council Perfect Record Award** (Liquids Pipelines). This award recognizes organizations that complete 12 or more consecutive months without an employee days-away incident, 2009.
- **Wisconsin Safety Council (WSC) Awards** for safety performance in 2009:
  - Outstanding Achievement Award for Excellence in Safety for achieving an injury rate below the state average for our industry.
  - Certificate of Safety Excellence for achieving a zero incident rate.
- **Work Safe Alberta 2008 Best Safety Performer Award** for exceptional performance in workplace health and safety. Out of 160,000 employers in Alberta, Enbridge was one of 700 companies recognized with this award, 2008.

# STRATEGY AND PROFILE

## Organizational Profile

Enbridge Inc. is a leader in energy transportation and distribution in North America. As a transporter of energy, Enbridge operates the world's longest crude oil and liquids transportation system, delivering approximately 2.2 million barrels per day of crude oil to customers in Canada and the U.S. Midwest.

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 also has a growing interest in natural gas transmission and midstream businesses.

Enbridge employs almost 6,500 people, primarily in Canada and the U.S.

### Operations and Assets

Enbridge's activities are carried out through four business segments: Liquids Pipelines, Natural Gas Delivery and Services, Sponsored Investments and Corporate.

**Liquids Pipelines** – includes the operation and construction of the Enbridge crude oil mainline system and feeder pipelines that transport crude oil and other liquid hydrocarbons. Liquids Pipelines consists of crude oil, natural gas liquids (NGLs) and refined products pipelines and terminals in Canada and the United States.

**Natural Gas Delivery and Services** – consists of natural gas utility operations, investments in natural gas pipelines, Enbridge's commodity marketing businesses and international activities.

The core of Enbridge's natural gas utility operations is Enbridge Gas Distribution Inc. (EGD) which serves residential, commercial, industrial and transportation customers, primarily in central and eastern Ontario as well as northern New York State. This business segment also includes natural gas distribution activities in Quebec and New Brunswick.

Investments in natural gas pipelines include Enbridge's interests in the United States portion of Alliance Pipeline (Alliance Pipeline US), Vector Pipeline and transmission and gathering pipelines in the Gulf of Mexico.

This segment also includes Enbridge's investment in Aux Sable, a natural gas fractionation and extraction business.

The commodity marketing businesses manage Enbridge's volume commitments on Alliance and Vector Pipelines, as well as perform commodity storage, transport and supply management services, as principal and agent.

**Sponsored Investments** – includes Enbridge's 27 per cent ownership interest in Enbridge Energy Partners, L.P. (EEP), Enbridge's funding of 66.7 per cent of the United States segment of the Alberta Clipper Project through EEP and Enbridge Energy, L.P. (EELP) and a 72 per cent economic interest (41.9 per cent voting interest) in Enbridge Income Fund (EIF). Enbridge manages the day-to-day operations and develops and assesses opportunities for each of these investments, including both organic growth and acquisition opportunities.

EEP transports crude oil and other liquid hydrocarbons through common carrier and feeder pipelines and transports, gathers, processes and markets natural gas and NGLs. EIF is a publicly traded income fund whose primary operations include a crude oil and liquids pipeline and gathering system, a 50 per cent interest in the Canadian portion of Alliance Pipeline (Alliance Pipeline Canada) and partial interests in several green energy investments.

**Corporate** – consists of new business development activities and investing as well as financing activities, including general corporate investments and financing costs not allocated to the business segments. Corporate also includes Enbridge's investments in green energy projects.



# Report Parameters

## Report Profile

Enbridge's 2010 Corporate Social Responsibility Report predominantly focuses on data collected and events that took place in 2009, although some significant events that took place in the first half of 2010 are also covered. Enbridge prepares a CSR Report each year. It published its previous CSR Report, which focused primarily on 2008 data, in 2009.

This report covers only information on the assets that Enbridge operates. The word "Enbridge," refers to the entire company, its subsidiaries and affiliates. Where possible, the data and statistics refer collectively to all of the facilities that Enbridge operates. However, when information pertaining to a specific company or business segment – for example, Liquids Pipelines or Enbridge Gas Distribution – is reported on, it is noted in the text.

Dollar figures refer to Canadian dollars unless otherwise indicated.

Enbridge's 2010 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines. These guidelines are intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. They were designed for use by organizations of any size, sector or location and take into account the practical considerations faced by organizations ranging from small enterprises to those with extensive and geographically dispersed operations. The guidelines contain general and sector-specific content that has been agreed on by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

To ensure that Enbridge has provided a **balanced and reasonable presentation** of its CSR performance, when determining the content for this report, the company followed the GRI's "Reporting Guidance for Defining Content," which can be summed up in the following steps:

1. Identify the relevant topics
2. Determine the materiality of each topic by taking into account the external and internal factors suggested by the GRI
3. Prioritize the topics based on these factors and on an analysis of stakeholders

In addition to its "Reporting Guidance for Defining Content," the G3 Sustainability Reporting Guidelines include "Reporting Principles for Defining Content." These principles are: materiality, stakeholder inclusiveness, sustainability context and completeness.

To determine the **materiality** of the information that Enbridge included in its 2010 CSR Report, the company took into account the following factors:

- The sustainability interests and topics raised by Enbridge's stakeholders
- The main concerns and future challenges facing the energy sector
- Relevant laws, regulations, international agreements and voluntary agreements of significance to Enbridge and its stakeholders
- Recognized impacts, risks and opportunities that affect sustainability
- Enbridge's values, policies, strategies, management systems, goals and targets
- Enbridge's stakeholders' interests and expectations
- Significant risks facing Enbridge
- The critical factors that enable Enbridge's success
- Enbridge's core competencies and the manner in which they could contribute to sustainable development

To ensure that the information Enbridge included in its 2010 CSR Report met **stakeholder inclusiveness** guidelines, the company applied the following tests suggested by the GRI:

- Enbridge can describe the stakeholders to whom it considers itself accountable
- The report content draws upon the outcomes of stakeholder engagement processes used by Enbridge in its ongoing activities and as required by the legal and institutional framework in which the company operates
- The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report
- The stakeholder engagement processes that inform decisions about the report are consistent with the scope and boundary of the report

Enbridge's content passed these tests in part because the company engaged the input of key employees through the CSR Expert Reporting Groups that it formed in early 2009 and through the CSR Employee Advisory Council that it formed in 2007.

The mandate of the CSR Expert Reporting Groups is to serve as the main providers of information for Enbridge's CSR Reports and to ensure the accuracy of the information provided. The groups are also responsible for discussing issues associated with the information gathering process and for resolving these issues.

The mandate of the CSR Employee Advisory Council is to provide oversight and advice on CSR policies, practices and strategies.

Enbridge's content also passed the stakeholder pertinence tests because the company contracted with Canadian Business for Social Responsibility (CBSR) in 2008 to lead it through a stakeholder mapping exercise to help it identify its key stakeholders. CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that counsels its members on how to improve CSR performance.

Through the stakeholder mapping exercise, Enbridge determined that its stakeholders include:

- Associations and civil society groups
- Employees, contractors, unions, Board of Directors
- CSR rating organizations such as the Dow Jones Sustainability Index and Jantzi Research
- Customers (of Enbridge's pipeline and gas distribution businesses)
- Environmental Non-Governmental Organizations
- Governments and government regulatory bodies in Canada, the U.S. and Colombia
- Landowners
- Media
- Right-of-way communities, including Aboriginal and Native American communities
- Shareholders (retail and institutional investors)

To determine the **sustainability context** of the information Enbridge included in its 2010 CSR Report, it applied the tests suggested by the GRI:

- Enbridge presents its understanding of sustainable development and draws on objective and available information as well as on measures of sustainable development for the topics covered in the report
- Enbridge presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional and/or global publications
- Enbridge presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographical contexts
- Enbridge's report describes how sustainability topics relate to long-term organizational strategy, risks and opportunities, including supply-chain topics

To determine the **completeness** of the information Enbridge included in its 2010 CSR Report, it applied the tests suggested by the GRI:

- The report was developed taking into account the entire chain of entities upstream and downstream and covers and prioritizes all information that should reasonably be considered material on the basis of the principles of materiality, sustainability context and stakeholder inclusiveness
- The report includes all entities that meet the criteria of being subject to control or significant influence of Enbridge unless otherwise declared
- The information in the report includes all significant actions or events in the reporting period and reasonable estimates of significant future impacts of past events when those impacts are reasonably foreseeable and may become unavoidable or irreversible

- The report does not omit relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental and social impacts

Enbridge’s CSR Report covers the activities of each of its four business segments, but focuses on the assets that the company operates.


**GRI Content Index.**

The following table identifies the location of the GRI Standard Disclosures on Enbridge’s website, [www.enbridge.com/csr2010](http://www.enbridge.com/csr2010).

<b>GRI Standard Disclosure</b>	<b>Web version (web page)</b>
Strategy and Analysis (1.1 – 1.2)	Strategy & Profile
Organizational Profile (2.1 – 2.10)	Organizational Profile
Report Parameters (3.1 – 3.13)	Report Parameters
Governance, Commitments and Engagement (4.1 – 4.17)	Governance, Commitments and Engagement
Disclosure of Management Approach, per category	Strategy & Profile, Economic Performance, Environmental Performance, Social Performance
Core Performance Indicators	Strategy & Profile, Economic Performance, Environmental Performance, Social Performance

In preparing its 2010 CSR Report, Enbridge has addressed all of the GRI G3 Performance Indicators. Enbridge has also included a “Management Approach” for each GRI Indicator Category and has responded to each core G3 Indicator with due regard to the G3 “Materiality Principle.” As a result of having met these requirements, and as per the Report Application Levels grid shown below, Enbridge has self-declared this report to be at the “A” application level. For more information on the GRI application levels, please visit [www.globalreporting.org/GRIReports/ApplicationLevels/](http://www.globalreporting.org/GRIReports/ApplicationLevels/).

## Report Application Levels

		2009 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked							
	GRI Checked							
Optional	Third Party Checked							
	GRI Checked							

## Data Quality Statement

The information contained in the Enbridge 2010 Corporate Social Responsibility Report was supplied by subject matter experts from each of Enbridge's business segments. Where relevant, some information was sourced from Enbridge's 2009 Annual Report. Enbridge's internal auditors verified the statistics associated with Enbridge's energy consumption, greenhouse gas emissions and spills. The information contained in the Enbridge Northern Gateway Project 2010 Corporate Social Responsibility Report (a special supplement to the Enbridge 2010 Corporate Social Responsibility Report) was derived from Northern Gateway's National Energy Board Application, which was filed in May 2010.

# Governance, Commitments and Engagement

## Governance (Enbridge Inc.)

Enbridge employs a variety of policies, programs and practices to manage corporate governance.

Enbridge Inc.'s common shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). Both exchanges have corporate governance guidelines or rules that apply to entities listed on their respective exchanges. Canadian securities regulators and the U.S. Securities and Exchange Commission have enacted or propose to enact additional corporate governance requirements.

Enbridge complies with all corporate governance rules now applicable to it and intends to comply with any new or additional corporate governance standards that will apply to it in the future.

### Board of Directors

Enbridge's Board of Directors functions independently of management and is accountable to its shareholders. The Board of Directors comprises 11 Directors, ten of whom are considered to be independent and one of whom also serves as Enbridge's President & CEO.

The Enbridge Board of Directors has plenary power from shareholders to manage, or supervise the management of, Enbridge's business and affairs. The Board is responsible for Enbridge's overall stewardship and, in discharging that responsibility, reviews, approves and provides guidance on the strategic plan and reviews the progress of strategic planning as it occurs. The Board also oversees the identification of the principal risks facing Enbridge each year. It monitors Enbridge's risk management programs and the implementation of succession planning, and seeks assurance that internal control systems and management information systems are in place and operating effectively. The Board approves all significant decisions, supports implementation and reviews the results.

### Board Committees

Enbridge's Board has four standing committees:

**Audit, Finance & Risk Committee** – The principal function of this committee is to review Enbridge's quarterly and annual financial statements and recommend their approval or otherwise to the Board. Committee members, who are required to possess financial knowledge and experience, are also responsible for recommending the appointment of

Enbridge's external auditor and for compensating, retaining and overseeing the external auditor. The external auditors report directly to the committee. The committee also supervises internal audit functions and monitors disclosure in the financial statements, communicates directly with both internal and external auditors, has overview responsibility for management reporting on internal controls, and meets with external auditors and internal auditors independently of management to discuss, among other things, their qualifications, independence and objectivity. The committee also recommends the approval of news releases of financial results, reviews all financial information and financial statements, reviews the Management Discussion & Analysis section of Enbridge's quarterly and annual financial reports and reviews the Annual Information Form.

The Audit, Finance & Risk Committee, together with the Board, also oversees an annual review of the principal risks to Enbridge, monitors Enbridge's risk management program and reviews risks in conjunction with internal and external auditors.

U.S. securities regulators also impose requirements on the functions of Enbridge's audit committee and Enbridge must comply with NYSE requirements for listed companies.

Corporate Social Responsibility Committee – The CSR Committee monitors and oversees recommendations with respect to human rights, stakeholder relations, community investment, and the environment, health and safety policies, practices and procedures of Enbridge and its subsidiaries. Included in its environment, health and safety mandate is the responsibility to: monitor and oversee recommendations regarding risk management guidelines; monitor practices and procedures followed in the conduct of operations to prevent injury to corporate and third party persons and property, as well as to minimize any adverse impact; monitor and oversee policies, practices and procedures related to documentation of regulatory approvals, compliance and incidents; monitor and oversee emergency response planning and procedures; review status and assessment reports regarding compliance and applicable legal and regulatory standards; review the communication methods used for applicable practices and procedures; and oversee establishment of the applicable duties and responsibilities of corporate directors and officers. The committee oversees an environmental risk management system, monitors its operation, and conducts regular site visits and orientation sessions to personally acquaint members of the committee and the Board with Enbridge's operating staff and facilities.

Governance Committee – The Governance Committee is mandated to be responsible for, and to make recommendations to, the Board concerning Enbridge's overall governance. Included in its mandate is the responsibility to define and review the mandates for the various Board committees, recommend the nomination of directors to Board committees, develop Enbridge's approach to governance issues, set corporate governance guidelines for the Board and assume responsibility for Enbridge's response to those guidelines.

The Governance Committee also has a process to monitor the quality of, and recommend changes to, the relationship between and among the Board, its committees and management, including the assessment of the performance of the Board as a whole and

its committees, assessment of the Chair of the Board, as well as reviewing the contributions of individual directors.

One of the Governance Committee's objectives is to nominate a balanced mix of Board members with the experience and expertise needed to provide value to Enbridge and its shareholders in respect of the company's business and strategic plans. The Governance Committee sets guidelines that include criteria to add directors who possess relevant and/or senior executive expertise or other qualifications, including an intent to achieve an appropriate mix of gender and minority representation on the Board.

The Governance Committee is also mandated to review and recommend to the Board the adequacy and form of remuneration of directors, and to ensure that the Board functions independently of management.

Human Resources & Compensation Committee – The Human Resources & Compensation Committee is responsible for reviewing and advising the Board on systems and effectiveness relating to employment, succession planning and remuneration of employees and officers.

The committee monitors the performance of senior management, oversees intellectual capital risk to ensure that management programs deal with succession planning and employee retention, and reports to the Board on organizational structure and succession planning matters. The committee reviews and monitors executive development programs, defines the Chief Executive Officer's responsibilities, and approves the Chief Executive Officer's objectives on an annual basis.

### **Executive and Director Compensation**

Enbridge has a pay-for-performance philosophy and compensation programs for senior management, including the executive team, are aligned with corporate and shareholder interests.

To attract and retain top talent, target total compensation is set around the median of the competitive market and a significant portion of total direct compensation is dependent on actual performance measured against short- and long-term performance goals, as approved by the Board.

Short-term incentive compensation for senior management is based on company, business segment (for leaders with responsibility for operations) and individual performance. Company performance is measured by return on equity, as this metric reflects the overall success in bringing new investments into service and managing existing investments to generate earnings in the best interest of Enbridge and its shareholders.

Business segment performance measures encompass a variety of metrics, including safety and system integrity, where applicable. In addition, workplace health and safety and



environmental performance are among the key performance indicators that the Human Resources and Compensation Committee of the Board reviews each year. Longer-term incentives include performance-based components that create a strong linkage to earnings growth and share price appreciation.

Enbridge compensates its directors (other than the CEO) in accordance with its Directors' Compensation Plan. The main objectives of that plan are to attract and retain the services of the most qualified individuals, to compensate directors in a manner that is commensurate with the risks and responsibilities assumed in Board and Board Committee membership, and to be competitive with other comparable public issuers. A further objective is to align the interests of the directors with the company's shareholders.

The Directors' Compensation Plan is not designed to pay for performance. Directors receive retainers for their services in order to ensure unbiased decision-making. While directors may elect to receive the annual retainer in the form of cash, Enbridge shares or Deferred Share Units (DSUs), a portion of the retainer must be taken in the form of DSUs. The DSUs serve to align the directors' interests with those of shareholders as the monetary benefit parallels the benefits received by the shareholders and cannot be accessed until directors resign from the Board.

For more information on corporate governance practices at Enbridge Inc., please visit <http://www.enbridge.com/investor/corporategovernance>. For information on governance practices associated with Enbridge Income Fund, please visit [www.enbridgeincomefund.com](http://www.enbridgeincomefund.com); with Enbridge Energy Partners, please visit [www.enbridgepartners.com/eep/](http://www.enbridgepartners.com/eep/); and with Enbridge Energy Management, please visit [www.enbridgemanagement.com/eeq/](http://www.enbridgemanagement.com/eeq/).

## **Commitments to External Initiatives**

### **United Nations Principle 15, the “Precautionary Approach.”**

With the goal of establishing a new and equitable global partnership through the creation of new levels of cooperation among states, societies and people, and recognizing the integral and interdependent nature of the Earth, the United Nations adopted 27 principles at its Conference on Environment and Development in Rio de Janeiro in June 1992. Among these was Principle 15, the “Precautionary Approach,” which states that:

In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

While Enbridge has not formally adopted the precautionary approach, the company has informally done so by developing renewable and alternative energy solutions – in the

form of wind, solar and geothermal power, and waste heat recovery and integrated fuel cell technology.

**Externally developed economic, environmental and social charters, principles, or other initiatives to which Enbridge subscribes or endorses.**

Enbridge recognizes the increasing public demand for corporations to be accountable and transparent in all of their business activities and to be seen as proactively dealing with the issues of the day. With that in mind, and in keeping with Enbridge's commitment to transparency and CSR, in 2002, the company adopted the Voluntary Principles on Security and Human Rights, which deals with responsible corporate action in conflict zones and was relevant to its business involvement in the OCENSA pipeline in Colombia (Enbridge sold its interests in OCENSA in March 2009). Enbridge incorporated these principles into its Statement on Business Conduct.

In addition, in 2003, Enbridge became a signatory to the United Nations Global Compact and committed to following its principles. The compact is an initiative that brings companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour and the environment. Enbridge has committed to support and advance the Global Compact's principles and to make them part of its strategy, culture and daily operations.

**Memberships in associations and advocacy organizations in which Enbridge has positions in governance bodies, participates in projects or committees, provides substantive funding, or views membership as strategic.**

Enbridge maintains membership or associate status in a number of associations and advocacy organizations, including:

- Alberta Chamber of Commerce
- Alberta Emerald Foundation
- American Association of Oil Pipelines
- American Gas Association
- American Petroleum Institute
- Association for Financial Professionals
- Atlantic Centre for Energy
- Canadian Association of Petroleum Producers
- Canadian Business for Social Responsibility
- Canadian Chamber of Commerce
- Canadian Defense and Foreign Affairs Institute
- Canadian District Energy Association
- Canadian Energy Efficiency Alliance
- Canadian Energy Pipeline Association
- Canadian Gas Association
- Canadian Petroleum Tax Society
- Canadian Standards Association

- Canadian Wind Energy Association
- Circle for Aboriginal Relations
- Conference Board of Canada
- Energy Council of Canada
- International Pipeline Conference Foundation
- Interstate Natural Gas Association of America
- London Benchmarking Group Canada
- National Association of Corrosion Engineers
- National Petroleum Council
- Northeast Gas Association
- Ontario Energy Association
- Petroleum Technology Alliance Canada
- Pipeline Research Council International
- Smart Commute Initiative (Toronto)
- Texas Pipeline Association

## **Stakeholder Engagement**

To ensure that a variety of stakeholder views were incorporated into this report, Enbridge engaged the input of key employees (many of whom have direct access to various stakeholders) through the CSR Expert Reporting Groups that Enbridge formed in early 2009 and through the CSR Employee Advisory Council that it formed in 2007.

The mandate of the CSR Expert Reporting Groups is to serve as the main providers of information for Enbridge's CSR reports and to ensure the accuracy of the information provided. The groups are also responsible for discussing issues associated with the information gathering process and for resolving these issues.

The mandate of the CSR Employee Advisory Council is to provide oversight and advice on CSR policies, practices and strategies.

In 2008, Enbridge also contracted with Canadian Business for Social Responsibility (CBSR) to lead the company through an exercise to help it identify its key stakeholders and to consult with them about Enbridge's CSR performance. CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that counsels its members on how to improve CSR performance. Through this exercise, Enbridge determined that its stakeholders included:

- Associations and civil society groups
- Employees, contractors, unions, Board of Directors
- CSR rating organizations such as the Dow Jones Sustainability Index and Jantzi Research
- Customers (of Enbridge's pipeline and gas distribution businesses)
- Environmental non-governmental organizations
- Governments and government regulatory bodies in Canada, the U.S. and Colombia
- Landowners

- Media
- Right-of-way communities, including Aboriginal and Native American communities
- Shareholders (retail and institutional investors)

As part of the exercise, CBSR interviewed representatives from the following stakeholder groups regarding their perceptions of Enbridge's 2007 CSR Report and of the company's CSR activities in general:

- Enbridge Board of Directors (CSR Committee)
- Saskatchewan Association of Pipeline Landowners Inc. (SAPL)
- Upstream customers (Nexen)
- National Energy Board
- London Benchmarking Group (LBG) Canada
- University of St. Michael's College
- Conference Board of Canada
- Pembina Institute

Enbridge's business segments identify and select stakeholders with whom to engage by (a) defining the scope of a project and what impact it could have on other parties that have a direct correlation with the project's geographical vicinity/scope and (b) determining which regulatory bodies have jurisdiction over any proposed projects and what are the regulatory requirements for notification.

When identifying stakeholders with whom to engage in a given project, Enbridge aims to meet or exceed regulatory requirements regarding public consultation. The company also aims to be open and transparent in its communication to stakeholders.

Enbridge engages stakeholders proactively and on an ongoing basis.

The company engages certain stakeholders (e.g. landowners, Aboriginal communities) early in the project planning process to ensure specific concerns are addressed so that the company can effectively address and resolve issues and adjust plans wherever necessary. These same stakeholders are often formally engaged later on during the regulatory review process.

Communication with stakeholders continues throughout the project cycle (regulatory review to construction to operation) in order to inform stakeholders and identify opportunities and issues.

Enbridge engages key stakeholders along its existing rights-of-way in both Canada and the U.S. through its Public Awareness Program. In all of its stakeholder engagement efforts, the company utilizes a full range of communication channels, including:

- Direct-mail brochures and letters
- Websites, with specific pages for projects, pipeline public awareness and safety, pipeline integrity, community investment and more
- Toll-free telephone information lines
- Advertising

- News releases and media briefings
- Exhibits
- Videos
- Public meetings/open houses and face-to-face meetings with public officials
- Tours
- Community sponsorships and support from Enbridge employees for community events
- Emergency responder exercises
- Outreach programs to excavators

Through its stakeholder engagement activities, Enbridge addresses a broad range of topics and responds to a variety of questions and concerns, including:

- Construction timelines
- Impact of construction on communities
- Economic opportunities and benefits and compensation
- Environmental impacts of construction and environmental protection measures
- Potential impacts of a project on Aboriginal rights
- Emergency response and safety procedures
- Post-construction pipeline integrity maintenance and right-of-way restoration and maintenance

In the U.S., Enbridge is involved in the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) Pipelines and Informed Planning Alliance program, which is a multi-stakeholder consensus effort to develop best practices for development near pipelines and for assuring that those who host pipelines on their property understand how those pipelines are operated and what pipeline companies do to protect their near neighbours.

# Overall Management Approach to Corporate Social Responsibility

Enbridge defines CSR as: conducting business in a socially responsible and ethical way; protecting the environment and the health and safety of people; supporting human rights; and engaging, respecting and supporting the communities and cultures close to the company's operations.

Enbridge has adopted a CSR Policy that covers business ethics and transparency; environment, health and safety; stakeholder relations; employee relations; human rights; and community investment. This policy applies to activities undertaken by, or on behalf of, Enbridge and its subsidiaries and affiliates, whose operations it manages, anywhere in the world.

In addition to ensuring that all matters of CSR are aligned with Enbridge's CSR Policy, the company ensures they are aligned with its stakeholders' best interests and with its Statement on Business Conduct. Enbridge's Statement on Business Conduct emphasizes the company's commitment to specific standards of conduct expected of its directors, officers, employees, consultants and contractors in all countries in which Enbridge conducts business.

As well, a variety of other policies and related documents provide direction for specific activities that pertain to CSR. They are:

- Environment, Health and Safety Policy
- Aboriginal and Native American Policy
- Climate Change Policy
- Voluntary Principles on Security and Human Rights
- Corporate Values Statement
- Community Investment Program Criteria and Guidelines

The following three sections of this report focus on Enbridge's Economic, Environmental and Social Performance. The Social section is further divided into Labour Practices and Decent Work, Human Rights, Society and Product Responsibility. Each of the main three sections includes a scorecard and information pertaining to the Performance Indicators prescribed by the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines.

# ECONOMIC PERFORMANCE

## Where energy meets economic performance

Energy is essential. It heats and powers homes, hospitals, businesses and industry. It moves people, goods and information and it drives the world's economy.

Enbridge transports and delivers this energy through its pipeline networks, connecting vital sources of supply with refiners and consumers across the North American continent. Enbridge's existing infrastructure extends throughout Canada and the United States. This puts the company in a strong position to move energy from where it is found to where it is needed—growing North American and global markets.

Enbridge operates the world's longest, most sophisticated crude oil and liquids transportation system, shipping more than two million barrels of crude oil and petroleum products every day. The company's natural gas gathering and transmission system spans the continent, from northern British Columbia to the ultra-deep water of the Gulf of Mexico, moving billions of cubic feet of gas daily. In addition to moving energy to where it is needed, Enbridge also delivers energy directly to the people who use it through Canada's largest natural gas distribution company, Enbridge Gas Distribution. Moreover, Enbridge's portfolio of wind, solar, geothermal, fuel cell and waste heat recovery generation provides a broad green energy platform from which to grow.

Enbridge is expanding this far-reaching energy delivery network to help ensure North Americans always have access to secure and reliable sources of energy.

The company is well positioned to continue to grow in 2010 and through the middle of the decade, with a full slate of potential investment opportunities that fit within the company's business model, which is focused on growth, reliability and income.

Enbridge's economic commitments extend to each of the communities it touches.

The company employs thousands of people in North America and pays hundreds of millions of dollars each year in taxes.

Enbridge also invests significantly in hundreds of charitable, non-profit and community organizations every year with the aim of building sustainable communities across its operating regions in Canada and the U.S. Enbridge believes these investments are an essential part of being a good neighbour and are a contributing factor in maintaining the company's social license to operate.

Enbridge is equally committed to its communities in times of emergency, as seen in 2010 in the company's comprehensive response to the pipeline spills in Virden, Manitoba, Marshall, Michigan and Romeoville, Illinois. Enbridge takes every incident very seriously and treats it as a top priority; and the company is always prepared to do whatever it takes to make things right. For Enbridge, this, too, is an essential part of being a good neighbour.

# GOALS AND PERFORMANCE

## Economic Scorecard – 2009

Objective	2008 Result	2009 Result	Challenges
1. Deliver superior long-term value to Enbridge shareholders as measured by Total Shareholder Return (TSR)	2% TSR, which was among the top 10 on the TSX 60 index of Canada's largest companies. <sup>1</sup>	27.5% TSR (for more details, please see 1. below)	Enbridge's value proposition is based on maintaining a reliable business model. However, Enbridge's business activities are subject to various risks. For details about Enbridge's risk profile, please see the section titled 'Risks' below, as well as GRI Performance Indicator section 'EC2' below. For additional details on Enbridge's risk management practices and principal risks, please see the Risk Management section of Enbridge Inc.'s 2009 Annual Report.
2. Demonstrate high quality and sustainable earnings per share growth	5% growth to \$1.88 per common share	25% growth to \$2.35 per common share (for more details, please see 2. below)	
3. Payout a high proportion of earnings in the form of a growing dividend stream to Enbridge shareholders	\$1.32 per common share	\$1.48 per common share (for more details, please see 3. below)	
4. Establish a long-term track record of growth in supporting the communities in which Enbridge operates	Invested approximately \$9 million in more than 350 charitable, non-profit and community organizations	Invested almost \$10 million in more than 350 charitable, non-profit and community organizations (for more details, please see 4. below)	

<sup>1</sup> Total shareholder return in 2008 reflected the continued contribution of Enbridge's liquids pipelines growth projects against a period of broad market decline.

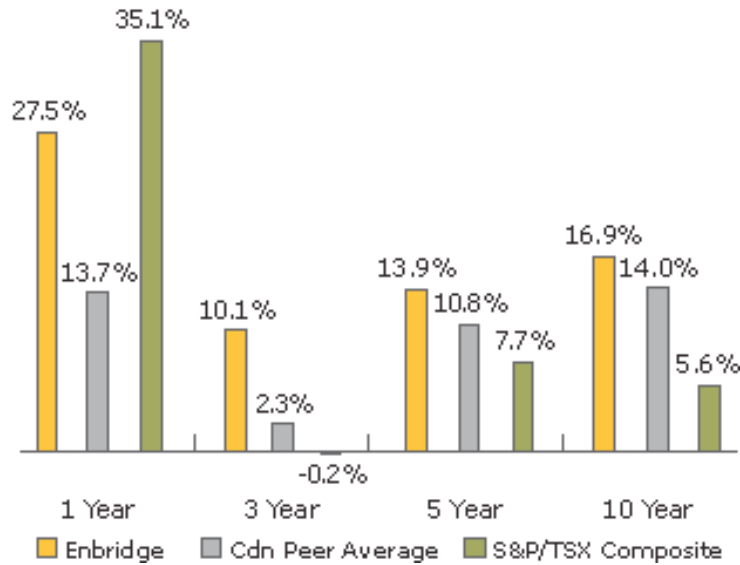
### 1. To deliver superior long-term value to Enbridge shareholders as measured by Total Shareholder Return<sup>1</sup> (TSR).

During 2009, Enbridge achieved a company record 27.5 per cent TSR as a result of the company's record earnings, its stronger earnings-to-dividend growth and its lower risk profile when compared to its Peer Group<sup>2</sup>. Enbridge's Peer Group experienced TSR performance of 13.7 per cent during 2009. Enbridge underperformed the TSX index during 2009 by nearly eight per cent as nearly two-thirds of the index is comprised of stocks whose earnings are linked to commodity prices and 2009 was a strong year for commodity prices. However, over a longer term (three, five and 10 years) Enbridge has consistently outperformed both the TSX index and the Peer Group as indicated in the chart below.



## Total Shareholder Return – TSX

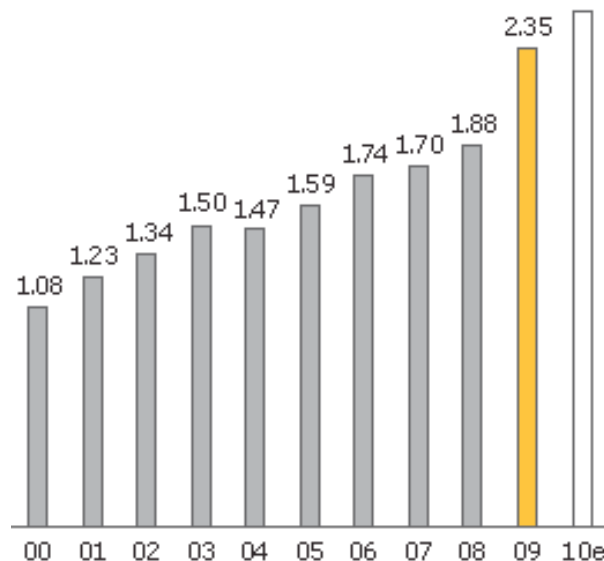
As at December 31, 2009



## 2. To demonstrate high quality and sustainable earnings per share growth.

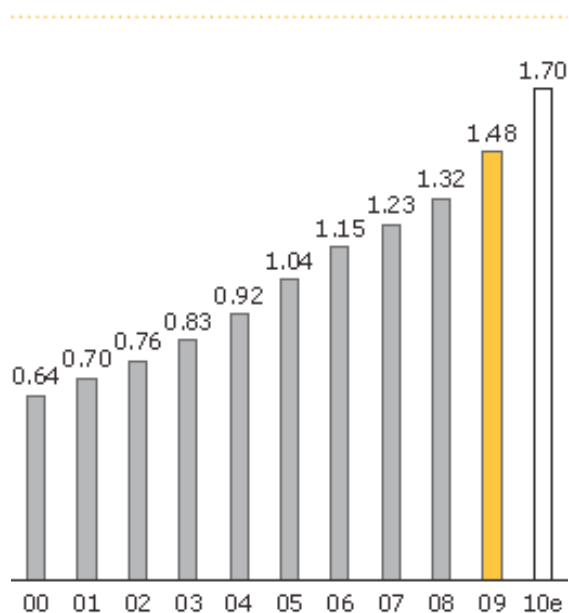
The diversity of Enbridge's businesses contributes to the reliability of the company's growth. Adjusted Earnings<sup>3</sup> per share (EPS) are expected to grow by about 11 per cent in 2010 and are targeted to grow by 10 per cent per year on average into the second half of the decade. In addition, Enbridge's track record for EPS growth over the last decade has averaged about 10 per cent per year as indicated in the chart below.

### 10-year Adjusted Earnings per Share Growth



### 3. To payout a high proportion of earnings in the form of a growing dividend stream to Enbridge shareholders.

Enbridge's record in this category is unmatched. The 15 per cent dividend increase the company announced in December 2009 was its 15<sup>th</sup> consecutive annual increase. Over the last decade, Enbridge's dividend growth has significantly outperformed that of its peers and the company is focused on continuing this performance. Given that Enbridge is currently in the middle of its 60-70 per cent adjusted earnings payout target, it believes that dividend growth will track earnings growth into the second half of this decade.



### 4. To establish a long-term track record of growth in supporting the communities in which Enbridge operates.

Enbridge helps build sustainable communities across its operating regions in Canada and the U.S. through investments in four focus areas: Education; Health & Safety; Culture & Community; and Environment. In 2009, Enbridge invested almost \$10 million in more than 350 charitable, non-profit and community organizations, compared with an investment of approximately \$9 million in 2008. Enbridge is proud to adhere its community investments to Imagine Canada's Caring Company Program, and the company has been named as one of the top 50 Corporate Citizens in Canada.

1. **Total Shareholder Return:** the total return of a stock to an investor that includes both capital gains and re-invested dividends.
2. **Peer Group:** Canadian Utilities, Fortis, TransCanada, TransAlta and Emera.
3. **Adjusted Earnings:** This document contains references to adjusted earnings/(loss), which represent earnings or loss applicable to common shareholders adjusted for non-recurring or non-operating factors on both a consolidated and segmented basis. Management believes that the presentation of adjusted earnings/(loss)

provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted earnings/(loss) to set targets, assess performance of the company and set the company's dividend payout target. Adjusted earnings/(loss) and adjusted earnings/(loss) for each of the segments are not measures that have a standardized meaning prescribed by Canadian GAAP and are not considered GAAP measures; therefore, these measures may not be comparable with similar measures presented by other issuers. See the Non-GAAP Reconciliations section on page 102 of the 2009 year end Management Discussion & Analysis for a reconciliation of the GAAP and non-GAAP measures.

### **Enbridge's Investment Proposition**

Enbridge's investment strategy is to deliver sector-leading growth in earnings and dividends, while maintaining the company's reliable business model. Enbridge has done a good job of delivering certainty, as well as income to shareholders, measured on a one-year, 10-year or even a 55-year basis.

Enbridge is in the business of delivering value to shareholders. Three key features guide the company's success: growth, reliability and income.



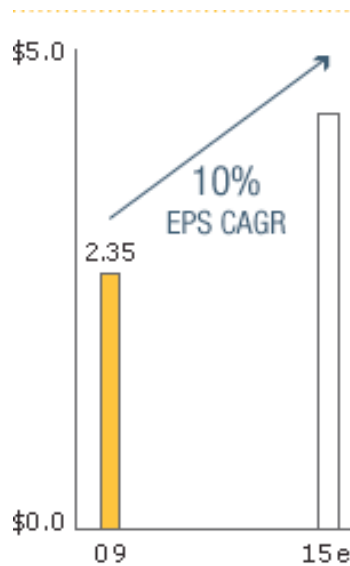
Enbridge plans to continue to build on its strong track record of growth through the middle of this decade, with a full slate of potential investment opportunities that fit within the reliable business model that the company's investors have come to count on.

### **Growth**

While Enbridge offers a reliable investment for its shareholders, this reliability comes with substantial growth as well:

- Over the past decade, Enbridge has enjoyed an average of about 10 per cent earnings per share (EPS) growth.
- In 2009, Enbridge's EPS grew by 25 per cent, representing the highest year-over-year growth in the company's history.
- From the record growth achieved in 2009, the company anticipates 10 per cent per year average EPS growth to continue into the latter half of this decade.
- Enbridge's EPS guidance for 2010 is \$2.50 to \$2.70 per share, representing 11 per cent growth from its 2009 earnings.

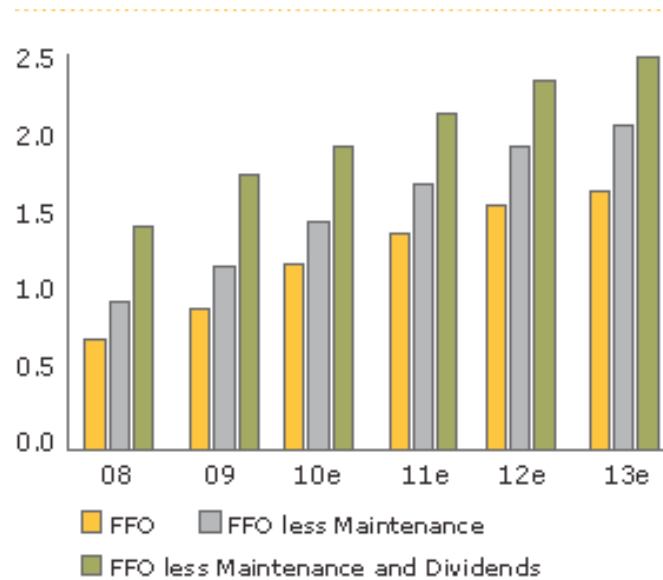
## Long Term Earnings Per Share Growth



CAGR: Compound Annual Growth Rate

- Between 2007 and 2011, the company will have completed more than \$14 billion of new growth projects.
- Along with higher EPS, the company's healthy slate of growth projects are expected to drive significant growth in its cash flows, which could nearly triple by 2013.
- Enbridge's ability to generate free cash flow adds further value to its shareholders by allowing the company to fund its growth projects internally rather than through dilutive equity issuances.

## Free Cash Flow Nearly Triples (\$ Billions)



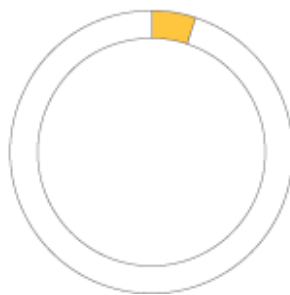
## Reliability

- Enbridge’s reliable business model delivers steady, visible and predictable results.
- The company’s earnings and cash flow are highly certain as a result of strong regulatory agreements or long term “take or pay” contracts.
- Less than 5 per cent of Enbridge’s annual earnings are exposed to commodity price, interest rate and foreign exchange risk.
- 90 per cent of the company’s revenues are generated from investment grade counterparties

80% of earnings are from volume-insensitive, long-term commercial arrangements.



Commodity prices, interest rates and foreign exchange rates in combination should not impact Enbridge’s earnings by more than 5%.



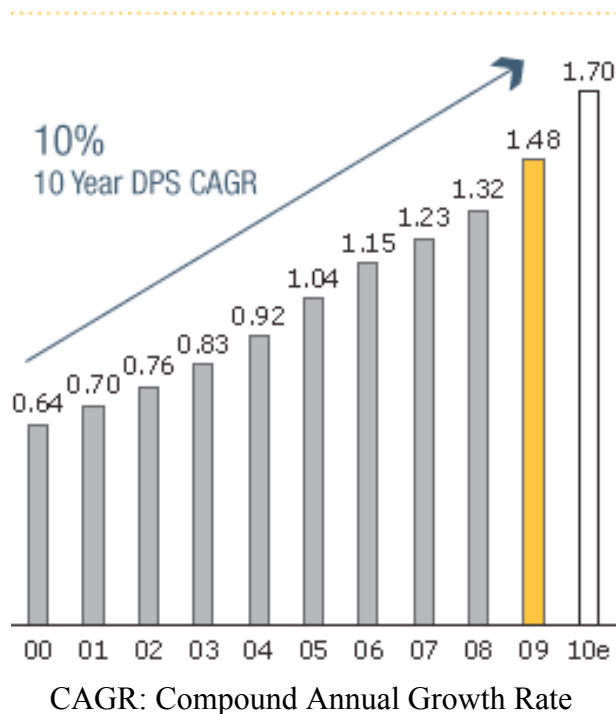
95% of revenue is from a low-risk, diversified base of large, reputable investment-grade customers.



## Income

- In December 2009, Enbridge announced a 15 per cent dividend increase for 2010, which represented its 15<sup>th</sup> consecutive annual dividend increase.
- Given that Enbridge expects to grow its earnings by an average of 10 per cent per year and that the company is currently in the middle of its target payout range of 60-70 per cent of adjusted earnings, Enbridge expects that it will be able to grow its dividend at the same pace.
- Enbridge has outperformed the market over the last 50-plus years; and while average investors may not be looking at an investment horizon of 50 years, the company's management runs the company as if they are, continually working to create long-term value for Enbridge shareholders.

## Dividend Growth 2000 – 2010e



For more information on Enbridge's corporate strategy, industry fundamentals, growth projects and company performance, please see the company's 2009 year-end **Management Discussion and Analysis**.

## Risks

Enbridge's value proposition is based on maintaining a very low risk profile. Over 85 per cent of the company's earnings come from regulated businesses; over 80 per cent of its revenues are volume protected under cost of service rate-making or long-term take-or-

pay arrangements; and more than 95 per cent of the company's revenues come from investment grade customers. Other risks, such as capital cost and inflation, are generally transferred to customers through contractual arrangements.

In addition to contractually eliminating the majority of its business risk, the company has formal risk management policies, procedures and systems designed to mitigate any residual risks, such as market price risk, credit risk and operational risk. In addition, the company performs an annual corporate risk assessment to scan its environment for all potential risks. Risks are ranked based on severity, and likelihood and results are considered in the company's strategic and operating plans. Through this process, a range of ongoing mitigants are identified and implemented.

Enbridge requires management teams in each business segment to review and regularly report on the risks they face and the controls they have in place to manage them.

Enbridge Inc.'s Board of Directors and its Audit, Finance and Risk Committee oversee the annual corporate risks review and monitor Enbridge's risk management program, in consultation with internal and external auditors.

Other Board committees also oversee the implementation and monitoring of risk management systems related to their respective areas of oversight. The results of this process and comprehensive environment, health and safety reports from Enbridge's business segments are presented each year to the Board's CSR Committee.

For more information on the risks that affect Enbridge, including CSR-related risks, please see the Risk Management section starting on page 84 of Enbridge's 2009 Annual Report, which is available at:

[www.enbridge.com/InvestorRelations/FinancialInformation/InvestorDocumentsandFilings](http://www.enbridge.com/InvestorRelations/FinancialInformation/InvestorDocumentsandFilings)

# Economic Performance Indicators

## Economic Performance

**EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.**

### Direct Economic Value Generated and Distributed (Enbridge Inc.)

	2009 (\$million)	2008 (\$million)	2007 (\$million)
<b>Revenues</b>	\$12,466	\$16,131	\$11,919
<b>Commodity costs</b>	\$9,011	\$12,792	\$9,009
<b>Operating and administrative expenses</b>	\$1,430	\$1,312	\$1,164
<b>Total compensation<sup>1</sup></b>	\$786	\$691	\$595
<b>Donations and other community investments<sup>2</sup></b>	\$10	\$9	\$8
<b>Retained earnings</b>	\$4,400	\$3,383	\$2,537
<b>Payments to capital providers<sup>3</sup></b>	\$656	\$607	\$607
<b>Payments to governments<sup>4</sup></b>	\$325	\$269	\$339

1. Includes amounts for annual payroll, annual incentive rewards, employee benefits, employee training and development, and employee relocations. At December 31, 2009, Enbridge had 6,056 employees.

2. Includes investments in charitable and not-for-profit organizations.

3. Includes total interest payments on debt during the year net of capitalized interest.

4. Includes property taxes, business taxes, provincial capital taxes and income taxes paid.

For information pertaining to Enbridge Income Fund, please visit [www.enbridgeincomefund.com](http://www.enbridgeincomefund.com); to Enbridge Energy Partners, please visit [www.enbridgepartners.com/eep/](http://www.enbridgepartners.com/eep/); and to Enbridge Energy Management, please visit [www.enbridgemanagement.com/eeq/](http://www.enbridgemanagement.com/eeq/).

- **EMPLOYEE-FOCUSED**

Enbridge's business operations provide jobs and contracting opportunities in many communities in Canada and the U.S. Headquartered in Calgary, Enbridge has major offices in Edmonton, Toronto and Houston and numerous field offices in its areas of operations. Enbridge has approximately 6,000 employees. In 2009, Enbridge's annual payroll was over \$496 million. In early 2010, the company paid out an additional \$102.2 million through its annual incentive program to reward employee performance in 2009.

- **CUSTOMER-FOCUSED**



Every day through its energy transportation and distribution systems in Canada and the U.S., Enbridge provides millions of people with hydrocarbon products that are essential to quality of life. These products provide fuel for transportation, heat for homes, and the resources to manufacture plastics and a wide range of consumer products.

Enbridge also works with its gas distribution customers to increase the efficient use of valuable energy resources. Enbridge Gas Distribution's (EGD) demand-side management (DSM) programs help customers conserve gas, saving them money and enabling them to contribute to environmental goals. Since 1995, EGD has helped customers reduce their natural gas cumulative consumption by 5.2 billion cubic metres through participation in its DSM programs (the equivalent of enough gas to supply approximately 1.7 million homes<sup>1</sup> for one year) and net energy savings to customer of approximately \$1.8 billion. Through these DSM activities, EGD has helped its customers avoid cumulatively approximately 9.8 million tonnes of carbon dioxide emissions<sup>2</sup>. Measures like these move Enbridge closer to realizing its emission reduction targets, despite the pressures of significant growth in its customer base.

1. Assumes a typical residential customer uses 3,064 m<sup>3</sup> per year to heat their home and water

2. Assumes 1.89kg of CO<sub>2</sub> are emitted for each m<sup>3</sup> gas that is consumed

- **COMMUNITY-FOCUSED**

At the local level, Enbridge's operations affect economies through job creation, the purchase of goods and services, and the taxes the company pays to governments. Enbridge also invests in community programs and charitable organizations. In 2009, it invested almost \$10 million in charitable and non-profit organizations in Canada and the U.S.

**Distribution of Economic Value Added – 2009 (Enbridge Inc.)**

<b>Income taxes paid to governments</b>	\$205 million
<b>Interest payments to lenders</b>	\$656 million
<b>Dividend payments to shareholders<sup>1</sup></b>	\$555 million

<sup>1</sup> Includes cash dividends and dividends reinvested through the Common Share Dividend Reinvestment and Share Purchase Plan.

- **NATIONALLY-FOCUSED**

In addition to meeting society's need for secure supplies of energy through Enbridge's core business of transporting natural gas and petroleum products, the company's activities benefit North Americans in other ways. For example, Enbridge pays income and property, business and other required taxes to local, state, provincial and federal governments in Canada and the U.S., which use the funds to operate public services and infrastructure. In 2009, Enbridge paid \$205 million in income taxes and \$120 million in property, business and other required taxes in the two countries.

- **SHAREHOLDER-FOCUSED**

Enbridge Inc. shareholders realize returns through a combination of capital appreciation and dividends. In 2009, Enbridge paid dividends of \$555 million to Enbridge Inc. shareholders and, in 2008, paid them dividends of \$489 million.<sup>1</sup> For information on shareholder/unitholder returns for Enbridge Income Fund, please visit [www.enbridgeincomefund.com](http://www.enbridgeincomefund.com); for Enbridge Energy Partners, please visit [www.enbridgepartners.com/eep/](http://www.enbridgepartners.com/eep/); and for Enbridge Energy Management, please visit [www.enbridgemanagement.com/eeq/](http://www.enbridgemanagement.com/eeq/).

<sup>1</sup> Includes cash dividends and dividends reinvested through the Common Share Dividend Reinvestment and Share Purchase Plan.

- **INVESTOR INDICES**

A number of investor indices provide business rankings based on information about organizations' social, ethical and environmental policies and practices. These indices are based on the concept that a company's commitment to CSR will sustain and grow long-term shareholder value. Enbridge is included in the following indices:

- Dow Jones Sustainability Index (North America)
- Ethibel Sustainability Indices (ESI) – Pioneer and Excellence
- FTSE4Good Index
- Jantzi Social Index (JSI)

## **EC2 – Financial implications and other risks and opportunities for the organization's activities due to climate change.**

Climate change challenges Enbridge with the following financial and business risks:

### **1. Increased regulatory burden resulting from governments' response to climate change and the imperative to reduce GHG emissions**

The GHG-related regulations under which the company will have to operate in the future will most likely conform in a broad sense to the final U.S. regulations currently being debated in the U.S. Senate.

Regulatory risks to the company include the issue of local gas distribution companies being required to take responsibility for their customers' emissions from the use of natural gas. Under the proposed cap-and-trade system, the company likely will also be managing both the free allocation and purchase of credits on behalf of customers, a function that companies such as Enbridge Gas Distribution have not traditionally been required to do.

Enbridge could also be exposed to increased power costs associated with its operations, if regulatory constraints associated with climate change are imposed on power utilities. The company anticipates that there will be no competitive disadvantage to Enbridge if regulatory costs are uniform internationally (i.e., if they impact Enbridge's competitors to the same degree).

Costs are difficult to quantify at this time because related policies in North America and elsewhere are in a state of flux.

## **2. The long-term drive toward a more carbon constrained future and less reliance on fossil fuels**

Over the longer term, as society transforms to a less carbon intensive energy system, both oil and natural gas, as fossil fuels, will become less desirable as energy sources and more expensive due to increased regulation.

Although availability of renewable and alternative energy is growing, oil and natural gas will continue to be a preeminent energy source in the near- and mid-term. This will provide a continuing need for the current Enbridge services.

Increased investment in renewable and alternative energy are expected to provide opportunities for Enbridge in the longer term and contribute to offsetting the risks associated with a carbon-constrained future.

## **3. The impacts of increased severe weather events on Enbridge's infrastructure system**

Recent hurricanes along the Texas Gulf coast tested the integrity of Enbridge facilities. However, Enbridge systems are part of a broadly based logistics network that connects producers to consumers, where all parties are motivated to restore energy supply as a first priority, thus limiting impacts.

## **4. Investor risk**

Enbridge is experiencing growing interest in its business among investor analysts who can influence investor confidence and is constructively responding to their inquiries. With respect to social and ethical investor analysts, Enbridge believes that the company's ability to respond in a timely and transparent manner to requests for information regarding its climate change commitment enhances its corporate reputation. Enbridge's climate change policy is clear on establishing reduction targets for the enterprise, as well as its continued support for publicly reporting on its progress in this area.

## **5. Technology developments**

To mitigate risk and capitalize on emerging technologies, Enbridge, through an internal dedicated department, tracks developments and identifies and screens appropriate new

technologies. Technologies of interest are generally associated with new and improved energy delivery and efficiency, as well as renewable and alternative low-impact energy generation.

Significant investments have been made with respect to wind power, solar power and fuel cells. Evaluations concerning ground source heat and carbon capture and storage are ongoing.

### **Opportunities arising from climate change**

Enbridge believes that the company is in a good position to take full advantage of many of the opportunities related to the climate change issue, including the following:

- With an increased focus on Demand Side Management activities and conservation, the company's recognized expertise in this area is expected to provide a good platform for growth and for offering fee-for-service services to current customers and others.
- There will be increased opportunities for select "green" energy delivery services in the realm of district energy, which will change the way customers will receive energy in the future. Services along these lines may be offered to third parties.
- As Enbridge's customers become more aware and educated about their carbon exposure issues, the company is expected to be in a strong position to be able to help them manage their emissions, thus creating a stronger link with them for further collaborative activities.
- Enbridge is involved in six wind power projects and a solar farm in Canada. Together, these projects have a combined capacity of more than 560 megawatts, which is enough electricity to meet the power requirements of about 200,000 homes. Enbridge expects future wind and solar opportunities to come through expanding its existing operations, as well as developing new greenfield projects near Enbridge operations throughout North America, particularly where operating synergies can be applied. In June 2010, Enbridge announced plans to invest in a 250-megawatt wind energy project in Colorado. Additionally, Enbridge is exploring geo-thermal energy generation.
- In 2008, Enbridge officially launched the world's first hybrid fuel cell power plant that is designed for gas utility pressure reduction stations. The plant harvests pipeline energy that would otherwise be wasted and the fuel cell operates without burning any fuel to produce about 2.2 megawatts of environmentally preferred, near zero-emissions electricity—enough to serve about 1,700 Ontario homes. Enbridge has exclusive North American distribution rights for the hybrid fuel cell technology. Enbridge plans to replicate the plant throughout its distribution network in Ontario and market the hybrid fuel cell to other natural gas pipeline companies in North America.
- Enbridge is active in two carbon capture and sequestration projects; one in Alberta in partnership with a coal-fired electricity generator, and the other in Saskatchewan, as one of five participants in the Saskatchewan Aquistore project, which is managed by the Petroleum Technology Research Centre. These

initiatives are expected to play a major role in advancing industry and government's knowledge of CO<sub>2</sub> capture and sequestration.

**EC3 – Coverage of the organization's defined benefit plan obligations.**

Enbridge maintains well-funded pension plans, which provide defined benefit and/or defined contribution pension benefits and other post-employment benefits other than pensions to eligible retirees.

Pension costs and obligations for the defined benefit pension plans are determined using the projected benefit method. This method involves complex actuarial calculations using several assumptions including discount rates, expected rates of return on plan assets, health-care cost trend rates, projected salary increases, retirement age, mortality and termination rates. These assumptions are determined by Enbridge management and are reviewed annually by the company's actuaries. Actual results that differ from assumptions are amortized over future periods and, therefore, could materially affect the expense recognized and the recorded obligation in future periods.

The company remains able to pay the current benefit obligations using cash from operations reflecting strong capital market performance recovery. Please see Note 27 to Enbridge's Consolidated Financial Statements for the year ended December 31, 2009, which appears in the 2009 Annual Report, for disclosure of the difference between the actual and the expected results for the past two years.

Assuming no discretionary funding is made into the pension plans, funding in 2010 will be approximately \$74 million.

**EC4 – Significant financial assistance received from government.**

Enbridge sells the power that it produces from its Ontario Green Energy projects (listed in the chart below) to the Ontario Power Authority (OPA) under long-term (generally 20 years) Power Purchase Agreements. The contracted power prices per MWh for these projects are generally lower or comparable to the prices laid out by the OPA under their new Feed-in Tariff (FIT) program. These prices per MWh are currently higher than the market rates at the Ontario grid open market. For more information on the FIT program, please visit their website at [fit.powerauthority.on.ca](http://fit.powerauthority.on.ca).

Enbridge receives no other financial assistance from governments other than as described above.

<b>Ontario Green Energy Projects</b>	<b>Output</b>	<b>Capital Cost</b>	<b>Status</b>
Kincardine Wind	190 MW	\$500 million	Operating
Sarnia Solar – Phase I	20MW	\$100 million	Operating
Sarnia Solar – Phase II	60 MW	\$300 million	Operating
Talbot Wind	100 MW	\$285 million	Under construction
Greenwich Wind	100 MW	\$275 million	Under construction
<b>Total</b>	<b>470 MW</b>	<b>\$1.46 billion</b>	

## Market Presence

### **EC5 – Range of ratios of standard entry-level wages compared with local minimum wages at significant locations of operation.**

Enbridge’s standard entry-level wages vary by type of role, but typically range as follows:

Alberta – \$16.24 - \$26.90 per hour

Ontario – \$21.32 - \$26.90 per hour

Texas – US\$13.70 - US\$26.90 per hour

Minimum wages at these locations are as follows:

Alberta – \$8.80 per hour

Ontario – \$9.50 per hour

Texas – US\$7.25 per hour

### **EC6 – Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.**

Enbridge’s CSR Policy states that “Enbridge will strive to provide employment and economic opportunities in the communities where we operate.”

While Enbridge does not have a formal policy regarding buying from locally-based suppliers and it does not formally track its locally-based expenditures, the company can say that, in practice, it meets the majority of its needs through local suppliers.

The company has a clearly defined management and governance structure for all major projects and in that regard strategic relationships have been developed with suppliers and contractors.

For example, over the last four to five years, Enbridge Major Projects has sourced finished pipe worth approximately \$1.5 billion from Canadian-located manufacturing facilities. This has had positive impacts on local businesses and the people they employ.

At any given time during Enbridge's pipe production, these manufacturers could employ approximately 700 employees in their facilities working directly on Enbridge's pipeline manufacturing needs. Additionally, there would be a number of businesses and workers that would be positively impacted indirectly by this local pipe production.

Furthermore, as part of its Aboriginal and Native American Policy, Enbridge commits to offering sole-sourced contracting opportunities to qualified Aboriginal and Native American suppliers and contractors where appropriate, and encourage joint venture opportunities between Aboriginal/Native American businesses and non-Aboriginal/Native American businesses when it builds capacity and supports mutual business interests.

**EC7 – Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.**

Overall, Enbridge does not have a formal policy regarding hiring locally, but in practice most of the people that the company hires are, in fact, hired locally.

Through its Aboriginal and Native American Policy, Enbridge commits the company to implementing measures to enable Aboriginals and Native Americans to become part of its permanent workforce at a level that is representative of regional demographics and encompasses a wide spectrum of career levels.

**Indirect Economic Impacts**

**EC8 – Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.**

**EC9 – Understanding and describing significant indirect economic impacts, including the extent of impacts.**

**• How Enbridge Directly and Indirectly Benefits Stakeholders**

Enbridge adds value to the economy by reliably and economically delivering energy to the regions the company serves.

Pipeline construction is one way that Enbridge generates positive direct and indirect economic benefits for stakeholders.

For example, the direct and indirect benefits of the construction phase of the \$2.3 billion Southern Lights project were estimated to be \$332.3 million (in 2006 dollars). This is based on an estimated \$259.4 million of direct expenditures on construction, with the vast majority of the capital outlay (95 percent or \$247.5 million) expected to be spent in Canada. Using Statistics Canada input-output tables, the economic effects of the Southern Lights project are expected to be an increase of \$133 million in gross domestic product and employment of 1,794 person years. As well, during the construction phase, a total of \$33.9 million in taxes would accrue to federal, provincial and municipal governments.

Enbridge's pipeline construction projects offer significant economic benefits to surrounding communities. For example, it is estimated that in the U.S. in 2009, the construction of the Alberta Clipper and Southern Lights projects there created more than 3,000 temporary construction-related jobs. The workers hired for these jobs earn family-supporting wages and benefits and are expected to make purchases estimated to total more than \$60 million at lodging facilities, restaurants, gasoline service stations, laundry facilities, convenience stores and other retail establishments, all of which provides an economic boost to communities along the pipeline right-of-way.

Furthermore, Enbridge works extensively with many local vendors, consultants and contractors on all areas of project planning—from environmental inspectors to car dealers for fleet vehicles.

For more information on the benefits that Enbridge contributes, please see EC1 above.

### **energy4everyone**

To complement community investments in its Canadian and United States operating areas, Enbridge is also committed to exercising leadership in extending the benefits of energy availability to underdeveloped countries.

In 2009, Enbridge launched the energy4everyone Foundation with a vision of empowering people and communities to improve their own lives by providing energy to everyone. The Foundation, which is a registered Canadian charity, aims to leverage the expertise and resources of the Canadian energy industry to affect significant enhancement in quality of life through the delivery and deployment of affordable, reliable and sustainable energy services and technologies to communities in need around the world.

For more information on energy4everyone and the projects in which they are currently engaged, please visit their website at <http://energy4everyone.com/>.



# ENVIRONMENTAL PERFORMANCE

## **Where energy meets environmental performance**

Enbridge takes great pride in meeting its primary social responsibility of safely and reliably delivering energy to people. This service has immeasurably improved the lives of North Americans for over 60 years and has enabled a quality of life that none of us could have attained without it. Enbridge looks forward to continuing to provide this service for many years to come.

At the same time, Enbridge recognizes that its relationship with hydrocarbons comes with great responsibilities. These include reducing its own use of these fuels, minimizing its environmental impact and improving safety for its employees and the communities it serves.

In first eight months of 2010, Enbridge experienced two environmentally-related incidents of particular significance: the leak of about 19,500 barrels of oil on Enbridge's Line 6B near Marshall, Michigan; and the leak of about 6,100 barrels of oil on Enbridge's Line 6A in Romeoville, Illinois. In the face of these events, Enbridge is more resolved than ever to meet its responsibilities and live up to and exceed the expectations of its stakeholders.

Enbridge is also resolved to lead the way in not only helping others use hydrocarbons responsibly, but in finding alternative and renewable energy sources that have less impact on the environment.

Enbridge continues to make significant investments in renewable and alternative energy technologies. The company now has seven wind farms, one geothermal project and one solar project (five of these facilities are currently under construction, including the company's first wind farm in the United States and its first geothermal project, also in the United States). Its integrated fuel cell power plant is producing near zero-emissions electricity at the Enbridge Gas Distribution (EGD) headquarters in Toronto. And it is generating low-emissions electricity using waste heat recovery from four of Alliance Canada's compressor stations. Our renewable and alternative portfolio now exceeds 800 megawatts of capacity.

The company is also involved in several initiatives in Canada that are investigating the feasibility of the long-term commercial sequestration of CO<sub>2</sub> in deep saline aquifers, which is widely considered to be one of the most feasible ways to reduce greenhouse gas emissions on a large scale and address the challenges posed by climate change.

Enbridge Gas Distribution is also investing in numerous energy-efficiency initiatives to help its customers reduce their energy consumption and, throughout North America, Enbridge is investing in programs to raise awareness about energy and the environment and the steps that individuals can take to conserve them.

Enbridge has also formally committed to stabilizing its own environmental footprint as it continues to grow. Enbridge’s Neutral Footprint initiative is designed to ensure it has no net environmental impact from its future (post January 2009) activities—a strategic approach to CSR that benefits all of the company’s stakeholders.

## GOALS AND PERFORMANCE

### Environmental Scorecard – 2009

Objective	2008 Result	2009 Result	Details available in GRI Performance Indicator section	Challenges
Reduce Canadian absolute direct GHG emissions to 20% below 1990 levels by 2010.	23% reduction from 1990 levels.	23% reduction from 1990 levels. (The year-over-year percentage decrease was due to increased throughput.)	EN 18	Operational growth.  Diversity of operations
Develop enterprise-wide carbon data and GHG management strategies.	Began developing enterprise-wide carbon data management strategy.	Continued development of a comprehensive carbon management strategy that will include further actions to reduce direct emissions.	EN18	Operational differences between jurisdictions.  Company-wide growth.
Help customers use energy wisely through demand-side management programs.	Saved approx. 75 million cubic metres of natural gas.	Saved over 74 million cubic metres of natural gas (enough to supply about 24,000 homes with natural gas for a year)	EN26/EN27	Enbridge can encourage customer efficiency but cannot enforce it.

Objective	2008 Result	2009 Result	Details available in GRI Performance Indicator section	Challenges
Invest in renewable and alternative energy technologies.	<p>Completed 190-MW Ontario Wind Power project.</p> <p>Completed 2.2-MW fuel cell pilot plant.</p> <p>Exploring potential for solar power projects in Ontario.</p>	<p>Added the 99-MW Talbot Wind Project in Ontario, which is scheduled to begin operations by the end of 2010. Invested in the 80-MW Sarnia Solar facility.</p> <p>In early 2010, acquired majority interest in the 99-MW Greenwich Wind Energy Project in Ontario, which is scheduled to begin operations by the end of 2011.</p> <p>In 2010, announced investment in the 250-MW Cedar Point Wind Energy Project in Colorado, which is scheduled to begin operations by late 2011.</p>	EN6	<p>Identifying opportunities and applying technologies.</p> <p>Competitive rates of return for green energy projects.</p>
Lead climate change solutions.	<p>Completed ASAP Phase 1; began ASAP Phase 2.</p> <p>Supported Project Aquistore carbon capture and storage project in Saskatchewan.</p>	<p>The ASAP project was terminated in October 2009 when its main partner and source of the CO<sub>2</sub> withdrew. In June 2010, announced participation in the development of Project Pioneer, Canada's first fully-integrated carbon capture and storage project involving retrofitting a coal-fired</p>	EN18	<p>Uncertainty surrounding proposed GHG regulations and legislation.</p> <p>High costs associated with implementing climate change technologies.</p>

<b>Objective</b>	<b>2008 Result</b>	<b>2009 Result</b>	<b>Details available in GRI Performance Indicator section</b>	<b>Challenges</b>
Zero releases.  Minimize environmental impacts should releases occur.	92 <sup>1</sup> reportable spills, leaks and releases Most occurred at Enbridge pumping stations. Six were significant.	103 reportable spills, leaks and releases, of which: 86 had a volume of less than 10 barrels and three were significant (greater than 100 barrels). The vast majority (92) occurred at Enbridge facilities and were completely contained and recovered/quickly cleaned up with minimal or no environmental impact.	EN23	
Ensure no net increase to Enbridge's environmental footprint as a result of new projects in operation between 2009 and 2015. <sup>2</sup>		Identified the requirements needed to meet the Neutral Footprint objective with respect to land impacts and electricity consumptions.  Created an implementation guide from which individual Enbridge projects are developing plans for executing and meeting the Neutral Footprint commitments.	EN6 re electricity consumption; and EN11-EN15 re land impacts	Identification of comparable areas for conservation.  Development of appropriate partnerships for tree planting.  The need to increase investments in demand-side management programs that help customers use energy wisely.  The need to increase investments in renewable and alternative energy technologies.

<sup>1</sup> Adjusted down from the 93 spills reported in Enbridge's 2009 CSR Report because one Enbridge Gas Distribution planned and permitted release of water in 2008 was incorrectly counted as a spill.

<sup>2</sup> Enbridge President & CEO Patrick D. Daniel announced this objective, called Neutral Footprint, on May 6, 2009, at Enbridge's Annual Meeting of Shareholders in Toronto, Ontario.

## **Environmental Performance Indicators**

### **Materials**

**EN1 – Materials used by weight or volume.**

**EN2 – Percentage of materials used that are recycled input materials.**

#### **Pipe**

Because it is used to make Enbridge's pipelines, steel, by weight and volume, is by far the most significant material that the company uses. About 92 per cent of the pipe that Enbridge's primary supplier, Evraz Inc. NA (formerly Ipsco), manufactures for the company is made from recycled steel. In 2009, Enbridge purchased 182,000 tonnes of pipe from Evraz. This equates to 167,440 tonnes of recycled steel being used.

Enbridge Gas Distribution purchased approximately 721 tonnes of steel pipe and 836 tonnes of polyethylene pipe in 2009. The recycled content of its steel pipe ranges from 25 to 100 per cent. Regarding polyethylene pipe, 51 per cent of total pipe (above NPS 2 in size) purchased includes up to 30 per cent recycled material.

Figures are not available for Gas Transportation.

#### **Paper**

In 2009, Enbridge offices in Calgary, encompassing Enbridge Inc., Liquids Pipelines and the Major Projects business unit, used approximately 37 tonnes of photocopying paper with 26 tonnes having 30 per cent recycled content. Enbridge's Calgary office recycled 30 tonnes of paper in 2009.

In 2009, Enbridge Gas Distribution (EGD) used approximately 41.8 tonnes of paper, down from 63.75 tonnes in 2008. In March 2009, EGD switched from using printing paper with no recycled content to using paper with 30 per cent post-consumer fibres. As the current stock ran out, it was replaced with the new stock. That means that roughly 53 per cent of paper used in 2009 had recycled content.

Figures are not available for Gas Transportation.

### **Energy**

**EN3 – Direct energy consumption by primary energy source.**

**EN4 – Indirect energy consumption by primary source.**

### **ENBRIDGE'S IMPACTS**

Enbridge's Liquids Pipeline systems in Canada and the U.S. primarily use electrical pumps, while the company's natural gas gathering and transmission systems mainly use

natural gas as fuel for the compressors that move the gas along the pipeline. Enbridge's gas distribution systems in Ontario, Quebec, New Brunswick and New York state are powered by electricity and natural gas. The company uses diesel fuel and natural gas to drive pumps in remote locations along the Enbridge Norman Wells Pipeline system in the Northwest Territories.

### Direct energy consumption

The table below summarizes direct energy consumption associated with Liquids Pipelines (Canada), Liquids Pipeline (U.S.) and Vector Pipeline (U.S.) activities.

#### Liquids Pipelines (Canada)

		2006	2007	2008	2009
Stationary equipment - natural gas	(GJ)	90,070	101,061	103,944	85,058
Stationary equipment - propane, diesel	(GJ)	32,961	30,200	22,298	28,897
Mobile sources - all fuel types	(GJ)	48,722	55,928	59,740	57,083
Total	(GJ)	171,753	187,188	185,982	171,038

**Table note:** The above data includes natural gas energy used at Enbridge Inc.'s office in Edmonton.

#### Liquids Pipelines (U.S.)

		2006	2007	2008	2009
Stationary equipment - natural gas	(GJ)	4,050	172	133,895	32
Stationary equipment - propane, diesel	(GJ)	0	0	0	0
Mobile sources - all fuel types	(GJ)	31,982	34,461	36,096	38,419
Total	(GJ)	36,032	34,634	169,991	38,451

#### Vector Pipeline (U.S.)

		2006	2007	2008	2009
Stationary equipment - natural gas	(GJ)	2,659,984	3,372,394	4,875,194	5,295,566
Stationary equipment - propane, diesel	(GJ)	0	0	0	0
Mobile sources - all fuel types	(GJ)	881	1,125	1,216	1,364
Total	(GJ)	2,660,865	3,373,519	4,876,410	5,296,930

**Table note:** natural gas use for 2006 through 2008 has been calculated based on the 2009 fuel-use rate per HP-hour.

At Enbridge Gas Distribution (EGD), direct energy consumption in 2009 resulted from:

- the combustion of natural gas to heat its offices and other support buildings;
- the combustion of natural gas in-line heaters and compressor engines at gate and underground storage compressor stations located across the pipeline system; and

- fuel used in the company's vehicles.

The energy consumed by the various areas across EGD is provided in the table below.

#### Enbridge Gas Distribution Subsidiaries

		2006	2007	2008	2009
<b>Buildings and Operations</b>					
Natural gas combustion	(GJ)	474,850	580,923	482,328	480,029
<b>Fleet and Equipment</b>					
Diesel vehicles	(GJ)	32,875	37,070	40,302	46,154
Gasoline vehicles	(GJ)	73,696	72,826	71,929	67,113
NGV (natural gas vehicles)	(GJ)	55,061	50,027	49,015	44,534
<b>TOTAL</b>		636,482	740,846	643,574	637,829

**Table note:** The above table includes data for Enbridge Gas Distribution Inc., Gazifère, Enbridge Gas New Brunswick and St. Lawrence Gas.

Also in 2009:

- Enbridge Inc. used 11,783 GJ of natural gas for space-heating;
- Major Projects used 9,119 GJ of natural gas for space-heating and 9,094 GJ of electricity; and
- Gas Transportation used 665,399 GJ of electricity, plus 48,859 GJ of methanol, 137,184 GJ of gasoline and 153,048 GJ of diesel fuel.

#### Indirect energy consumption

The table below summarizes indirect energy consumption associated with Liquids Pipelines (Canada) and Liquids Pipeline (U.S.) activities. Data on electricity consumption on the Vector Pipeline (U.S.) system has not been compiled but it is comparatively minor relative to the direct energy use on this natural gas transmission pipeline operation.

#### Liquid Pipelines (Canada)

		2006	2007	2008	2009
<b>Electricity</b>	(GJ)	6,705,258	6,843,397	6,953,207	7,245,021

**Table note:** The above data includes the electricity used in Enbridge's Edmonton and Calgary offices.

#### Liquid Pipelines (U.S.)

		2006	2007	2008	2009
<b>Electricity</b>	(GJ)	6,749,336	7,136,509	8,025,131	7,533,771

The table below shows the indirect energy consumed by the Enbridge Gas Distribution subsidiaries.

**Enbridge Gas Distribution Subsidiaries**

		2006	2007	2008	2009
<b>Buildings and Operations</b>					
Electricity	(GJ)	68,413	69,931	69,394	73,261

**EN5 – Energy saved due to conservation and efficiency improvements.**

Enbridge strives to reduce energy use through efficiency improvements and conservation efforts.

**Liquids Pipelines**

As products in Enbridge’s pipelines and power contracts change, the company continually reviews natural flow rates for its liquids pipelines. The flow rates are designed to optimize pipeline operating pressures to match equipment and the types of products transported. By applying these rates to the pipeline, Enbridge works to optimize the operating performance of the system, thus lowering power costs and reducing maintenance. In addition, Enbridge has introduced additives in the pipeline to reduce friction of liquids products and optimize flow.

A significant portion of indirect emissions from operations is due to the electricity used at pump stations on the liquids pipelines system. There are both operating-cost and GHG-emission-reduction benefits when more energy-efficient designs and equipment are installed. Typically this occurs when capacity is added to the system. However, it is difficult to baseline and isolate these savings from other factors such as changing pipeline hydraulics, and therefore this report does not track reductions associated with these capacity increases.

Energy savings are quantified through the industry’s Incentive Tolling Agreement. Each year, the operating performance of Enbridge’s mainline system in Canada is evaluated against a baseline using detailed hydraulic modeling of the system’s equipment and the operating parameters for that particular year. This assessment is performed by an independent consultant. Since the Agreement was put in place in 2000, Enbridge has consistently delivered electricity savings by optimizing the operation of its pipeline system. In 2009, these improvements in operating efficiencies delivered an estimated 13,600 tonne CO<sub>2</sub>e (t CO<sub>2</sub>e) reduction, achieving 410,900 t CO<sub>2</sub>e in total savings to date.



### Liquids Pipelines System (Canada) – Incentive Tolling Electricity Savings

	Annual savings (GWh)	Annual reduction (t CO <sub>2</sub> e)	Cumulative reduction under incentive tolling (t CO <sub>2</sub> e)
2000	53.4	34,732	34,732
2001	97.2	64,540	99,272
2002	103.4	65,567	164,839
2003	98.4	62,723	227,562
2004	78.6	50,105	277,667
2005	46.14	27,052	304,719
2006	38.5	21,986	326,705
2007	43.6	24,741	351,446
2008	86.9	45,908	397,354
2009	25.5	13,574	410,929

A similar methodology for optimizing pipeline operations applies to Enbridge’s U.S. liquids pipelines operation.

#### Enbridge Gas Distribution

Enbridge Gas Distribution continues to implement energy efficiency measures in its buildings and operations. For example, line heater energy efficiency efforts implemented since 2000 are saving, on average, about 142,000 GJ per year.

#### Gas Transportation

In 2009, Enbridge’s Gas Transportation business segment negotiated with chemical vendors of glycol, amines and methanol to provide more efficient use of these chemicals.

With respect to vehicles, Gas Transportation developed scheduled maintenance on compressors so that planned events were coordinated with respect to location and timing, which resulted in more efficient fuel use. Gas Transportation also evaluated vehicle weight with respect to payload, which helped reduce maintenance costs and fuel use.

In 2010, Enbridge is evaluating a vehicle management system that will more closely monitor mileage, fuel use and maintenance costs. The data obtained from the system will be used to determine opportunities for more efficient operation, i.e. fuel type (natural gas versus gasoline), lubricants and overall maintenance.

**EN6 – Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.**

The public's focus on conservation and climate change continues to motivate governments to increase their emphasis on energy efficiency and green energy initiatives, including wind, water, biomass, biogas, solar, waste heat, fuel cell and geothermal energy generation.

Enbridge is investing in low-environmental-impact energy sources—both renewable and alternative—that complement its core operations and provide environmental benefits, thus helping reduce greenhouse gas emissions and address the issue of global climate change.

Moreover, in May 2009, Enbridge's President and Chief Executive Officer Patrick D. Daniel announced an ambitious plan to stabilize Enbridge's environmental footprint. The company's Neutral Footprint Initiative is designed to reduce Enbridge's environmental impact where it is felt most: on the trees the company removes, the natural habitat Enbridge permanently alters, and the energy the company uses to power its operations. As part of this Neutral Footprint Initiative, Enbridge has committed to generating a kilowatt hour of renewable energy for every kilowatt hour of power the company's operations consume. Please see below for more information on the *Kilowatt for a Kilowatt* aspect of the Neutral Footprint Initiative.

**Green Energy**

Enbridge's green energy portfolio is diversified—wind, solar, geothermal, waste heat recovery and hybrid fuel cells—and growing.

By mid-2010, Enbridge had invested in green energy projects with a total generating capacity of over 800 megawatts (MW)—enough to meet the energy needs of about 290,000 homes.

The following table provides an overview of Enbridge's current green energy investments. More details about these are provided below the table:

## RENEWABLE ENERGY

<b>Project Name</b>	<b>Type</b>	<b>Generating capacity</b>	<b>Enbridge's interest</b>	<b>Location</b>	<b>In-service date</b>
SunBridge	wind	11 MW	50%	Gull Lake, Saskatchewan	2002
Magrath	wind	30 MW	33%	Magrath, Alberta	2004
Chin Chute	wind	30 MW	33%	Taber, Alberta	2006
Enbridge Ontario Wind Power Project	wind	190 MW	100%	Bruce County, Ontario	2009
Talbot	wind	99 MW	90%	Chatham, Ontario	Late 2010
Greenwich	wind	99 MW	90%	Dorian, Ontario	Late 2011
Cedar Point Wind Energy Project	wind	250 MW	100%	Cedar Point, Colorado	Late 2011
Sarnia Solar Project	solar	80 MW	100%	Sarnia, Ontario	2009 (20 MW) Late 2010 (60 MW)
Neal Hot Springs Geothermal Project	Geothermal	23 MW (net)	20%	Malheur County, Oregon	Mid 2012

## ALTERNATIVE ENERGY

<b>Project Name</b>	<b>Type</b>	<b>Generating capacity</b>	<b>Enbridge's interest</b>	<b>Location</b>	<b>In-service date</b>
NRGreen Power	waste heat recovery	20 MW	50%	Saskatchewan	2008
Enbridge Hybrid Fuel Cell	fuel cell	2.2 MW	100%	Toronto, Ontario	2008

## ***Renewable Energy***

### **Wind Power**

Enbridge currently has interests in wind farms in Alberta, Saskatchewan, Ontario and Colorado, which, once completed, will have a combined capacity of about 711 MW.

In 2009, Enbridge added the 99-MW Talbot Wind Project, which the company expects will begin operations by the end of 2010.

In early 2010, the company further increased its interests in wind power with the acquisition of a majority interest in the Greenwich Wind Energy Project, a 99-MW facility expected to be delivering emissions-free energy to the Ontario grid by the end of 2011.

In June 2010, Enbridge announced that it had acquired the 250-MW Cedar Point Wind Energy Project in Colorado, which will deliver power to the Public Service Company (PSCo) electricity transmission grid by late 2011.

Wind-generated electricity is the fastest-growing sector of electricity generation in North America, as substantial technological advances and feed-in tariffs that offer a premium for wind power have enabled such projects to become economically attractive investments.

Enbridge expects future wind opportunities to come through expanding its existing operations and developing new greenfield projects throughout North America.

### **Solar Power**

Enbridge believes that solar energy represents meaningful opportunities for long-term growth.

In 2009, the company entered into solar energy in a significant way with its investment in the 80-MW Sarnia Solar facility. When completed, the Sarnia Solar Project is expected to be the largest photovoltaic solar energy facility in North America, generating enough power to meet the needs of over 12,800 homes and helping to save the equivalent of approximately 39,000 tonnes of CO<sub>2</sub> per year.

### **Geothermal Power**

In mid 2010, Enbridge invested in the 35-MW (net 23-MW) Neal Hot Springs geothermal project. The project, which is located in Oregon's Malheur County, is being developed by U.S. Geothermal Inc, which will also construct and operate the facility. It will deliver electricity to the Idaho Power grid under a 25-year power purchase agreement. Geothermal energy is energy recovered from the heat of the earth's interior. The annual yield for the project will be about 191,400 MWh, which is enough to power about 17,500 homes.

## *Alternative Energy Technologies*

### **Waste Heat Recovery**

Enbridge Income Fund has a 50 per cent investment in NRGreen, which operates four non-regulated waste heat recovery facilities located in Saskatchewan along the Alliance Pipeline. (Enbridge Inc. has a 72 per cent economic interest in Enbridge Income Fund.)

NRGreen generates electricity by harnessing the waste heat produced by Alliance Canada's gas turbines at its compressor stations and using it to produce electricity.. The four facilities combined produce approximately 20 MW of power—enough energy to meet the power needs of approximately 20,000 homes.

### **Fuel Cells**

In 2008, Enbridge officially launched the world's first hybrid fuel cell power plant that is designed for gas utility pressure reduction stations.

The plant converts unused pipeline energy, a byproduct of distributing natural gas to customers, into ultra-clean electricity. Built on approximately 22 parking spaces at Enbridge Gas Distribution's (EGD) Toronto headquarters, the fuel cell operates without burning any fuel to produce about 2.2 MW of environmentally preferred, near zero-emissions electricity, enough to serve about 1,700 Ontario homes.

Enbridge has exclusive North American distribution rights for the hybrid fuel cell technology. The company plans to replicate the plant throughout its distribution network in Ontario and market the hybrid fuel cell to other natural gas pipeline companies in North America.

Enbridge has worked closely with its development partner FuelCell Energy Inc. of Danbury, Connecticut. The project also benefited from the involvement of Natural Resources Canada and the Ontario Ministry of Research and Innovation.

FuelCell Energy's Direct FuelCell is already the most efficient distributed generation technology for power plants of 10 megawatts or less in size. Enbridge wanted to make it even better. To achieve this, the company integrated the fuel cell with an energy recovery device called a turbo-expander. This recovers energy from EGD's natural gas pressure reduction process. Using the turbo-expander, energy that is normally wasted is converted into useful electricity as part of EGD's day-to-day business of delivering natural gas. By integrating the fuel cell and turbo-expander, Enbridge has more than doubled the amount of low-carbon electricity that is generated. Over 60 per cent of the input energy is converted into electricity and the heat from the fuel cell can still be used in the pressure reduction process to make this combined heat and power process over 80 per cent efficient, and without smog-forming emissions.

The fuel cell achieves near-zero smog emissions by operating without combustion and is so efficient that less GHG gas emissions are generated when compared to combustion-based power plants. The power plant's only other byproduct is water vapour.

Already, the environmental benefits of fuel cells are recognized and gaining acceptance in California, the U.S. Northeast, Asia and Europe. At the same time, turbo-expanders are already safely producing green electricity in Italy, Germany, Switzerland and the United

Kingdom. EGD's combining of these two technologies represents a global first. They are also a tremendous example of how new technologies can increase the already significant environmental benefits linked to the use of natural gas.

### **Enbridge's Neutral Footprint Initiative – *Kilowatt for a Kilowatt***

As part of its Neutral Footprint Initiative, Enbridge has committed to generating a kilowatt hour of renewable energy for every kilowatt hour of additional power its operations consume, above 2008 levels (January 1, 2009, being the start date for applying the company's neutral footprint commitment). The company will fulfill this commitment within five years of the additional power consumption.

Each year, Enbridge will compile the forecasted power consumption for Enbridge's company-wide operations. Any net increase in power consumption will be counterbalanced by the company's investments in economically viable renewable energy production. Enbridge will address growth in its electricity consumption on a five-year rolling basis consistent with the long-range planning horizon.

Enbridge's investments in new renewable power generation will, at a minimum, be proportional to the growth in electricity consumption by its operations, beginning January 1, 2009.

### **EN7 – Initiatives to reduce indirect energy consumption and reductions achieved.**

#### **Enbridge Gas Distribution**

Enbridge Gas Distribution (EGD) has been proactive in reducing its indirect energy consumption by reducing its electricity requirements to run its offices across the system.

These actions have resulted in reducing EGD's electrical consumption by 40 per cent in the past decade.

These actions include:

- producing all building power requirements from the standby generator, thus reducing EGD's grid power requirements;
- improving controls to optimize the use of gas/hydro;
- installing kitchen exhaust heat recovery/ventilation hoods;
- installing the Direct FuelCell®-Energy Recovery Generation (DFC®-ERG) Power Plant and turbo expander to generate 2.2. MW of green power for export to the grid;
- reusing the generator waste heat in the adjoining turbo-expander system;
- setting back all lighting/HVAC/workstation power;
- reducing the power requirement for the data centre;
- changing the meter shop operation to use hot water coils from electric reheats; and
- installing VM (virtual machine) servers requiring less power than previously.

Leading by example, EGD plans to do a retrofit of its main building and is aiming to achieve the LEED Platinum Standard.

Please see 'EN5' for additional information about other EGD initiatives.

## **Liquids Pipelines**

Liquids Pipelines has various energy savings initiatives in place, including the following:

### ***Organization-wide***

- TelePresence video conference units have been installed in a number of locations. The intent of these is to increase efficiency in the organization by making it easier to meet virtually face-to-face. This reduces travel and increases productivity. Enbridge estimates that this results in over 1,000 fewer trips per year between Edmonton and Calgary and over 350 fewer trips per year between Edmonton and Superior, Wisconsin.

### ***Edmonton office***

- installed energy-efficient lighting
- battery recycling program
- motion sensors installed in new meeting rooms to turn out lights when inactive
- in 2009, in order to reduce waste, Enbridge has created 'water bottle free zones' in its Calgary and Edmonton offices. Instead of using plastic water bottles, water chillers have been installed
- locker room renovations to promote health and wellness and cycling to work
- toner cartridges are recycled

### ***Calgary office***

- battery recycling program
- printers/copiers use 30 per cent recycled paper
- light/motion sensors installed to control lighting
- washroom renovations included low-flush toilets and sinks and hands-free flush and sinks for less water use
- Styrofoam-free kitchens
- new carpet tiles are made of recyclable materials
- locker rooms to promote health and wellness, and walking, running and cycling to work
- low-flow showerheads

### ***Superior office***

- light/motion sensors installed to control lighting
- restrooms have low-flush toilets and sinks
- Styrofoam-free kitchens

## **Water**

### **EN8 – Total water withdrawal by source.**

### **EN9 – Water sources significantly affected by withdrawal of water.**

### **EN10 – Percentage and total volume of water recycled and reused.**

Enbridge's operations use only a small amount of water, as the company does not use it to transport liquid hydrocarbons or natural gas.

During new pipeline construction, Enbridge tries to avoid crossing waterways and wetlands, and uses a variety of measures to reduce its impact on them if the company must cross them. Any disturbances Enbridge does cause are temporary because it fully restores these areas to their previous states.

Water withdrawal by Gas Transportation is insignificant and, therefore, is not tracked.

#### **Surface water**

Liquids Pipelines has established standards and procedures for managing water runoff from its facilities and during pipeline construction. The company has many controls in place and implements others as required by the project or relevant regulatory body. The controls used include berms and containment areas to prevent offsite contamination at facilities, as well as inspection and controlled discharge procedures.

Liquids Pipelines occasionally acquires and discharges water to hydrostatically test the integrity of new or existing pipelines and tanks. Since existing pipeline sections have transported liquid petroleum or natural gas, the company analyzes and treats this test water, as needed, before returning it to the environment. Water returned to source meets discharge criteria established by local regulatory bodies.

In 2009, Enbridge Gas Distribution used approximately 700,000 litres of water from municipal sources to conduct hydrostatic testing of newly installed pipelines. Water used for hydrostatic testing cannot be recycled or reused prior to disposal.

#### **Groundwater**

In 2009, Liquids Pipelines continued its system-wide groundwater monitoring program. This program provides regular monitoring of Enbridge facilities to proactively identify potential impacts to groundwater, allowing the company to identify potential issues and maintain compliance with regulatory requirements. In 2009, the company expanded its network by adding groundwater monitoring networks at its facilities at Midale, Saskatchewan, and Norman Wells, Northwest Territories.

Liquids Pipelines also continued its remediation efforts to manage groundwater contamination associated with Enbridge's Hardisty Caverns. Prior to Enbridge's acquisition of the facility, the clay liner used to contain brine used in cavern operations leaked, releasing approximately 175,000 m<sup>3</sup> of brine to the subsurface. Enbridge initiated a significant groundwater recovery project in 2009. The project involved the installation of 10 deep recovery wells to extract the contaminated groundwater either for reuse in the brine pond as makeup water, or for disposal in an onsite disposal well. The recovery wells will serve two purposes: (1) to slowly clean the groundwater by removing the



contaminated water; and (2) to hydraulically contain the site, stopping further migration of the salt contamination. The entire deep recovery system will be installed by the end of 2012.

In 2009, Enbridge continued operation of a groundwater remediation system at its Metiskow (Saskatchewan) station. This system is required to treat groundwater contamination identified at the site. It involves groundwater recovery, treatment and reinjection systems that are designed to contain and treat groundwater contamination.

Enbridge also continued to operate a groundwater recovery and treatment system at the site of a February 2008 leak near Exeland, Wisconsin. This system is successfully recovering groundwater from the site and preventing migration to a local creek.

## **Biodiversity**

**EN11 – Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.**

**EN12 – Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.**

**EN13 – Habitats protected or restored.**

**EN14 – Strategies, current actions and future plans for managing impacts on biodiversity.**

**EN15 – Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.**

Enbridge views biodiversity conservation as an important part of responsible environmental management and routinely incorporates ways to avoid and conserve wildlife habitat into its project planning and maintenance activities.

Moreover, in May 2009, Enbridge's President and Chief Executive Officer Patrick D. Daniel announced an ambitious plan to stabilize Enbridge's environmental footprint. The company's Neutral Footprint Initiative is designed to reduce Enbridge's environmental impact where it is felt most: on the trees the company removes, the natural habitat Enbridge permanently alters, and the energy the company uses to power its operations. As part of this Neutral Footprint Initiative, Enbridge has committed to planting a tree for every merchantable tree the company removes and helping to conserve an acre (or hectare) of land for every acre (or hectare) of natural habitat the company permanently impacts. Please see below for more information on the *Tree for a Tree* and *Acre for an Acre* aspects of the Neutral Footprint Initiative.

### **Enbridge's Approach**

Enbridge always conducts detailed environmental impact assessments for its new pipeline projects, not only to comply with regulations, but also to meet its own requirements,

which often exceed regulatory requirements. These assessments include reviewing potential routing alternatives to avoid, minimize, or mitigate its impact on sensitive areas.

After consulting with natural resource management agencies, Enbridge may, for example, determine that alignment changes to a pipeline could eliminate or greatly reduce short- and long-term construction impacts. Historically, such measures have enabled Enbridge to protect old-growth forests and avoid disturbing sensitive wetlands and endangered species habitats.

Enbridge also evaluates water-crossings on a case-by-case basis to minimize impacts to rivers and streams. The company incorporates environmental construction procedures into all projects and provides related training or guidelines to employees and contractors.

### ***Mapping pipelines for species at risk***

In Canada, Enbridge's Liquids Pipelines business is regulated under the Species at Risk Act (SARA), which aims to protect wildlife species and conserve biological diversity. Enbridge first mapped its Canadian mainline system in 2004, using digital mapping technology, to identify areas along parts of its right-of-way where there may be species at risk. In 2009, Enbridge initiated a major update of this system to ensure the company is working with the most accurate and effective data. This enables environment staff to identify sensitive wildlife habitat at specific locations before Enbridge undertakes projects or pipeline maintenance activities.

In the U.S., Enbridge's mainline segments have digital data regarding threatened or endangered species that are protected under the Endangered Species Act. As well, when Enbridge undertakes major construction or maintenance activities, it incorporates appropriate avoidance measures or restrictions. In preparation for an expansion, Enbridge also surveys the area and takes appropriate measures to limit impact.

### ***Managing vegetation***

Vegetation management activities at Enbridge's facilities and on its pipeline rights-of-way focus on using the most environmentally-appropriate and economical ways of keeping its rights-of-way clear for inspection. Enbridge's vegetation management plans and procedures stipulate that the visible results and perceived impacts of vegetation management activities on adjacent landowners and the general public must be considered when those activities are being planned and implemented.

### ***Protecting soils and waterways***

Enbridge is committed to protecting the environmental integrity of soils and waterways in and around its operations, and the company has led the development of best practices in preserving agricultural land. As part of this work, Enbridge is implementing practices that limit the long-term impact on cultivated lands when developing projects.

### ***Protecting sensitive habitats***

For projects, Enbridge conducts exhaustive analysis of various routing alternatives to determine whether these alternatives would avoid or minimize impacts to natural

resources, reduce or eliminate engineering and constructability concerns, and avoid or minimize conflicts with existing or proposed residential and agricultural lands. The alternative analysis focuses on minimizing the length of the pipeline to the extent practicable, while also minimizing the environmental impacts to specific resources. At times, a pipeline route will traverse distinct natural communities. Therefore, Enbridge conducts surveys of the entire project route to identify sensitive natural and cultural resources such as wetlands, water bodies and plant/animal populations. Enbridge utilizes the survey results to identify areas requiring alternative construction techniques, timing restrictions to minimize impacts during breeding or spawning seasons for certain sensitive species, or route variations to minimize or avoid impacts to sensitive plant species. Certain features cannot be avoided and as such stringent conditions from regulators are applied and specific mitigation is set out and approved by various regulatory agencies.

Where sensitive habitats have been identified, Enbridge implements situation specific operational plans and protocols to minimize impacts to sensitive species. Examples of this include measures to protect Boreal Caribou populations in the Northwest Territories and Alberta, moose habitat along the Athabasca Pipeline system, and the Karner Blue butterfly in Wisconsin. Enbridge restricts maintenance activities and implements special precautions to ensure its operations have minimal impact on these species.

Enbridge Gas Distribution implements either environmental screening or environmental assessment (depending on project scope) to identify any features that may be impacted by construction and puts into place mitigation measures to protect them. The company uses horizontal directional drilling when crossing beneath watercourses, and before doing so always obtains permits from respective conservation authorities and provincial ministries as required. It further ensures protection of watercourses through regular pipe inspections. In 2009, Enbridge Gas Distribution did not conduct any activities in protected areas or areas of high biodiversity; and, apart from an easement on the western edge of Springwater Provincial Park, which is located near Midhurst, Ontario, Enbridge Gas Distribution does not have any pipe installed in environmentally sensitive areas.

In the U.S., some of Gas Transportation's pipelines are located in lakes/navigable waterways and within high bio-diverse land areas. Gas Transportation undertakes all activities in such a way as to ensure that it minimizes impacts and complies with regulations.

### **Enbridge's Neutral Footprint Initiative – *Tree for a Tree and Acre for an Acre***

As part of its Neutral Footprint Initiative, Enbridge has committed to:

- planting a tree for every merchantable tree the company removes; and
- helping to conserve an acre (or hectare) of land for every acre (or hectare) of natural habitat the company permanently impacts.

### ***Tree for a Tree***

Enbridge will plant a tree for every merchantable tree the company removes to construct or expand its facilities or rights-of-way. The trees Enbridge counts—and therefore

replaces—will be of adequate size to be considered “merchantable timber” as defined by the relevant local regulator.

Enbridge will replace trees from either forested or non-forested land (such as brush/scrub, prairie, grassland, alpine, rangeland, meadows, pasture or cultivated land). The company will plant them in such a way that it takes into account the following priority considerations:

1. Enbridge will plant trees to meet regulatory commitments and approval conditions.
2. Enbridge will plant trees to maintain slope stability, control erosion and meet reclamation guidelines and aesthetic requirements.
3. Enbridge will plant trees to meet the needs of local communities.

Enbridge will not always replace trees in the immediate area of impact, but will take into account land availability, local desire and consent.

### ***Acre for an Acre***

Enbridge will help conserve an acre of natural habitat for every acre that it permanently impacts. The natural habitat Enbridge conserves could be forested land, wetlands or native prairie.

Enbridge will conserve the land while working with the Nature Conservancy of Canada and other organizations. As such, their guidelines and recommendations will determine how and where the land is conserved, and will ensure that it is of high ecological value.

The land Enbridge conserves may not be in the same area or region as the land that is impacted, and may not be “like for like.” Rather, Enbridge—and its partners—will make conservation decisions based on biological value and availability.

This commitment does not replace or negate Enbridge’s regulatory obligations to reclaim land when it is decommissioning an asset.

## Emissions, Effluents and Waste

### GHG Emissions

**EN16 – Total direct and indirect GHG emissions by weight.**

**EN17 – Other relevant indirect GHG emissions by weight.**

**Note regarding the tables below:**

The term “direct” emissions refers to emissions (fugitive, combustion, vented) that result from activities on company-owned facilities and from company-owned vehicles and are also sometimes referred to as Scope 1 emissions.

The term “indirect” emissions refer to emissions from purchased electricity where the emissions occur at facilities owned by a third party and are sometimes referred to as Scope 2 emissions.

#### Liquids Pipelines

The tables below summarize total direct (Scope 1) and indirect (Scope 2) GHG emissions associated with Enbridge’s Liquids Pipelines operations in Canada and the U.S. The emissions are measured by tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e). In addition, estimated Scope 1 GHG emissions for Vector Pipeline Ltd., which is operated by the U.S. Liquids business unit, are provided in a separate table below.

<b>SCOPE 1</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Enbridge Pipelines Inc.</b>	(t CO <sub>2</sub> e)	4,149	4,370	4,730	4,562
<b>Enbridge Pipelines (Saskatchewan) Inc.</b>	(t CO <sub>2</sub> e)	1,931	2,071	2,055	1,951
<b>Enbridge Pipelines (Athabasca) Inc.</b>	(t CO <sub>2</sub> e)	325	363	372	491
<b>Enbridge Pipelines (NW) Inc.</b>	(t CO <sub>2</sub> e)	5,138	5,564	5,034	4,561
<b>Enbridge Midcoast Canada Operating Corp.</b>	(t CO <sub>2</sub> e)	53	56	62	53
<b>Total</b>	(t CO <sub>2</sub> e)	11,595	12,425	12,253	11,617

<b>SCOPE 2</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Enbridge Pipelines Inc.</b>	(t CO <sub>2</sub> e)	971,225	989,759	880,183	955,202
<b>Enbridge Pipelines (Saskatchewan) Inc.</b>	(t CO <sub>2</sub> e)	41,649	44,373	44,837	46,524
<b>Enbridge Pipelines (Athabasca) Inc.</b>	(t CO <sub>2</sub> e)	43,068	40,027	99,915	98,888
<b>Enbridge Pipelines (NW) Inc.</b>	(t CO <sub>2</sub> e)	233	202	217	210
<b>Enbridge Midcoast Canada Operating Corp.</b>	(t CO <sub>2</sub> e)	469	342	281	273
<b>Total</b>	(t CO <sub>2</sub> e)	1,056,644	1,074,702	1,025,434	1,101,096

<b>SCOPE 1</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Enbridge Energy, Limited Partnership</b>	(t CO <sub>2</sub> e)	1,757	1,627	8,462	1,762
<b>Enbridge Pipelines North Dakota</b>	(t CO <sub>2</sub> e)	280	343	457	496
<b>CCPS Transportation</b>	(t CO <sub>2</sub> e)	0	0	14	14
<b>Enbridge Pipelines Ozark</b>	(t CO <sub>2</sub> e)	619	683	704	699
<b>Enbridge Pipelines Toledo</b>	(t CO <sub>2</sub> e)	5	4	6	6
<b>Enbridge Storage Patoka</b>	(t CO <sub>2</sub> e)	13	10	5	3
<b>Total</b>	(t CO <sub>2</sub> e)	2,674	2,668	9,648	2,980

**Table note:** The Scope 1 estimates for the U.S. subsidiaries include vehicle emissions and fugitives (CH<sub>4</sub> and CO<sub>2</sub>) from terminal operations. Line heater, fire pump, and emergency generator combustion-related GHG emissions are also included for Enbridge Energy, Limited Partnership. Currently, the Scope 1 inventory does not include emissions from space heating, water heating, and other small combustion sources; however, these sources are minor in terms of U.S. Liquids' total Scope 1 and 2 emissions profile.

<b>SCOPE 2</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Enbridge Energy, Limited Partnership</b>	(t CO <sub>2</sub> e)	1,343,230	1,371,321	1,548,616	1,415,611
<b>Enbridge Pipelines North Dakota</b>	(t CO <sub>2</sub> e)	49,257	57,085	64,343	75,983
<b>CCPS Transportation</b>	(t CO <sub>2</sub> e)	0	65,032	73,174	85,504
<b>Enbridge Pipelines Ozark</b>	(t CO <sub>2</sub> e)	100,788	100,520	101,564	101,703
<b>Enbridge Pipelines Toledo</b>	(t CO <sub>2</sub> e)	19,937	9,405	15,065	15,787
<b>Enbridge Storage Patoka</b>	(t CO <sub>2</sub> e)	422	502	490	363
<b>Total</b>	(t CO <sub>2</sub> e)	1,513,634	1,603,865	1,803,253	1,694,952

<b>SCOPE 1</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Vector Pipeline Limited Partnership</b>	(t CO <sub>2</sub> e)	198,746	234,968	319,220	340,593

**Table notes:** The Scope 1 estimate for Vector Pipelines includes stationary combustion (primarily the gas-fired compressor turbines), vehicles and system vented and fugitive emissions. The vented and fugitive estimates are based on default industry (INGAA) emission factors.

Scope 2 emissions for Vector Pipeline have not been estimated at this time, but would be comparatively minor relative to the company's Scope 1 emissions profile.

### **Enbridge Gas Distribution**

Enbridge Gas Distribution also operates three smaller gas distribution companies in New Brunswick (Enbridge Gas New Brunswick), Quebec (Gazifère) and upper New York state (St. Lawrence Gas). Each of these companies' emissions is about 1 per cent of those of Enbridge Gas Distribution and are, therefore, not currently considered significant. However, Enbridge continues to track these emissions by tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e).

<b>SCOPE 1 – Direct Emissions</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Enbridge Gas Distribution Inc.	(t CO <sub>2</sub> e)	291,080	304,814	306,326	305,926
Enbridge Gas New Brunswick	(t CO <sub>2</sub> e)	3,361	4,257	4,803	5,156
Gazifère	(t CO <sub>2</sub> e)	3,567	3,732	3,925	3,973
St. Lawrence Gas	(t CO <sub>2</sub> e)	2,999	3,104	3,170	3,215
<b>Total</b>	(t CO <sub>2</sub> e)	301,007	315,907	318,224	318,270

<b>SCOPE 2 – Indirect Emissions</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Enbridge Gas Distribution Inc.	(t CO <sub>2</sub> e)	3,160	3,568	2,995	3,175
Enbridge Gas New Brunswick	(t CO <sub>2</sub> e)	313	472	563	569
Gazifère	(t CO <sub>2</sub> e)	1	1	1	1
St. Lawrence Gas	(t CO <sub>2</sub> e)	118	119	111	110
<b>Total</b>	(t CO <sub>2</sub> e)	3,592	4,160	3,670	3,856

### **Gas Transportation**

Gas Transportation will implement in 2010 a comprehensive measurement system to track CO<sub>2</sub>e emissions. Estimated emissions for 2009 are:

Scope 1 – Direct – 1,077,900 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e)

Scope 2 – Indirect – 135,000 t CO<sub>2</sub>e



## **EN18 – Initiatives to reduce GHG emissions and reductions achieved.**

### **Our Targets**

In 2005, Enbridge achieved its corporate target to reduce its Canadian direct GHG emissions by 15 per cent below 1990 levels. The company actually achieved an 18-per-cent reduction.

Enbridge's new interim target, set by the company's Climate Change Steering Committee is to reduce the company's Canadian direct GHG emissions to 20 per cent below 1990 levels by the 2010 inventory year. In other words, Enbridge is targeting that in 2010, direct GHG emissions from operations will be 80 per cent of what they were in 1990.

Based on Enbridge's current analysis, the company projects that it will certainly meet its 2010 reduction target. In fact, Enbridge's 2009 direct emissions were already 23 per cent below baseline (1990) levels, this in a period when the company increased its throughput by 45 per cent. The drop is due in part to the company's internal reduction efforts and in part due to the year-on-year variation in system operations.

### **Reducing Direct Emissions**

Enbridge continues to develop a more comprehensive Carbon Management Strategy that will include further actions to reduce its own direct emissions. As the majority of the company's direct emissions emanate from its Canadian Gas Distribution and Services and U.S. Gas Transportation business segments, the company will focus on finding ways to reduce those emissions.

Enbridge will set targets for reducing direct emissions from its assets once it has fully completed an emissions inventory and once there is greater clarity regarding the regulatory framework(s) emerging across the North American jurisdictions where the company has operations.

### **Enbridge Gas Distribution initiatives**

Some of the operational actions that Enbridge Gas Distribution has taken to reduce GHG emissions are summarized in the table below with its current estimate of what those reductions achieved.

<b>Action to reduce fugitive emissions from Enbridge Gas Distribution operations</b>	<b>Description</b>	<b>Result/reductions</b>
<b>Pipe replacement program</b>		
	1) Replacement of the old cast iron pipeline system by about 60 km/yr 2) Replacement of unprotected steel mains 3) Replacement of copper services	Up until 2010, these actions have resulted in reducing annual emissions by 126,600 t CO <sub>2</sub> e.
<b>Pneumatic and odorant equipment upgrades</b>	Replacement of old equipment at gate stations with "no bleed" equipment that does not release natural gas or odourant into the atmosphere as part of their normal operating practices.	Annual emissions reduced by 16,800 t CO <sub>2</sub> e through actions taken until the end of 2009
<b>Installation of high-performance compressor seals</b>	This work involves replacing the packing systems on the compressors at Tecumseh Gas Storage in Sarnia with new high performance seals.	Annual emissions reduced by 2,100 t CO <sub>2</sub> e through actions taken until the end of 2009
<b>Line heater energy efficiency – replacement of old boilers with high efficient boilers.</b>	This work involves the replacement of old equipment with higher-efficiency equipment, as well as the redesign of the stations.	Annual emissions reduced by an estimated 7,100 t CO <sub>2</sub> e over the 2000 baseline year.
<b>Total reduction in annual emissions from the above measures</b>		<b>152,600 t CO<sub>2</sub>e</b>

### **Gas Transportation – STAR Program**

Enbridge is committed to minimizing its environmental impacts by partnering in voluntary programs that promote GHG emission reductions, spill prevention and pipeline integrity. Lowering air emissions and reducing loss of product is better for the environment, good for customers and good for the company's bottom line.

Gas Transportation is an active participant in the EPA's Natural Gas STAR Program, which was introduced to encourage U.S. companies that produce, process, transmit and distribute natural gas to implement cost-effective technologies and practices that reduce emissions of methane.

Since the STAR program's inception in 1993, 140 partner companies have eliminated 19.2 billion cubic metres (677 billion cubic feet) of methane emissions. In 2007, partner companies reported methane emission reductions equivalent to removing more than 6.8 million cars from the road for one year or planting more than 8.5 million acres of trees.

The partner companies are estimated to have saved over US\$648 million by keeping more gas in their systems for sale in the market. Enbridge's Gas Transportation business segment has been a STAR program partner since late 2003, when it enrolled its Gathering and Processing area into the program.

In 2009, Gas Transportation continued STAR program activities such as the use of infrared imaging to identify leaks on the pipelines. However, because of a proposed EPA fugitive emission regulation, this data could be subject to reporting requirements and, therefore, not applicable to voluntary programs such as Natural Gas STAR. Until the fugitive emission regulation is promulgated and its applicability is determined, Gas Transportation will refrain from reporting the data obtained from the inspections to the Natural Gas STAR Program.

Enbridge Gas Distribution (EGD) also reports into the Natural Gas STAR international program called 'Methane to Markets Partnership'. In that report, EGD also reports on its reduction initiatives noted in the above table.

### **Carbon Dioxide Sequestration**

Carbon capture and sequestration (CCS) involves capturing carbon dioxide (CO<sub>2</sub>) from large industrial sources before it is emitted into the atmosphere. Once captured, CO<sub>2</sub> can be safely and permanently stored in deep geological formations or injected into mature oil reservoirs to enhance oil recovery.

Enbridge is involved in several initiatives in Canada that are investigating the feasibility of the long-term commercial sequestration of CO<sub>2</sub> in deep saline aquifers.

CO<sub>2</sub> capture, pipelining and sequestration developments are widely considered to be one of the most immediate, feasible and meaningful ways to reduce greenhouse gas emissions on a large scale and address the challenges posed by climate change.

These initiatives will play a major role in advancing industry and government's knowledge of CO<sub>2</sub> capture and sequestration.

### ***ASAP***

The Alberta Saline Aquifer Project (ASAP), a consortium of 38 energy industry participants including Enbridge, was terminated in October 2009 when its main partner and source of the CO<sub>2</sub> withdrew from the project. However, the knowledge that Enbridge acquired through its participation in ASAP is being transferred to other initiative in which the company is involved.

### ***Project Aquistore (Saskatchewan)***

Enbridge is participating in Project Aquistore, a collaborative effort among government, industry and research institutions to demonstrate that storage of CO<sub>2</sub> in deep geologic formations is a safe, effective solution for greenhouse gas emissions reduction.

This \$100-million integrated carbon capture, transportation, injection and storage project will see CO<sub>2</sub> captured from Regina's Consumer's Co-operative Refinery Ltd. (CCRL). This is targeted to begin in 2013. Approximately 550 tonnes per day will be transported via pipeline for injection into a nearby deep saline formation at 2000 to 3000 metres in depth. Results of the project will be available for the benefit of future carbon capture

storage projects, government policy and regulation development, and for large stationary industries to consider geological storage as an option for mitigating greenhouse gas emissions.

The project proponent is Petroleum Technology Research Centre and contributing partners include Sustainable Development Technology Canada, CCRL, SaskEnergy, Enbridge, the Government of Saskatchewan, SaskPower and Schlumberger.

### ***Project Pioneer (Alberta)***

On June 28, 2010, Enbridge jointly announced with TransAlta Corporation that Enbridge will participate in the development of Project Pioneer, Canada's first fully-integrated carbon capture and storage project involving retro-fitting a coal-fired electricity generating plant.

When complete, Project Pioneer is expected to be one of the largest CCS facilities in the world and among the first to have an integrated underground storage system. The project will pilot Alstom Canada's proprietary chilled ammonia process and will be designed to capture one megatonne (Mt) per year of CO<sub>2</sub> from Keephills 3, a coal-fired plant west of Edmonton that is jointly owned by Project Pioneer partners TransAlta and Capital Power Corporation. The majority of the captured CO<sub>2</sub> is intended to be used for enhanced oil recovery (EOR), while the remainder is expected to be injected safely in deep underground storage for permanent storage.

Enbridge brings to Project Pioneer expertise in the design and construction of pipeline infrastructure, as well as extensive knowledge in CO<sub>2</sub> sequestration.

Project Pioneer is expected to account for at least 20 per cent of the Government of Alberta's target of reducing five Mt of CO<sub>2</sub> emissions per year by 2015. In addition, the project's technology has wide potential applications. It could be used by other coal-fired power plants in Alberta and throughout the world, as well as by other industrial sectors.

On October 14, 2009, Project Pioneer was awarded \$778 million in federal and provincial funding to advance the project.

### ***CO<sub>2</sub> Slurry Project (Alberta)***

The CO<sub>2</sub> Slurry Pipeline Project is an industry consortium initiative being led by Enbridge to build a CO<sub>2</sub> slurry pipeline in Alberta.

On March 15, 2010, the Government of Alberta announced that it had awarded Enbridge funding of \$1 million for the "CO<sub>2</sub> Slurry Pipeline Research Initiative" under the government's Clean Air and Climate Change: Technology and Innovation Program.

The "CO<sub>2</sub> Slurry Pipeline Research Initiative" represents Phase 1 of the three-phase CO<sub>2</sub> Slurry Pipeline Project. Phase I will involve demonstrating proof of the concept, as well as demonstrating the technical viability of a long-distance CO<sub>2</sub> slurry pipeline for transporting petroleum coke, sulphur and other solids, such as limestone.

By providing a useful purpose for CO<sub>2</sub>, companies—such as oil sands producers—can offset some of the costs associated with capturing and storing it. They can also create new markets for products (such as sulphur, petroleum coke and limestone) that are in demand throughout the world, but that have been stranded from their markets due to a lack of suitable transportation infrastructure. In addition, a slurry pipeline will help industry benefit the environment. CO<sub>2</sub> that would otherwise be emitted into the atmosphere would be used to transport goods. Once that objective has been met, the CO<sub>2</sub> would then be pipelined to sites where it could be used for enhanced oil recovery, or to areas where it could be permanently sequestered in deep saline aquifers.

## **Ozone depleting substances**

### **EN19 – Emissions of ozone-depleting substances by weight.**

While Enbridge continues to use halocarbon-containing equipment (in some vehicles, drinking water fountains, refrigeration and air conditioning systems), the company no longer has any infrastructure containing a significant quantity of ozone depleting substances. Enbridge had no reportable releases in 2009.

Liquids Pipelines has an Ozone-depleting Substances Environmental Management Plan in place for its Canadian operations. The plan includes phase-out of Halon-containing fire extinguishing equipment and a commitment to find alternatives to minimize Enbridge's use of other ozone-depleting substances. Enbridge reviews the plan every three years and updates it as necessary to reflect changes in our inventory and changes inapplicable legislation.

Enbridge Gas Distribution does not have ozone-depleting substances in its fire suppressant equipment and reported zero emissions of ozone-depleting substances in 2009.

## **Emissions**

### **ENBRIDGE'S IMPACTS**

#### **EN20 – NO, SO and other significant air emissions.**

##### **Enbridge's Impacts**

The major air emissions released by Enbridge facilities include methane, carbon monoxide, nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs). Other contaminants released, but in much smaller quantities, include sulphur dioxide (SO<sub>2</sub>), hydrogen sulphide and particulate matter and hazardous air pollutants such as hexane.

Enbridge works to keep air emissions from its operations below regulated limits. In some cases, it has exceeded regulatory requirements and has installed environmentally friendly technologies in its facilities that reduce air contaminant emissions. The largest source of VOC emissions from Enbridge's Liquids Pipelines operations is from tank storage. In 2009, Liquids Pipelines initiated a comprehensive assessment of emissions controls in our U.S. terminals, and made a number of improvements in its process and procedures for controlling and managing these emissions. A rigorous maintenance program includes regular inspections of emission control devices and repair or replacement of them to ensure they meet regulatory criteria.

##### ***Reporting Criteria Air Contaminants***

Criteria air contaminants are a group of common air pollutants released from sources, including incineration, industrial production, fuel combustion and transportation vehicles. Enbridge has established programs that define its roles, responsibilities and timelines for reporting its criteria air contaminant emissions to various government agencies in Canada and the U.S.

In Canada, Liquids Pipelines and Enbridge Gas Distribution track and report annual criteria air contaminant (CAC) emissions under the National Pollutant Release Inventory. The air contaminants covered under the regulation include NO<sub>x</sub>, SO<sub>2</sub>, VOCs, carbon monoxide and particulate matter. In the U.S., Enbridge Liquids Pipelines monitors and reports on CAC emissions in compliance with state and federal regulations.

### **Liquids Pipelines**

With the completion of the first phase of Enbridge Liquids Pipeline' contract tankage project in Hardisty, Alberta, in 2009, Enbridge and other industry partners established an ambient air monitoring network to monitor the air quality in the area. The stations collect and monitor the air quality both continuously and on the National Air Pollution Surveillance schedule. In addition to the air monitoring stations, Enbridge conducts semi-annual head space air sampling on each storage tank to ensure emission-control devices are functioning.

Enbridge is also a member of the Strathcona Industrial Association (SIA), which owns and operates an air monitoring network in the City of Edmonton and Strathcona County. The stations continuously monitor the air quality around Enbridge's Edmonton Terminal.

In the U.S., Enbridge tracks and reports to the Environmental Protection Agency's Toxic Release Inventory and to state regulators on VOC emissions for Liquids Pipelines terminals.

In 2008 and 2009, Enbridge and the Wisconsin Department of Natural Resources (WDNR) identified a number of conditions that were not in compliance with air permit requirements at the company's terminal in Superior, Wisconsin. These included among others roof rim seals on Tanks 3 and 4, diesel engine stack dimension requirements and tank inspection frequencies. As a result of these findings, WDNR required the completion of an inventory of emission points on all tanks to verify compliance with the permit requirements. This inventory was completed in the first quarter of 2009 and it identified several additional areas of non-compliance such as missing gaskets and emission control devices at various emission points. Subsequent to the identification of these items, Enbridge put in place plans to address the deficiencies and has brought the facility back into full compliance with all regulatory requirements. As a result of these deficiencies, Wisconsin Department of Natural Resources initiated enforcement proceedings against Enbridge. Enbridge and WDNR have been in on-going discussions and it is expected that this claim will be settled in 2010.

### **Enbridge Gas Distribution**

In Canada, Enbridge Gas Distribution reports annual criteria air contaminant emissions under the National Pollutant Release Inventory (NPRI). The air contaminants covered under the regulation include NO<sub>x</sub>, SO<sub>2</sub>, VOCs, carbon monoxide and particulate matter. In 2009, Enbridge Gas Distribution exceeded the reporting threshold for three locations and voluntarily reported the CACs for a fourth location. All four locations are natural gas compressor stations. Emissions are calculated using emission factors or site/equipment specific data.

## Enbridge Gas Distribution

Location	CO (tonnes)	NO <sub>2</sub> (tonnes)	VOCs (tonnes)
Tecumseh	24.76	54.90	9.00
Sombra	7.36	8.00	0
Seckerton Battery	75.28	112.21	0
Chatham D	15.99	23.84	0

## Gas Transportation

Enbridge's **Gas Transportation** business segments are continually looking for opportunities to upgrade its gas facilities and pipelines in ways that contribute to operating, environmental and safety goals. One example is acid gas injection, which uses advanced technology to compress acid gas, primarily hydrogen sulphide and carbon dioxide, and inject the gases into suitable underground reservoirs, thereby avoiding emissions to the atmosphere.

Enbridge opened its second acid gas injection well near the Aker Treating Plant in 2006. In 2009, the facility injected 21,665 tonnes of carbon dioxide and avoided 259 tonnes of sulphur dioxide that would have resulted from a traditional gas treating facility.

The following criteria pollutant emissions were reported by the Gas Transportation facilities that are required to provide emission inventories:

	CO	NO <sub>x</sub>	VOCs	SO <sub>2</sub>
Tonnes	2,299	3,745	1,044	648

## Effluents

### EN21 – Total water discharge by quality and destination.

Enbridge occasionally acquires and discharges water to hydrostatically test the integrity of new or existing pipelines and tanks. Since existing pipeline sections have transported liquid petroleum or natural gas, the company analyzes and treats this test water, as needed, before returning it to the environment. Water returned to source meets discharge criteria established by local regulatory Please see the 'Water' section (EN8) in this report for more information.



## **Waste**

### **EN22 – Total weight of waste by type and disposal method.**

#### **Enbridge's Impacts**

Enbridge's operations produce mostly non-hazardous wastes consisting of paper, scrap metals, package materials and construction-related materials. Typically, Enbridge's operations generate only limited amounts of hazardous wastes. Overall, Enbridge makes every effort to reduce its waste volumes, regardless of hazard classification, through measurement and management programs at its various facilities.

#### **Enbridge's Performance**

Enbridge minimizes the amount of waste from its operations, wherever possible, by reducing the amount of waste the company generates or by finding beneficial ways to reuse waste by-products.

Enbridge promotes consistent waste management practices across the company's businesses.

The development of waste management tracking and training programs helps employees not only meet regulations, but more effectively recover waste.

#### ***Waste management and minimization in the U.S.***

Liquids Pipelines' operations in the U.S. has in place plans for the management of waste across all operating areas. These plans provide users readily available, searchable, site-specific guidance to help ensure sound waste management handling and disposal.

#### ***Waste management and minimization in Canada***

In 2009, Liquids Pipelines operations in Canada completed a major revision of the Enbridge Waste Management Plan. The Waste Management Plan is a single-source reference to assist operating personnel in determining the best practices for handling all types of waste generated at Enbridge facilities.

EGD reports liquid and solid hazardous waste materials to the Ontario Ministry of the Environment's Hazardous Waste Information Network. Hazardous waste is generated through operation of our facilities as well as through our field operations.

#### ***Tracking, managing and minimizing waste at Enbridge Gas Distribution***

In 2009, Enbridge Gas Distribution (EGD) generated 1,036 tonnes of non-hazardous waste from its facilities. Of this total, 608 tonnes, or approximately 59 per cent of the total weight, were diverted from landfill through recycling initiatives.

EGD reports hazardous waste (liquid and solid) and liquid industrial waste (non-hazardous) to the Ontario Ministry of the Environment's Hazardous Waste Information Network. These registerable wastes are generated through operation of EGD's facilities, as well as through its field operations.

In 2009, EGD reported 407,778 litres of liquid waste, compared with 335,430 litres reported in 2008. The increase was due to an incident at its Lisgar Gate Station that required the disposal of waste oily water.

EGD also reported 10.4 tonnes of solid waste in 2009, compared with 7.8 tonnes reported in 2008. The increase was partly due to disposal of the spent desulphurizer media from Enbridge's hybrid fuel cell and of filters from oil and gas storage operations.

## **Spills and releases**

**EN23 – Total number and volume of significant spills.**

**EN24 – Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.**

**EN25 – Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.**

Enbridge's goal is to prevent all spills, leaks and releases from its energy transportation and distribution systems.

Enbridge implements rigorous mitigation measures during design, construction and operation of its pipelines to prevent spills from occurring. These measures include, among others, avoidance of environmentally sensitive areas, meeting all special design requirements for areas such as road, river and creek crossings, and investing heavily in pipeline safety and integrity programs. These measures contribute to reducing the risk of a release but they cannot eliminate it.

In order to address these residual risks, Enbridge has comprehensive spill response and environmental mitigation plans in place to respond rapidly and completely if spills do occur.

However, relative to the volume of liquids product Enbridge transports, spills are infrequent. For example, in 2009, Enbridge recorded a total 89 reportable spills along its liquids pipeline system. These spills represented a total of 8,353 barrels, compared with a total volume of approximately 891 million barrels that the company transported on its liquids system in 2009. In other words, Liquids Pipelines safely delivered 99.99906 per cent of the volume it shipped in 2009, which is consistent with Liquids Pipelines' safe-delivery performance in prior years.

The vast majority of the spills that Enbridge experiences:

- are small (less than 10 barrels each);
- occur at Enbridge facilities such as pump stations and terminals and are completely contained within those facilities and never leave the site; and
- are discovered very soon after they occur, which allows for rapid response and clean-up and results in low or no environmental impact.

No matter what the size or location of the spill, Enbridge takes every incident very seriously and treats it as a top priority. Each release occurrence is investigated to determine a root cause and findings are incorporated into the company's Integrity Management programs.

(For a report on Enbridge’s ongoing initiatives to mitigate the environmental impacts of its services, including spill mitigation and spill preparedness and response measures, please see ‘Products and Services – EN26/EN27 – Pipeline and System Integrity’ below.)

**Definitions**

Technically, a reportable spill, leak or release is one that is large or significant enough that the company is required to formally notify a regulatory agency. (Enbridge uses the terms ‘spills’, ‘leaks’ and ‘releases’ interchangeably.)

Despite this technical definition, as part of the company’s efforts to continually improve its operations, Enbridge records and addresses even small releases that it is not required to report to regulators.

**Enbridge’s Performance – 2009 Reportable Spills**

In this section, Enbridge reports 2009 spills firstly on a company-wide basis and secondly by its three business segments—Liquids Pipelines; Gas Transportation; and Enbridge Gas Distribution.

**Notes regarding the tables in this section:**

- “Onsite” refers to spills that occurred at Enbridge facilities. Most onsite spills are completely contained within the company’s facilities and are quickly cleaned up with minimal or no environmental impact.
- “Offsite” refers to spills that occurred on Enbridge rights-of-way.
- A reportable spill, leak or release is one that meets the requirements for formal notification to a regulator.

***2009 Reportable Spills – Company-wide***

Enbridge company-wide had a total of 103 reportable spills, leaks and releases in 2009 totaling approximately 8,441 barrels.

Of the 103 spills:

- 86 of them or 84 per cent had a volume of less than 10 barrels; and
- 92 of them or 89 per cent occurred at Enbridge facilities.

<b>REPORTABLE SPILLS, LEAKS AND RELEASES – COMPANY-WIDE</b>				
	<b>0-1 barrels</b>	<b>2-9 barrels</b>	<b>10-100 barrels</b>	<b>&gt; 100 barrels</b>
<b>Onsite</b>	51	31	7	3 <sup>1</sup>
<b>Offsite</b>	4 <sup>2</sup>	2	2	3
<b>Sub-total</b>	55	33	9	6
<b>TOTAL</b>	<b>103</b>			

<sup>1</sup> One of these occurred onsite on a floating roof within the walls of a crude oil storage tank and was not released to the environment.

<sup>2</sup> Includes Enbridge Gas Distribution’s one (1) reportable spill in 2009 that consisted of 4 litres of hydraulic fluid at an offsite location.

<b>REPORTABLE SPILLS, LEAKS AND RELEASES (COMPANY-WIDE)</b>		
–		
<b>FIVE-YEAR CONSOLIDATED DATA</b>		
<b>Year</b>	<b>Total Number of Spills</b>	<b>Total Spills Volume</b>
<b>2009</b>	103	8,441 barrels
2008	92 <sup>1</sup>	2,842 barrels
2007	65	13,772 barrels
2006	68 <sup>2</sup>	5,734 barrels
2005	73	9,873 barrels

<sup>1</sup> Adjusted down from the 93 spills reported in Enbridge's 2009 CSR Report because one Enbridge Gas Distribution planned and permitted release of water in 2008 was incorrectly counted as a spill.

<sup>2</sup> Adjusted up from 67 spills reported in previous CSR reports because one Liquids Pipelines spill was inadvertently omitted from those totals.

### ***2009 Reportable Spills – Liquids Pipelines***

In 2009, Liquids Pipelines recorded 89 reportable liquid spills, leaks or releases totaling approximately 8,353 barrels from its transmission pipelines in Canada and the U.S. (Canada: 69 spills totaling 8,154 barrels; U.S.: 20 spills totaling 199 barrels). By way of comparison, Liquids Pipelines transported a total volume of approximately 891 million barrels on its system in 2009. In other words, Liquids Pipelines safely delivered 99.99906 per cent of the volume it shipped in 2009, which is consistent with the Liquids Pipelines' safe-delivery performance in prior years.

Of the 89 spills in 2009:

- 77 of them or 87 per cent had a volume of less than 10 barrels; and
- 80 of them or 90 per cent occurred at Enbridge facilities.

<b>LIQUIDS PIPELINES – 2009 REPORTABLE SPILLS BY VOLUME AND LOCATION OF SPILL</b>				
	<b>0-1 barrels</b>	<b>2-9 barrels</b>	<b>10-100 barrels</b>	<b>&gt; 100 barrels</b>
<b>Onsite</b>	45	28	4	3 <sup>1</sup>
<b>Offsite</b>	2	2	2	3
<b>Sub-total</b>	47	30	6	6
<b>TOTAL</b>	<b>89</b>			

<sup>1</sup> One of these occurred onsite on a floating roof within the walls of a crude oil storage tank and was not released to the environment.

<b>LIQUIDS PIPELINES – VOLUME OF TOTAL REPORTABLE SPILLS COMPARED WITH TOTAL DELIVERY VOLUME – 2005 TO 2009</b>				
<b>Year</b>	<b>Total Number of Spills</b>	<b>Total Spills Volume</b>	<b>Annual Delivery Volume<sup>1</sup></b>	<b>Percentage of Annual Volume Safely Delivered</b>
<b>2009</b>	89	8,353 barrels	890,965,000 barrels	99.99906%
<b>2008</b>	80	2,681 barrels	857,172,000 barrels	99.99968%
<b>2007</b>	59	13,756 barrels <sup>2</sup>	829,280,000 barrels	99.99834%
<b>2006<sup>3</sup></b>	62	5,434 barrels	834,025,000 barrels	99.99935%
<b>2005</b>	70	9,825 barrels	735,110,000 barrels	99.99866%

<sup>1</sup> Total includes: Canadian mainline deliveries in western Canada and to the Lakehead System at the United States border; Line 8 and Line 9 in eastern Canada; and the Athabasca mainline and the Waupisoo Pipeline. Total excludes: the laterals on the Enbridge Regional Oil Sands System and Olympic Pipeline.

<sup>2</sup> Total Spills Volume in 2007 has been adjusted upward from the 11,956 barrels reported in the 2009 CSR Report because a volume correction for one spill that occurred in 2007, which was included in the 2008 CSR Report, was inadvertently omitted in the 2009 CSR Report.

<sup>3</sup> Number of Spills and Total Spills Volume in 2006 have been adjusted upward from previous CSR reports because one spill was inadvertently omitted from those totals.

### **Spill Costs – Liquids Pipelines – 2009 and 2010 Spills (to July 2010)**

#### Significant Spills in 2009

Life-to-date costs (January 2009 to July 2010) incurred by Enbridge as a result of significant product spills and leaks that occurred across its entire Canada and U.S. liquids pipelines system in 2009 total approximately \$19 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities.

#### Significant Spills in 2010

Life-to-date costs (January to July 2010) incurred by Enbridge as a result of two of the significant product spills and leaks that occurred on its Canada and U.S. liquids pipelines system in 2010 total approximately \$7 million. Specifically, this total includes internal and external costs relating to spill response, repair, clean-up and remediation activities for the spills that occurred in 2010 near Neche, North Dakota, and Virden, Manitoba.

#### Line 6B Spill (near Marshall, Michigan) – July 2010

In July 2010, a leak of approximately 19,500 barrels of crude oil occurred on Line 6B on Enbridge Energy Partners' Lakehead System near the pipeline's pump station located near Marshall, Michigan.

In a Form 8-K filing to the U.S. Securities and Exchange Commission on August 17, 2010, Enbridge Energy Partners, L.P. (the Partnership) estimated that, before insurance recoveries, it would incur aggregate charges between US\$300 million and US\$400 million.

million, excluding fines and penalties, for the Line 6B spill. These charges will include the emergency response, environmental remediation and cleanup activities associated with the crude oil release, costs to repair the pipeline and related inspection costs, potential claims by third parties and lost revenue. This estimate was based on the information available up to the day of the SEC filing. The actual charges the Partnership incurs may differ from the foregoing estimate due to variations in any or all of the categories described above. The Partnership has commercial liability insurance coverage limits that it believes are sufficient to fund the resulting insured costs and liabilities. The Partnership estimated that it would incur charges of US\$35 million to US\$45 million, net of anticipated insurance recoveries and exclusive of fines and penalties, as a result of the crude oil release. These charges are not expected to affect the Partnership's ability to maintain cash distributions to its unit holders.

Enbridge Inc. estimated in mid-August that its costs as a result of the Line 6B spill would be under \$10 million after insurance recoveries. This amount, which excludes any fines related to the spill, reflects its 27 per cent interest in Enbridge Energy Partners.

#### Line 6A Spill (in Romeoville, Illinois) – September 2010

In September 2010, a leak of approximately 6,100 barrels of crude oil occurred on Line 6A on Enbridge Energy Partners' Lakehead System in Romeoville, Illinois.

At the time of finalizing this report, life-to-date costs were unknown.

#### Future Costs and Liabilities

Future costs associated with monitoring and rehabilitating affected areas are determined only after clean-up and assessment, which is often a multi-seasonal process. Liabilities such as fines and penalties are only determined subsequent to investigations and legal and regulatory processes. Therefore, total costs and liabilities cannot yet be determined for spills that occurred in 2009 and 2010.

#### **Significant Releases – Liquids Pipelines – January 2009 to July 2010**

Despite Enbridge's best efforts, Liquids Pipelines experienced several significant releases in 2009 and the first seven months of 2010. The company defines "significant release" as any release greater than 100 barrels or that entails clean-up costs of \$1,000,000 or more. Following are brief reports on some of these significant releases.

##### *Near Cheecham, Alberta*

On January 3, 2009, a leak occurred at Enbridge Athabasca's Cheecham Terminal where approximately 5,749 barrels of oil was released when a three-quarter-inch nipple connected to a vent valve failed on a vertical expansion loop. The leak resulted in oil spraying vertically from the connection, covering a considerable area of the terminal and associated facilities with oil. Most free product was contained on-site, but an oil mist was also blown off-site, contaminating an area of approximately 450 metres by 1,500 metres downwind of the facility. Enbridge implemented response and recovery efforts on discovery of the leak, with accessible free product and contaminated snow and soil being collected and appropriately disposed. To ensure no adverse effect to the local wildlife, Enbridge erected wildlife deterrents and instigated a rigorous monitoring program. Enbridge has worked closely with Alberta's Energy Resources Conservation Board and

Alberta Environment and local stakeholders to mitigate the impacts from this leak. Active site remediation was substantially complete by the end of 2009.

*Near Kisbey, Saskatchewan*

On February 9, 2009, approximately 112 m<sup>3</sup> (704 barrels) of oil were released from an Enbridge Pipelines (Saskatchewan) Inc. gathering line near Kisbey, Saskatchewan. The release was found in a hay field and was determined to be a result of a historical third-party line strike. Cleanup and remediation began and was completed within one month of the release date. Reclamation of the work area was completed by the end of May 2009.

*Near Odessa, Saskatchewan*

In the morning of September 29, 2009, approximately 175 m<sup>3</sup> (1,070 barrels) of crude oil was released from Line 2 at milepost 474.4, downstream of the Odessa Pump Station near Odessa, Saskatchewan. Enbridge's spill response procedures were immediately implemented, crews dispatched to the site and the Transportation Safety Board / National Energy Board and Saskatchewan Environment notified of the release.

The spill was contained within a low-lying section of land measuring approximately 275 metres by 60 metres adjacent to the pipeline right-of-way. Response crews installed berms around the site and replaced a joint of pipe that contained a crack-like defect.

The company initiated an environmental monitoring program immediately following the spill and no long-term impacts are anticipated. Remediation of the site will involve removing the contaminated soil, water and vegetation to an approved facility. All contaminated material was removed from the site by January 2010, with final restoration work planned for the summer of 2010.

*Near Neche, North Dakota*

On January 8, 2010, approximately 500 m<sup>3</sup> (3,000 barrels) of synthetic crude oil was released from Line 2b at milepost 774.18, just across the international border downstream from the Gretna (Manitoba) Station near Neche, North Dakota. Enbridge's Control Centre detected the release and immediately shutdown, isolated the line and implemented spill response procedures including dispatching crews to the site and notifying all regulatory agencies.

The spill was contained within a low-lying section of agricultural land measuring approximately 700 feet by 90 feet (213 metres by 27 metres) and adjacent to the pipeline right-of-way that had been cleared during Alberta Clipper construction. Crews initiated oil recovery while the failed section of the pipe was removed and replaced with pretested pipe. Safety of the public and responders was the company's primary consideration and despite challenging winter conditions, all work was completed without incident.

All contaminated soil, snow and water was removed from the site and trucked to approved disposal facilities. Final site remediation and reclamation was expected to be completed in the summer of 2010. No long-term impacts or significant environmental regulatory actions were anticipated.

### *Near Virden, Manitoba*

On April 1, 2010, Enbridge Pipelines (Virden) Inc. was notified of a potential release of crude oil just southwest of the town of Virden, Manitoba. The company immediately shut down the 6-inch pipeline gathering lateral and dispatched response personnel to the area. The company also notified regulatory authorities, including Environment Canada and Fisheries and Oceans Canada. An estimated 2.5 m<sup>3</sup> (16 barrels) of oil were released from the pipeline into the creek bed of Bosshill Creek, causing an oily sheen to form in a portion of the creek. Spill response crews deployed booms to contain the leak and initiated oil recovery using skimmers and vacuum trucks. The most contaminated portion of the creek was diverted for 100 metres to allow for repair of the line and cleanup of the affected creek bank. Enbridge worked with regulators and local stakeholders to develop comprehensive remediation and monitoring plans. No significant long-term environmental impacts are anticipated.

### *Near Marshall, Michigan*

On July 26, 2010, a leak was detected on Line 6B on Enbridge Energy Partners' Lakehead System near the Marshall, Michigan, pipeline pumping station.

Enbridge estimates that approximately 19,500 barrels of crude oil were released from the pipeline and some of the crude oil traveled down Talmadge Creek to the Kalamazoo River.

Within one hour of being alerted to the leak, Enbridge had emergency crews starting initial containment. Within days, the response grew to more than 1,000 Enbridge staff, contractors, emergency response and containment personnel, and water quality specialists who were deployed and working on containment and cleanup efforts. In addition, Enbridge worked cooperatively with all of the federal, state and local agencies working on the response and cleanup.

Line 6B is a 30-inch, 283,000-barrels-per-day line transporting light synthetics, heavy and medium crude oil from Griffith, Indiana, to Sarnia, Ontario.

For more detailed and up-to-date information about Enbridge's response to the Line 6B leak, please visit <http://response.enbridgeus.com/response/>.

### *In Romeoville, Illinois*

On September 9, 2010, a leak occurred on Line 6A of Enbridge Energy Partners' Lakehead System in Romeoville, Illinois.

Enbridge estimates that 6,100 barrels of crude oil were released. The pipeline was shut down within minutes of the company being notified of the leak and the section of the pipeline where the leak occurred was isolated. Oil was released onto a roadway and then into a storm water retention pond. Approximately 300 personnel and contractors were deployed to clean up and remediate the affected areas.

By September 13, virtually all of the oil, approximately 6,050 barrels, had been recovered.

Line 6A is a 34-inch, 670,000 barrel-per-day line transporting light synthetics, heavy and medium crude oil from Superior, Wisconsin, to Griffith, Indiana.



For more detailed and up-to-date information about Enbridge's response to the Line 6A leak, please visit <http://romeoville.enbridgeus.com/Line6A/>.

**2009 Reportable Releases – Gas Transportation**

Gas Transportation had 13 reportable releases totaling 88 barrels in 2009 (12 in its pipelines division and one in its trucking division). Twelve of the 13 spills occurred at Enbridge facilities and seven of the 13 involved one barrel or less.

**Note to the following two tables:**

- Unless otherwise noted, data covers natural gas transmission, gathering, processing and trucking operations of Enbridge Energy Partners, L.P. and Enbridge Offshore operated by Enbridge Inc.
- Number of spills includes liquid spills from gas transmission and the limited number of liquids pipelines that are included in Enbridge's Gas Transportation Business.
- 1 barrel = 0.159 cubic metres or 42 United States gallons (all liquid products).

<b>GAS TRANSPORTATION – 2009 REPORTABLE SPILLS BY VOLUME AND LOCATION OF SPILL</b>				
	<b>0-1 barrels</b>	<b>2-9 barrels</b>	<b>10-100 barrels</b>	<b>&gt; 100 barrels</b>
<b>Onsite</b>	6	3	3	0
<b>Offsite</b>	1	0	0	0
<b>Sub-total</b>	7	3	3	0
<b>TOTAL</b>	<b>13</b>			

<b>GAS TRANSPORTATION – VOLUME OF TOTAL REPORTABLE SPILLS COMPARED WITH TOTAL DELIVERY VOLUME – 2005 TO 2009</b>				
<b>Year</b>	<b>Number of Spills</b>	<b>Total Spills Volume (barrels)</b>	<b>Annual Delivery Volume (barrels)</b>	<b>Percentage of Annual Volume Safely Delivered</b>
<b>2009</b>	13	88	52,773,000	99.99983%
<b>2008</b>	9	159	50,051,000	99.99968 %
<b>2007</b>	4	10	50,699,000	99.99998 %
<b>2006</b>	6	300	24,834,000	99.99879 %
<b>2005</b>	3	46	23,324,000	99.99980 %

### **2009 Reportable Spills – Enbridge Gas Distribution**

Enbridge Gas Distribution experienced one reportable spill of hydraulic fluid of approximately 4 litres (0.02 barrels).

<b>ENBRIDGE GAS DISTRIBUTION – 2009 REPORTABLE SPILLS BY VOLUME AND LOCATION OF SPILL</b>				
	<b>0-1 barrels</b>	<b>2-9 barrels</b>	<b>10-100 barrels</b>	<b>&gt; 100 barrels</b>
<b>Onsite</b>	0	0	0	0
<b>Offsite</b>	1	0	0	0
<b>Sub-total</b>	1	0	0	0
<b>TOTAL</b>	<b>1</b>			

<b>ENBRIDGE GAS DISTRIBUTION – REPORTABLE SPILLS BY VOLUME– 2005 TO 2009</b>		
<b>Year</b>	<b>Number of Spills</b>	<b>Total Volume (barrels)</b>
<b>2009</b>	1	0.02
<b>2008<sup>1</sup></b>	3	2
<b>2007</b>	2	6
<b>2006</b>	0	0
<b>2005</b>	0	0

<sup>1</sup> Totals have been adjusted down from those reported in Enbridge’s 2009 CSR Report because a planned and permitted release of water by EGD in 2008 was incorrectly counted as a spill.

### **Monitoring and remediating past actions**

Throughout Enbridge’s Canadian and U.S. Liquids Pipeline systems, Enbridge conducts programs to assess historic leak sites. Some of these sites have been in existence for more than 50 years and, in many instances, the contamination has resulted from practices that were the standard of the day but are no longer acceptable. Enbridge assesses historic release locations systematically and takes further actions where warranted.

Some examples include:

- Enbridge continued to work on delineating, monitoring and/or remediating historic leak sites with work occurring at various locations along the pipeline system. A number of historic leak sites were successfully ‘closed’ in 2009, meaning that Enbridge had remediated the sites to the satisfaction of the

landowners and appropriate regulatory agencies. Examples include closure of the Plummer and Donaldson leak sites in Minnesota,

- Enbridge’s Gas Transportation business segment’s plant in Springtown, Texas, treats and processes gas and its plant in Harmony, Mississippi, which is no longer in operation, previously treated and processed gas. Past operations at these plants, before Enbridge ownership, released hydrocarbons, which have been detected in local groundwater. Also, in November 2008, Enbridge experienced a spill of hydrocarbons at its Alliance Sales Meter, located in Alliance, Louisiana, that was subsequently detected in the soil and local groundwater. Enbridge is currently working with those states’ agencies to aggressively remediate soil and groundwater contamination. Regarding the Louisiana spill, Enbridge concluded remediation activities in November 2009 and submitted a summary report to the Louisiana Department of Environmental Quality. While ongoing monitoring indicates that the company’s efforts are having a positive effect, it will continue to monitor this progress under the supervision of the states and will take any necessary actions should the situation change.

## **Products and Services**

**EN26 – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.**

**EN27 – Percentage of products sold and their packaging materials that are reclaimed by category.** [Note: Not relevant to Enbridge]

### **Pipeline and System Integrity**

Enbridge aims to be a North American leader in pipeline and system integrity by aiming for zero spills, leaks and releases from the company’s pipeline systems.

Enbridge underpins these objectives in the company’s Environment, Health and Safety Policy, which states that “our goal is to have no accidents and to cause no harm to the environment”.

This means recognizing conditions that may have contributed to failures in the past, and then working to minimize the future risk. It also means adopting advanced leak prevention and pipeline integrity management technologies, following environmentally sound practices and taking a proactive approach to pipeline testing and repair.

Spills happen for a variety of reasons. Pipelines that come into contact with water, bacteria and chemicals can corrode, both internally and externally. Pipelines under certain environmental conditions and subject to sufficient stresses can experience what is called “stress corrosion cracking” (SCC), which may result in crack initiation and growth. People can inadvertently damage pipelines through unauthorized digging and construction.

To combat these factors, Enbridge invests heavily in pipeline safety through our Pipeline Integrity Management and Maintenance Program. This program encompasses the tools, technologies and strategies needed to ensure that pipeline networks have the strength and

operating “fitness” to perform safely, reliably and in an environmentally responsible manner. The program includes:

- having in place a comprehensive, company-wide integrity management system that focuses on the integrity of the whole system—company pipelines and facilities;
- robust design and construction practices, including:
  - a rigorous, multi-disciplinary route selection process designed to identify pipeline corridors that will achieve an acceptable balance of engineering, environmental and economic considerations;
  - world-class standards for engineering, design and materials procurement; and
  - an ongoing commitment to identify, mitigate and proactively manage potential construction project effects on the environment, including sensitive species;
- implementing rigorous monitoring programs, which include Enbridge’s leadership in the use of sophisticated inline inspection tools ("smart pigs") that identify threats to integrity before leaks occur;
- implementing rigorous preventive maintenance programs, including right-of-way surveillance and pipeline excavation (digs) for inspection and repair;
- implementing public awareness programs to keep property owners and neighbours along Enbridge’s rights-of-way informed about the company’s pipeline system;
- participating in industry forums to share and exchange knowledge;
- pursuing and supporting technology research;
- contributing to the development of national pipeline safety standards and industry-recommended practices; and
- supporting state and provincial excavation efforts to reduce the risk of third-party damage to pipelines.

When a spill, leak or release does occur, Enbridge carries out spill response procedures to shut down and isolate the impacted pipe system, notify the appropriate government and regulatory agencies, contain the substance, and manage potential environmental and safety impacts. Enbridge also works closely with landowners, regulatory agencies and other concerned parties to develop remediation and monitoring plans. In addition, Enbridge conducts root-cause incident investigations and reviews the effectiveness of its response to any incident. The company shares the lessons it has learned through investigations and reviews them within the company, with industry and with local responders.

## ***Pipelines and System Integrity – Enbridge’s Performance***

In 2009, Enbridge invested about \$150 million in the following programs and initiatives related to pipeline and system integrity:

### **1. Combating Corrosion**

Because of their location and the products they carry, pipelines may come in contact with water, bacteria and various chemicals, all of which can corrode steel. Both the interior and exterior of the line are potentially subject to corrosion.

Enbridge combats corrosion by:

- using high-quality materials and anti-corrosion coatings;
- scheduling regular monitoring and inline inspections to check for corrosion;
- scheduling excavation and repair programs identified by inline inspections;
- using cathodic protection (a low level electrical current) to inhibit corrosion of underground pipelines;
- using modeling tools to predict corrosion growth rates along pipelines;
- using inline devices known as "smart pigs" to clean and inspect pipelines from the inside; and
- using specialized corrosion inhibitors within the pipeline to address internal corrosion.

Enbridge continues to pursue new methods to prevent or manage corrosion.

Currently, the company is helping to lead research and development that will further cathodic protection, coating science, inline inspection technologies and improved methods to monitor and mitigate internal corrosion.

### **2. Managing Stress Corrosion Cracking**

Stress corrosion cracking (SCC) is a crack initiation and growth process that can occur in steel pipelines. Research has shown that SCC is caused by a number of factors, including pipe material, stress and the environment surrounding the pipe. SCC typically occurs on the exterior of the pipe. This type of cracking has the potential to penetrate the steel and cause a pipeline break.

Enbridge is committed to being at the forefront of technological developments and research relating to the phenomenon and its diagnosis. These efforts have resulted in rigorous programs for monitoring and managing SCC, using ultrasonic inline inspection technologies.

Over the past decade and a half, Enbridge has carried out a number of actions to further manage SCC, including development of advanced inspection technologies and enhanced field evaluation methods. The company also continues to actively participate in a variety of industry forums with a focus on SCC.

### **3. Setting Leak Reduction Targets and Performance Goals**

Enbridge sets company-wide leak reduction targets across its liquids pipelines system. The company reports leaks or spills from its pipelines in accordance with requirements of regulatory authorities in Canada and the U.S.

### **4. Focus on Prevention**

Enbridge believes that pipeline safety and reliability begin with prevention. This means recognizing conditions that have been known to cause failures in the past and then working to minimize the risk. It also means adopting advanced leak prevention technologies, following environmentally sound practices and taking a proactive approach to pipeline testing and repair.

Following are some of the prevention measures that Enbridge takes:

#### ***4.1 Patrolling the Line***

Prevention depends on a constant round of inspections to spot potential trouble spots along the pipeline right-of-way. Using aircraft, land vehicles or foot patrols, Enbridge regularly monitors the pipeline route, on the lookout for potentially damaging activities such as unauthorized digging and construction.

#### ***4.2 Monitoring Pipeline Depth***

To help ensure the protection and integrity of its pipelines, Enbridge has implemented a pipeline depth monitoring program. The program was developed with the aim of making sure the pipeline is covered by the appropriate amount of soil. To monitor pipeline depth, the company uses specialized electronic equipment that locates and records the pipeline depth every 50 metres. In addition to monitoring the pipeline depth, a geographic positioning system (GPS) is also used to record pipeline coordinates and observe right-of-way conditions such as terrain, land use, damages or deficiencies.

#### ***4.3 Carrying Out Inline Inspections***

Sophisticated inline inspection (ILI) technology is a vital element in Enbridge's pipeline integrity program. The company uses sensitive ILI tools to measure the size, frequency and location of even minute changes in the walls of a pipeline.

These sophisticated tools enable Enbridge to inspect the inside and outside of its pipes on a millimetre-by-millimetre scale. Although most defects are minor and do not threaten the integrity of Enbridge's system, the company analyzes and monitors all of them through periodic inspections to see how defects change over time.

#### ***4.4 Detecting Leaks***

Enbridge has implemented leak detection capabilities beyond those required by the United States Code of Federal Regulations (CFR), Title 49: Transportation, Part 195, Sections 195.134, 195.444 and 195.452.

Enbridge monitors its pipelines for possible leaks using four primary methods, each with a different focus and featuring differing technology, resources and timing. Used together, these methods provide overlapping leak detection capabilities.

**Visual surveillance and reports:** These are reports of oil or oil odours from third parties and from Enbridge’s aerial and ground line patrols. Enbridge handles third-party reports through its emergency telephone line, which the company communicates to affected publics and local emergency officials through its Public Awareness Program. Enbridge typically conducts aerial line patrols every two weeks. The company may also conduct focused additional aerial and ground patrols upon review of the status of a pipeline.

**Scheduled line-balance calculations:** Sometimes called “over/short reports” in the industry, these are calculations of oil inventory that Enbridge does at fixed intervals, typically every two and 24 hours. The company also maintains a rolling 24-hour calculation based on the calculations it has done at a set time each day. The purpose of these calculations is to identify unexpected losses of pipeline inventory that may indicate a possible leak. Enbridge utilizes line-balance calculations within its Commodity Movement Tracking system.

**Controller monitoring:** Enbridge’s Pipeline Controller monitors pipeline conditions (such as pipeline pressure) through the company’s Supervisory Control and Data Acquisition system, which is designed to identify unexpected operational changes, such as pressure drops, that may indicate a leak.

**Computational Pipeline Monitoring (CPM):** CPM is a computer-based system that utilizes measurements and pipeline data to detect anomalies that could indicate possible leaks. The CPM system that Enbridge uses provides a sophisticated computer model of the company’s pipelines, and continuously monitors changes in the calculated volume of oil. Enbridge refers to this model as the Material Balance System (MBS).

If the MBS-calculated amount of oil within the pipeline is less than expected, then an alarm is triggered at Enbridge’s Control Centre. Enbridge immediately investigates the cause of the alarm, which could be instrumentation problems, model errors, hydraulic anomalies or a leak.

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Enbridge uses these approaches together to detect and examine possible leaks. If, for example, the MBS notifies Enbridge employees of a possible leak, then they may implement additional leak detection analysis – by examining the controller monitoring pressures, reviewing the “over/short” reports, or conducting a ground or aerial line patrol.

#### ***4.5 Implementing a Comprehensive Program of Pipeline Integrity Digs***

Enbridge’s constant monitoring and inspection of its pipelines alerts the company to locations to check for corrosion, cracks or other defects. If inline inspections alert Enbridge to a serious defect, the company follows up by carrying out inspection or integrity digs in the field. Each dig involves digging up a section of buried line to verify a problem and, if needed, repairing the defect, recoating the pipe and reburying the line.

Enbridge conducts all digs to a high environmental standard. Before beginning work, the company completes screening tests to identify environmental issues and measures needed to minimize impacts to land, vegetation and wildlife. Enbridge conducts similar environmental reviews for other small engineering and operation and maintenance projects.

In 2009, Enbridge completed more than 900 integrity verification digs along its mainline liquids pipelines system in Canada and the United States.

#### ***4.6 Increased Focus on System Integrity***

In 2004, Enbridge added system integrity measures such as a leak-reduction team and small piping integrity initiatives to its existing pipeline integrity program.

Since 2006, a cross-functional team of 12 experts in engineering, operations and pipeline integrity has helped to guide a leak reduction program for Enbridge's continental network of facilities, including pump stations and terminals.

In addition to Enbridge's direct response, investigation, and remediation activities, this group meets monthly to review recent leaks and plan actions to prevent incidents from occurring in the future.

#### ***4.7 Maintaining Public Awareness***

Public awareness of pipeline activity is a vital element of pipeline safety.

Enbridge ensures that emergency officials and residents along its pipeline routes are well informed of all pipeline activities and safety procedures.

Enbridge pursues this in a number of different ways, beginning with an ongoing commitment to open and transparent consultation with the individuals who live along the company's pipelines and those who may become neighbors as the pipeline network grows.

#### **Spill Preparedness and Response**

Enbridge's emergency and crisis preparedness plans are designed to minimize the impact of an incident and comply with regulatory requirements.

Employees throughout Enbridge's business units in Canada and the United States participate in regular emergency response drills and simulations to test and improve procedures. These range from tabletop exercises, where employees discuss responses to various scenarios, to full-scale deployment exercises with local emergency agencies, using equipment to practice recovery and cleanup in various terrains and on water.

All of the company's operating facilities maintain regular contact with communities and first responder organizations to keep them up to date and coordinated with Enbridge's contingency plans.

When a spill, leak or release does occur, Enbridge quickly implements thorough emergency response procedures to immediately shut down the system concerned, notify government responders, promptly contain the substance concerned, and comprehensively manage potential impacts to the environment and public safety.

Enbridge also works closely with landowners, regulatory agencies and other concerned parties to collect as much of the substance as possible, develop remediation and monitoring plans, and verify that residual contaminants are appropriately managed.

Following Enbridge's response to any incident, the company routinely conducts a root-cause investigation and reviews the effectiveness of its response. The company shares the



lessons it learns through these investigations and reviews these within Enbridge, with industry and with local responders.

### ***Enbridge Safe Community Program***

One of Enbridge's flagship community investment programs is its Safe Community Program, which provides monetary grant support for first responders, police agencies, fire-fighters, emergency medical services and other related health providers who would respond to emergency situations along any of Enbridge's pipeline rights-of-way.

The grant support helps eligible organizations acquire new safety-related equipment, obtain professional training and deliver safety education programs in their communities.

### **Environmental Response**

Enbridge has a strong record of environmental stewardship and regulatory compliance and it works closely with federal and state regulators and authorities to ensure that it builds, operates and maintains its pipelines and facilities safely and with the utmost regard for the protection of the environment.

When Enbridge experiences a leak, the company's highest priority is the safety and protection of people and the environment and the rapid and thorough containment and clean up of the oil in such a way as to minimize the impacts. Following are the typical steps that Enbridge takes:

- Containment is the first order of business as Enbridge works to address the environmental impact of a leak. Simply put, the smaller the area that is touched by the oil, the easier it is to clean up.
- As it contains the oil, Enbridge works to capture it and safely remove it from the environment. As it removes the oil, Enbridge is very careful to keep it from spreading to uncontaminated vegetation, water or soil.
- Water, soil and vegetation that have come into contact with oil is typically removed and disposed of at an appropriate waste disposal facility. As affected water, soil and vegetation are removed, Enbridge is very careful not to spread the oil to uncontaminated areas. The company establishes what needs to be removed based on a comprehensive clean-up plan, environmental testing and monitoring, physical inspection and guidance from government regulators.
- Enbridge works closely with wildlife experts to minimize impacts on wildlife and assist and rehabilitate animals that have come in contact with oil.
- Enbridge develops plans for remediation and reclamation with the input of affected stakeholders and environmental regulators. The company's goal is to address the requirements of all regulators and stakeholders and to restore the area as closely as possible to its pre-spill condition or to a state that is acceptable to the local community.

### **Integrity management at Enbridge Gas Distribution (EGD)**

Enbridge Gas Distribution continues to meet the requirements of Annex N of CSA Z662-07 as the company works through the 10-year Baseline Plan to complete a direct assessment of the condition of the each of its Integrity Mains by 2013. In 2009, EGD's Integrity Management Department completed the in-line inspection (ILI) of four pipelines—two in the Greater Toronto Area and two in the Eastern Region. EGD's Integrity Management Department completed the repair of the six immediate indications detected by the ILI runs and began work on the 34 scheduled indications that were identified. This work will be completed in 2010.

EGD met the Annex M requirements of CSA Z662-07 with its second Distribution System Integrity report and recommendations. The work determined that the three most significant threats to the parts of the distribution system that operate at less than 30 per cent specified minimum yield strength (SMYS) were the remaining cast iron piping in the system, the bare steel piping in the Niagara Region and third-party damages. Programs to reduce these threats include the ongoing cast iron pipe replacement program, the replacement of the bare steel piping in the Niagara Region and the ongoing work of the Damage Prevention Department to educate excavators to make use of the Call Before You Dig program and to follow safe excavation practices.

Annex M sets out the requirements for the Integrity Management Program that covers the parts of the distribution system that operate at less than 30 per cent SMYS of the piping. The program is required to contain: a) a management system; b) a working records management system; c) a condition monitoring program; and d) a mitigation program. Although Annex M does not describe the condition monitoring program in detail, Enbridge meets that requirement by using data from indirect assessments of the condition of the system from indicators such as the below-ground leaks, leak survey results, third-party damage data, corrosion control survey results, bridge and river crossing inspections and material fault reporting data.

### **Customer Programs – Enbridge Gas Distributions**

#### ***Demand-side Management***

Enbridge is committed to helping customers use energy wisely. Enbridge Gas Distribution (EGD) has more than 30 demand-side management (DSM) programs covering all market sectors that encourage customers to adopt energy-saving equipment and reduce consumption of natural gas.

EGD does this by:

- Conducting energy audits of commercial and industrial customers' operations to identify opportunities to improve energy efficiency
- Providing financial rebates and incentives to all types of customers – from homeowners to large industrial customers – to encourage them to adopt energy-saving equipment and practices
- Working with industry and trade associations in various sectors – such as chemicals, construction, automotive, food and beverage, and pulp and paper – to promote DSM programs and contribute to industry standards and best practices

- Partnering with governments, suppliers and equipment manufacturers to invest in new energy-efficient technologies that benefit ratepayers and enhance the competitiveness of EGD's business
- Participating in consumer and community events to promote and ensure that program opportunities are well publicized and accessible to all consumers, including low-income earners
- Ensuring that all of its incentives and rebate offers are available on its website for fast and easy review and downloading

The table below shows how many cumulative tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) have been prevented through Enbridge's demand-side management programs.

<b>Natural gas savings through Enbridge's demand-side management programs (cumulative, million cubic metres)</b>		<b>Cumulative million tonnes CO<sub>2</sub>e prevented*</b>
<b>2009</b>	835	1.58
<b>2008</b>	777	1.46
<b>2007</b>	710	1.34
<b>2006</b>	623	1.17
<b>2005</b>	533	1.01
<b>2004</b>	456	0.86
<b>2003</b>	385	0.73

\*Assumes 1.89kg of CO<sub>2</sub> are emitted for each m<sup>3</sup> gas that is consumed

In 2009 alone, EGD's DSM programs saved just over 74 million cubic metres<sup>1</sup> of natural gas, which is enough to supply approximately 24,000 homes<sup>2</sup> with natural gas for a year.

Since 1995, EGD's DSM programs have cumulatively delivered about 5.2 billion cubic metres of natural gas savings (the equivalent of enough gas to supply approximately 1.7 million homes for one year<sup>2</sup>) and net energy savings to customers of about \$1.8 billion. Through these DSM activities, EGD has helped its customers avoid cumulatively approximately 9.8 million tonnes of carbon dioxide emissions<sup>3</sup>.

<sup>1</sup> 2009 natural gas m<sup>3</sup> savings have been audited; however, they are still subject to the clearance of accounts with the Ontario Energy Board.

<sup>2</sup> Assumes that a typical residential customer uses 3,064 m<sup>3</sup> of natural gas per year to heat their home and water.

<sup>3</sup> Assumes that 1.89 kgs of CO<sub>2</sub> are emitted for each m<sup>3</sup> of gas that is consumed.

### **Contributing to policy on DSM**

As a recognized DSM leader in the natural gas industry, EGD is frequently invited to provide advice on DSM initiatives. In 2006, it participated in an Ontario Energy Board Natural Gas DSM Generic Issues Proceeding, the results of which proved to be positive. Through this proceeding, EGD was able to help establish a new framework for natural gas DSM in Ontario. As a result, EGD is now operating its DSM Programs under the stability of a multi-year plan (original plan was from 2007 to 2009 and further extended to 2011).

The framework includes a DSM incentive that provides shareholders with a share of the benefits from every cubic metre of gas saved. The DSM results have positive impacts, not only for the customers participating in the DSM programs, but also for broader conservation efforts in the province of Ontario.

## **Compliance**

### **EN28 – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.**

Enbridge manages compliance with laws and regulations through system controls and regular reviews that include training and awareness, adopting best practices, inspections and third-party audits. The company considers any regulatory notification or penalty to be important and expects its employees and contractors to fully comply with all regulatory, legislative and permit requirements. Regulatory notifications are formal written notices by regulators that Enbridge may not be adhering to legal, regulatory or permit requirements. Examples include formal warnings, enforcement actions, summonses and charges, Notices of Violation (NOVs), and stop and control orders. In the event that Enbridge's performance falls short of this expectation, as it did during this reporting period, the company carries out rigorous reviews and institutes corrective actions, as it did for each non-compliance issue noted below.

#### **Liquids Pipelines**

In 2009, Liquids Pipelines received the following regulatory notifications from government agencies for environmental issues. These notifications were:

- one NOV from the Wisconsin Department of Natural Resources relating to several permit deviations that were noted during a physical inspection of storage tank emission unit features at Enbridge's Superior, Wisconsin, terminal;
- one NOV from the Indiana Department of Environmental Management relating to submittal of deviation reports for Enbridge's Griffith and Hartsdale, Indiana, terminals using an incorrect permit report template and reporting frequency;
- one NOV from the Oklahoma Department of Environmental Quality relating to late submission of the 15-day startup notification for Tank 2240 at Enbridge's Cushing, Oklahoma, terminal; and

seven NOVs from the North Dakota Department of Health relating to overdue discharge monitoring reports for various Enbridge Pipelines (North Dakota) LLC facilities.

Enbridge responded promptly to address the concerns associated with each of the above notifications.

Also:

- On January 13, 2009, a Consent Decree was issued against Enbridge Energy Partners, L.P. pursuant to a Natural Resource Damage claim related to the July 4, 2000, Cohasset, Minnesota, leak. The Consent Decree, which was filed by United States of America, Leech Lake Band of Ojibwe, and The State of Minnesota, outlined fines to be paid (US\$16,300), wetland mitigation activities to compensate for loss of forested wetland habitat, and retrofitting of school buses with air pollution control equipment to compensate for degradation to air quality during the insitu burn.
- On September 25, 2009, the Wisconsin Department of Justice (WDOJ) notified Enbridge of their intent to file a complaint relating to alleged violations of air management statutes and permit requirements at the company's Superior Terminal. The complaint detailed 12 categories of alleged violations dating back to 2001. Enbridge met with representatives of WDOJ and the Wisconsin Department of Natural Resources (WDNR) on December 10, 2009, to review the complaint and to better understand WDOJ's view of the alleged violations and how they valued the different categories. In total, WDOJ assessed fines associated with the complaint at approximately US\$1.2 million. Combined with statutory penalties and assessments totaling 37 per cent of the fine amount, the complaint totals approximately \$1.66 million. Enbridge and WDOJ have verbally agreed on a reduced settlement in the amount of US\$1.0 million and are working out the final language in a stipulation agreement.

### **Major Projects**

In 2009, Major Projects received one formal regulatory notification in the U.S. and six formal regulatory notifications in Canada.

The notification in the U.S. was specific to storm water and erosion control issues, and ultimately led to a monetary penalty of US\$1,089 issued in January 2010.

The six formal regulatory notifications in Canada were Assurances of Voluntary Compliance issued by the National Energy Board on the Alberta Clipper Pipeline project. The incidents were site specific and addressed issues such as soil handling, erosion control and containment. All items were immediately addressed in the field and did not result in any fines.

- In 2007, Enbridge Energy Partners received three NOVs from the Wisconsin Department of Natural Resources (DNR) for enforcement consideration by the Wisconsin Department of Justice. The NOVs pertained to environmental infractions that Enbridge allegedly committed while constructing its Southern

Access pipeline in 2007. The infractions included insufficient erosion control during a time of record rainfall and runoff, self-reported observations and a number of other corrective actions that DNR's independent environmental monitors recommended. Enbridge addressed the infractions shortly after they took place, as well as during the project remediation phase, so as to avoid any lasting impact on the environment beyond permit parameters. On January 2, 2009, the representative for the Wisconsin Department of Natural Resources (DNR) announced a settlement with Enbridge Energy Partners. The settlement includes a US\$730,000 fine plus US\$370,000 in statutory assessments for allegedly deviating from environmental permit requirements on Stage 1 of Enbridge's Southern Access (and co-constructed Southern Lights) pipeline project.

### Gas Transportation

Gas Transportation in the U.S. received seven NOV's in 2009 with a total fine amount of US\$35,599. The fines were related to:

- a reporting-timeframe exceedance and follow-up reporting (US\$28,588);
- failure to submit notification under a Standard Permit and failure to certify annual compliance (US\$4,236); and
- an air emissions exceedance (US\$2,400).

### Enbridge Gas Distribution

Enbridge Gas Distribution (EGD) received no notifications or fines for non-compliance with environmental regulations in 2009.

<b>COMPANY-WIDE REGULATORY NOTIFICATIONS AND FINES</b>					
	<b>2009<sup>1</sup></b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Regulatory Notifications</b>	25	14 <sup>2</sup>	15	10	10
<b>Regulatory Fines Incurred (thousands of Canadian dollars)</b>	1,159.3	\$59.9	\$4.9	\$4.1	\$107.8

<sup>1</sup> A settlement regarding three NOV's issued by the Wisconsin Department of Natural Resources was reached in January 2009 and included a US\$730,000 fine and a US\$370,000 statutory assessment.

<sup>2</sup> Reduced from the total of 12 reported in the 2009 CSR Report because one U.S. Department of transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) notification was incorrectly counted as an environmental regulatory notification.

## Transport

### **EN29 – Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations and transporting members of the workforce.**

Enbridge Gas Distribution (EGD) has the largest natural gas vehicle fleet in Canada, with over 600 of its 780 vehicles running on low-emission fuel. By converting these vehicles to natural gas, EGD has reduced carbon dioxide fleet emissions by an estimated 700 tonnes annually.

In 2009, EGD’s commercial fleet continued with the E3 Fleet Gold Rating from the Fraser Basin Council for excellence in environmentally-friendly fleet management. Launched in 2006, E3 Fleet is an innovative Canada-wide program that assists public and private sector fleet vehicles in meeting green standards for performance. EGD is the first commercial fleet in Canada to receive a gold rating.

In addition to using low-emission fuel, EGD is taking further actions to reduce vehicle emissions. This includes replacing older trucks with newer ones that meet stricter emissions standards. EGD has also reduced the fleet size by standardizing vehicle designs and building versatility into its fleet. For jobs where three trucks would have been previously required, each with its own capabilities, EGD has built three different job functions into one truck.

EGD also operates eight natural gas vanpools for its employees living in the Greater Toronto Area who commute to work at its Victoria Park offices in Toronto. Each vanpool has a complement of eight passengers and a driver and in total the program saves about 300 tonnes of CO<sub>2</sub> annually. Employees benefit by reducing their vehicle fuel and maintenance costs, lowering stress, having preferred parking at the EGD office and having pride in knowing that they are doing their part for the environment and to relieve traffic congestion.

## Total environmental protection expenditures

### **EN30 – Total environmental protection expenditures and investments by type.**

Enbridge spends millions of dollars annually on environmental assessment, protection and other initiatives. While some of these actions are mandatory, such as impact assessments and reporting of operational emissions, many others are voluntary, such as tree-planting, conserving natural habitats, and public disclosures about the company’s environmental, social, and economic performance.

Enbridge’s environmental activities include:

#### **VOLUNTARY**

- Database Management Tool
- Tree planting
- GHG management and reporting
- GHG auditing

- Groundwater monitoring
- Site containment / drainage
- Environmental seminars for staff
- Environmental Management System audit
- Earth Week Campaign
- Soil assessments
- Sponsorships of environmental groups (e.g. Ducks Unlimited; Trout Unlimited; Pheasants Forever; etc.)
- Corporate Social Responsibility reporting
- Waste management (e.g. minimization, reuse, and recycling) 126,600

#### **MANDATORY**

- National Pollutant Release Inventory (NPRI) reporting
- Government approvals
- Aquatic assessments
- Geo-technical assessments
- Contaminated soil management
- Environmental assessments

Enbridge undertakes a number of other activities undertaken that are not represented in the above list because they have been incorporated into the company's daily business activities. These include:

- the continued development and integration of the Environmental Management System (EMS) into company manuals and procedures;
- redevelopment of environmental training programs and ensuring that all employees are trained regularly;
- routine site visits during construction to evaluate implementation of mitigation measures to ameliorate negative environmental impacts;
- updating Certificates of Approval (air/noise) to reflect new sources of emissions, or equipment changes; and
- identifying changes in regulations and then changing programs to address updates.



## **Spill Costs – Liquids Pipelines – 2009 and 2010 Spills (to July 2010)**

### Significant Spills in 2009

Life-to-date costs (January 2009 to July 2010) incurred by Enbridge as a result of significant product spills and leaks that occurred across its entire Canada and U.S. liquids pipelines system in 2009 total approximately \$19 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities.

### Significant Spills in 2010

Life-to-date costs (January to July 2010) incurred by Enbridge as a result of two of the significant product spills and leaks that occurred on its Canada and U.S. liquids pipelines system in 2010 total approximately \$7 million. Specifically, this total includes internal and external costs relating to spill response, repair, clean-up and remediation activities for the spills that occurred in 2010 near Neche, North Dakota, and Virden, Manitoba.

#### *Line 6B Spill (near Marshall, Michigan) – July 2010*

In July 2010, a leak of approximately 19,500 barrels of crude oil occurred on Line 6B on Enbridge Energy Partners' Lakehead System near the pipeline's pump station located near Marshall, Michigan.

In a Form 8-K filing to the U.S. Securities and Exchange Commission on August 17, 2010, Enbridge Energy Partners, L.P. (the Partnership) estimated that, before insurance recoveries, it would incur aggregate charges between US\$300 million and US\$400 million, excluding fines and penalties, for the Line 6B spill. These charges will include the emergency response, environmental remediation and cleanup activities associated with the crude oil release, costs to repair the pipeline and related inspection costs, potential claims by third parties and lost revenue. This estimate was based on the information available up to the day of the SEC filing. The actual charges the Partnership incurs may differ from the foregoing estimate due to variations in any or all of the categories described above. The Partnership has commercial liability insurance coverage limits that it believes are sufficient to fund the resulting insured costs and liabilities. The Partnership estimated that it would incur charges of US\$35 million to US\$45 million, net of anticipated insurance recoveries and exclusive of fines and penalties, as a result of the crude oil release. These charges are not expected to affect the Partnership's ability to maintain cash distributions to its unit holders.

Enbridge Inc. estimated in mid-August that its costs as a result of the Line 6B spill would be under \$10 million after insurance recoveries. This amount, which excludes any fines related to the spill, reflects its 27 per cent interest in Enbridge Energy Partners.

#### *Line 6A Spill (in Romeoville, Illinois) – September 2010*

In September 2010, a leak of approximately 6,100 barrels of crude oil occurred on Line 6A on Enbridge Energy Partners' Lakehead System in Romeoville, Illinois.

At the time of finalizing this report, life-to-date costs were unknown.

### Future Costs and Liabilities

Future costs associated with monitoring and rehabilitating affected areas are determined only after clean-up and assessment, which is often a multi-seasonal process. Liabilities such as fines and penalties are only determined subsequent to investigations and legal and regulatory processes. Therefore, total costs and liabilities cannot yet be determined for spills that occurred in 2009 and 2010.

# SOCIAL PERFORMANCE

## Where energy meets social performance

People, of course, are the basis of everything. They create companies and are the reason companies exist. They determine a company's failure or success. Our core social responsibility is delivering energy to people.

Enbridge believes that its success is rooted in treating people well. That is why it continues to look for new ways to enhance its employees' and stakeholders' quality of life, and why it invests so heavily in initiatives to help it do so.

These initiatives range from programs geared toward ensuring that Enbridge's operations are as safe as possible to programs designed to attract, engage, inspire and retain employees. These initiatives also extend from Enbridge's policies on human rights to its policies on how it conducts business—policies that underpin Enbridge's commitments to building trust, demonstrating respect for human dignity and rights in all relationships, and delivering mutual advantages.

The Enbridge team was deeply saddened by the death in January 2010 of their colleague Nalvester Maxie in a hydrogen sulfide leak at the company's gas treating plant near Bryans Mill, Texas. Richard Youngblood was seriously injured and several other colleagues were hospitalized and later released the same day.

The company's liquid pipeline system also experienced several notable spills—in Canada, two in 2009 and one in the first half of 2010; and in the United States, two within the first seven months of 2010. The largest of these occurred in July 2010 with the leak of an estimated 19,500 barrels of oil in the area of Marshall, Michigan. In each case, the Enbridge team committed itself wholly to containing the spill quickly, cleaning up the contamination completely and making things right again. Enbridge has always prided itself on being a good neighbour, and throughout its response to these spills the company aimed to demonstrate to its neighbours that it will always live up to its core values of Integrity, Accountability and Social Responsibility.

All Enbridge employees strive for zero safety incidents and work hard every day to minimize the company's environmental impact, and these incidents heighten the company's resolve to meet those commitments.

Enbridge endeavours to demonstrate its values and commitments through the actions it takes year round in its communities.

They are reflected in its partnership with the Alberta Cancer Foundation and the company's title sponsorship of the Foundation's annual Enbridge Ride to Conquer Cancer. They are reflected in the many Enbridge-funded scholarships and bursaries focused on developing the next generation of business and community leaders in such areas as engineering, non-profit studies, environmental sustainability and Aboriginal leadership. They are reflected in its \$2.5 million investment in support of the Nature

Conservancy of Canada and its donation of 60,000 trees to 60 communities in Canada and the U.S. to mark Enbridge's 60<sup>th</sup> anniversary. And they are reflected in the funding the company contributed to the Rise Again 2009: Red Cross Manitoba Flood Relief Concert in aid of flood victims in Manitoba, as well as direct financial support to two Manitoba First Nations communities that were directly impacted by flooding in 2009.

Enbridge's values and commitments are also demonstrated through its partnerships with the Jan and Dan Duncan Neurological Research Institute at Texas Children's Hospital. They are the basis for the *Winter Warmth Program* that Enbridge Gas Distribution initiated in Ontario with the United Way to help people in financial difficulty keep their homes warm, and for the almost \$300,000 that Enbridge and its employees contributed to Haiti earthquake relief.

Enbridge's values and commitments are also at the heart of its *School Plus Program*, which is now in its second year and is geared to inspiring young Aboriginal students in Canada to remain in school in order to achieve their full potential.

# GOALS AND PERFORMANCE

## Social Scorecard - 2009

Objective	2008 Result	2009 Result	Details available in GRI Performance Indicator section	Challenges
<p><b>SAFETY:</b> Strive for zero accidents, injuries or incidents.</p>	<p>One incident in 2008 claimed the life of one Enbridge employee.<sup>1</sup></p>	<p>In 2009, there were no Enbridge employee fatalities. However, one incident claimed the life of an employee of a contractor.<sup>2</sup></p> <p>An incident in early 2010 claimed the life of one Enbridge employee and injured several others, one seriously.<sup>3</sup></p>	<p>LA7</p>	<p>Maintaining the best possible health and safety practices in a time of significant growth.</p>
<p><b>HUMAN RESOURCES:</b> Attract the best talent. Develop, engage and retain workforce. Improve turnover rate.</p>	<p>Enterprise-wide employee engagement score – 70%</p> <p>Voluntary employee turnover as a percentage of total workforce population – 4.3%.</p>	<p>Enterprise-wide employee engagement score – 77%</p> <p>Voluntary employee turnover as a percentage of total workforce population – 2.8%</p> <p>Critical turnover: Voluntary employee turnover as a percentage of total critical workforce population – 0.8%</p>	<p><b>Re engagement:</b> Labour Practices and Decent Work – Goals and Performance – Employee Communications</p> <p><b>Re turnover:</b> LA2</p>	<p>Need to carefully manage hiring as part of efforts to control costs for customers; will be limited to replacement hiring and staffing required to support identified growth</p> <p>Retention of key resources during periods of reduced growth</p> <p>Managing the effective transition of upcoming key retirements.</p>

Objective	2008 Result	2009 Result	Details available in GRI Performance Indicator section	Challenges
<p><b>STAKEHOLDER RELATIONS:</b></p> <p>Transparent, proactive and frequent stakeholder communications.</p> <p>Opportunities for stakeholders to benefit from relationships with Enbridge.</p>	<p>Continued to engage with thousands of stakeholders.</p> <p>Established a community advisory process for the Enbridge Northern Gateway Project.</p> <p>Implemented a new Aboriginal and Native American Policy to encourage partnerships, educational and training program sponsorships, employment opportunities and other capacity-building efforts.</p>	<p>Alberta Clipper Project provided total of \$34 million of economic opportunities to Aboriginal communities in Canada and provided employment to 645 Aboriginal people, representing about 22% of the Alberta Clipper construction workforce.</p> <p>Launched Enbridge School Plus Program to support enriched programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes. Initial pilot program funded 42 eligible schools and benefited over 2,650 youth.</p>	<p><b>Re Alberta Clipper:</b> SO1 – Aboriginal &amp; Native American Relations (Canada – Major Projects)</p> <p><b>Re Enbridge School Plus Program:</b> SO1 – Aboriginal &amp; Native American relations (Major Aboriginal Community Investment); and Community Partnerships and Investments (Strategy)</p> <p><b>Re Community Advisors:</b> SO1 – Community and Landowner Relations</p>	<p>Meeting stakeholders' diverse needs and expectations.</p>

Objective	2008 Result	2009 Result	Details available in GRI Performance Indicator section	Challenges
<p><b>COMMUNITY INVESTMENT:</b> Invest in building sustainable communities, focusing on four areas: Education; Health &amp; Safety; Environment; and Culture &amp; Community.</p>	<p>Invested approximately \$9 million in more than 350 charitable, non-profit and community organizations, and an additional \$2.3 million through program management costs, employee giving, and external resources leveraged.</p>	<p>Invested almost \$10 million in over 350 charitable, non-profit and community organizations, and an additional \$2.1 million through program management costs, employee giving, and external resources leveraged.</p> <p>Launched the Enbridge Volunteers in Partnership (VIP) program, which recognizes employee contributions of time and dollars to charitable organizations by providing additional support in terms of paid volunteer time and top-up financial contributions.</p>	<p>SO1 – Community Partnerships and Investments</p>	<p>Ensuring the greatest returns on investment.</p> <p>Ensuring that investments truly help communities be sustainable.</p> <p>Highly diverse communities and needs.</p>

1. Henri St. Pierre died in March 2008 in an electrical incident at Enbridge’s Kerrobert, Saskatchewan, station.
2. A truck driver from Bertil’s Gravel and Excavation LLC died in November 2009 after being run over by another gravel truck from the same company during civil work related to station construction on the Liquids Pipelines Phase 6 North Dakota System Expansion project at Crookston, Minnesota.
3. Nalvestor Maxie died in January 2010 after a hydrogen sulfide release at the Bryans Mill natural gas treating plant near Douglassville, Texas.

# **SOCIAL PERFORMANCE: LABOUR PRACTICES AND DECENT WORK**

## **Goals and Performance**

In 2009, Enbridge reorganized its Human Resources (HR) function, amalgamating several localized services within the various business units into enterprise-wide Centres of Expertise (COEs) to improve efficiencies and provide the ability to leverage existing programs and service offerings across the company. The Enbridge Human Resources Leadership Team, which is the executive team consisting of senior HR professionals who represent all business segments and COEs, defined a long-term strategic plan to address Enbridge's business needs. Key initiatives related to the plan are as follows:

### **Workforce Planning**

By the end of 2009, Enbridge's workforce comprised approximately 6,000 regular employees (full time and part time) in Canada and the U.S, as well as temporary and contract employees who support seasonal and project work associated with specific projects.

Enbridge's leaders actively manage the attraction, retention and transition of the company's workforce, with support from their HR business partners. Their work focuses on talent management practices in employee engagement, leadership and employee development, succession and career management, mentorship, and knowledge transfer.

Enbridge is committed to advancing its culture of leadership and employee development at all levels in the organization. Succession management is a significant focus as the company seeks to attract, develop, engage, retain and promote leaders of today and tomorrow.

In 2009, Enbridge continued to enhance its leadership and employee development programs with a focus on expanding its mentorship, project management and leadership programs.

With the creation of the COEs and the enhanced ability to share practices and services across the enterprise, the focus for 2010 will be on leveraging existing programs between business units for quick, efficient utilization and further maximization of initial investment costs.

In addition to offering a broad array of in-house leadership and employee development programs, Enbridge offers a Tuition Reimbursement Program. This program provides financial support to employees who advance their education through external learning programs in support of their current and future careers at Enbridge. Enbridge also offers a company-wide scholarship program to help employees' children access post-secondary education in the field of their choice.



## **Talent Management**

Talent management is a fundamental focus at Enbridge and a critical component of the value proposition offered to employees. Strong talent management processes also support Enbridge's success during periods of growth and change, and will ensure a seamless transition with the potential loss of an increasing number of experienced employees to retirement. Enbridge's commitment to effective people management practices, including employee recognition, identification of high-potential and succession candidates, enhanced employee development and career planning, have contributed to securing Enbridge's position as an employer of choice within the various markets in which we operate.

## **Performance Management**

Performance management at Enbridge is central to the company's ability to meet its business objectives and manage and sustain a high-performance workforce. Leaders help employees contribute to Enbridge's business success by developing performance objectives that are aligned with the company's strategic business goals. Leaders provide regular performance feedback to employees to guide their performance, work planning and ongoing development in each performance year.

Effective performance management ensures strong performance, provides an opportunity for leaders to recognize and reward performance, and gives leaders the information they need to support employees' ongoing development with a view to skills and career advancement.

## **Total Compensation**

Enbridge has a full array of compensation and benefit programs designed to attract and retain talent. In addition to base salary, almost all regular (union and non-union) employees participate in an annual incentive plan, which rewards performance relative to a combination of predefined targets established at company, business segment and individual levels. Mid-term incentive plans are also extended to management-level roles.

On the benefits side, Enbridge offers a comprehensive selection of life, health and dental coverage, along with defined-benefit and defined-contribution pension plan options. The company reviews these programs regularly to maintain its competitive position and to ensure it is meeting employees' needs.

Enbridge's total compensation programs continue to evolve to meet business needs. Beyond delivering a competitive level of total compensation, the programs' design and flexibility will be critical in helping the company respond to changing workforce demographics and the evolving needs of employees.

## **Positive Work Environment**

Enbridge is committed to developing and maintaining a diverse and inclusive work environment, and promotes a healthy and positive work environment. Enbridge's policies affirm the company's strong commitment to treating all employees with dignity and respect. Enbridge also subscribes to the principles of a fair and equitable work environment.

Enbridge's work environment promotes a diversity of roles and enriched job experience through project work, secondment opportunities, cross-business segment mobility and participation on cross-functional teams. Enbridge also supports employees who are interested in actively contributing to the communities in which they live and work, through a variety of volunteer opportunities and through the company's annual employee-led United Way campaign.

The value of mentoring and being mentored contributes to a positive work environment. Enbridge's mentorship programs, both internal and external, offer an additional opportunity for the company to support employees in their roles and enhance their workplace experience.

Enbridge regularly recognizes its employees' achievements through a range of formal activities and programs. These activities and programs include service awards, monetary gifts, recognition through internal communications channels and creating opportunities for challenging assignments.

### **Employee Communications**

Enbridge continues to enhance and define its employee communications practices to ensure that employees are informed of business information, company developments and career opportunities by using the most appropriate communications tools and through the active support of supervisors who communicate with their teams.

Effective communications ensure that employees are informed about Enbridge and are engaged in their work, particularly during times of growth and change.

Enbridge's leaders seek to foster an environment committed to open and frank communication. The company offers a dedicated channel for employees to communicate their feedback to their leaders through the annual Employee Perspectives survey.

The Employee Perspectives Survey is an important component of Enbridge's commitment to its people and is an important gauge of employee engagement levels. Every year, Enbridge employees are invited to provide their feedback on a wide variety of topics, such as benefits, work-life balance, work processes, social responsibility and more. The results are then used to generate insights that are incorporated in the development of business and people-focused strategies.

Participation in the 2009 Employee Perspectives Survey was high, with 75 per cent of employees in all business segments responding. Administered by the third-party consulting firm Hewitt Associates, Enbridge's 2009 employee engagement score of 77 per cent placed the company within the "Best Employer" zone, significantly exceeding the North American average and several other benchmarks, including the averages for all Alberta employees, the Canadian oil and gas industry and the North American energy industry.

Key findings from the survey were that Enbridge employees think that:

- Enbridge's organizational reputation and people-focused policies are among its key strengths;
- challenging and enjoyable work keeps them engaged; and

- Enbridge should continue to focus on increasing performance-related drivers such as career opportunities and recognition, which were critical engagement drivers across all demographic groups.

Enbridge is proud of its results and is committed to building sustainable, people-focused strategies that respond to employee needs.

Enbridge continues to use a number of one-way and two-way communications vehicles to regularly exchange information with employees. Among these are:

- *elink*, the Enbridge Intranet, which was significantly improved in 2007 and 2008 in response to employee feedback and was recently recognized by the Neilson Norman Group as being one of the 10 Best Company Intranets in the World;
- *Link*, Enbridge’s quarterly employee magazine, which was revamped in 2007 and 2008; and
- regular electronic bulletins for various business segments.

One business segment has implemented an executive “blog” feature that provides an opportunity for employees to post responses to blogs written by various Executive Team members.

In addition, Enbridge holds annual employee meetings across the organization to ensure that employees receive the latest information about the company’s plans for strategic growth, CSR strategies and plans, and its investments in talent and people. These meetings provide an opportunity for employees to meet with Patrick Daniel, Enbridge’s President and Chief Executive Officer, local senior leadership and guests to discuss challenges and opportunities, and to raise questions about the company’s workplace, business and employee programs.

### **Labour Relations and Collective Bargaining**

Enbridge believes that healthy and cooperative labour relations—built on trust, respect and integrity—contribute to its business goals and objectives. The company continues to maintain and foster a cooperative approach to the union/management relationship through joint committees with various unions and industrial councils. These committees meet regularly to resolve outstanding matters, as well as to advise on and discuss issues of mutual concern. For more information, please see LA4 in the Performance Indicator section, below.

## **Policy**

### **The Enbridge People Strategy**

Based on Enbridge’s belief that people are and will forever be the basis of the company’s success, Enbridge has adopted a People Strategy to proactively and deliberately manage the employment relationship through a set of enterprise-wide principles.

The People Strategy represents the articulation of the guiding principles that are the foundation of policy, program, practices and due diligence within Enbridge and is consistent with the Enbridge governance structure.

These principles are applied across the enterprise while empowering business segment discretion in implementation.

The Enbridge People Strategy was adopted by the Corporate Leadership Team in July 2005 and was integrated into the 2005 Enbridge Strategic Plan. It remains a foundational cornerstone today.

The strategy incorporates the following elements:

**Employee accountability** – Enbridge employees have the responsibility and authority to guide and operate the business.

**Workforce planning and talent management** – Enbridge actively invests in its people through workforce planning, talent management leadership development, succession planning and performance management.

**Total compensation** – Enbridge is committed to providing competitive total compensation that will directly contribute to its ability to attract and retain employees.

**Employee communication** – Enbridge is committed to a culture of continuous open and frank communication.

**Work environment** – Enbridge is committed to a positive and challenging work environment that facilitates employee performance, employee engagement and a culture of innovation.

## **Organizational Responsibility**

Reporting to Patrick Daniel, Enbridge's President and Chief Executive Officer, Jody Balko, Vice-President, Human Resources & Administration, is the senior leader responsible for developing and implementing Human Resources strategies and practices across the enterprise.

As well, Enbridge's Human Resources Leadership Team, which is the executive HR leadership team consisting of senior HR professionals who represent all business segments and Centres of Expertise, is an enterprise-wide governance and working group through which Enbridge governs and advances its commitment to effective human resource policy and programs throughout the company.

## **Training and Awareness**

In keeping with the People Strategy, in 2009 Enbridge Human Resources and Enbridge's leadership refined and strengthened a number of initiatives to advance and reinforce the company's focus on people and relationships.

Among these are:

- enhanced orientation and ‘onboarding’ programs and practices for new employees;
- workforce transition programs for employees leaving Enbridge;
- leadership and employee development programs;
- internal and external mentorship programs;
- the Woman@Enbridge community and the delivery of programs in each business segment;
- the Enbridge Intranet to support employee communications;
- recruitment and career development programs;
- employee benefit programs; and
- individual development and career planning.

## **Monitoring and Follow-up**

Enbridge conducts an employee survey each year (the Employee Perspectives Survey) and utilizes the information provided as input to designing/modifying employee-based programs and services. For a report on the survey and the results for 2009, please see the above section ‘Goals and Performance – Employee Communications’.

## **Additional Contextual Information**

Enbridge believes that people are the basis of the company’s success and the foundation of its vision of being North America’s leading energy deliverer.

**Employment** – Enbridge recognizes that engaging a highly skilled workforce will be critical to the company as it moves toward achieving its business goals.

**Diversity and Equal Opportunity** – Enbridge has a diverse workforce that is represented by multiple generations and minority group members.

With increasing frequency, women are taking leadership roles. As at December 31, 2009, women occupied 26.5 per cent of supervisory roles in the company, and 17 per cent of female employees were in senior management roles (director level and above).

In 2005, Enbridge initiated a program called Women@Enbridge to support women’s career advancement and professional development. The program focuses on leadership development, mentorship and peer coaching, and has the ultimate goal of contributing to business value and the company’s success. It was rolled out throughout the company in 2007, is well subscribed to by employees, and is an ongoing success.

# Labour Practices and Decent Work Performance Indicators

## Employment

### LA1 – Total workforce by employment type, employment contract and region.

As at December 31, 2009, Enbridge employed 6,056 permanent employees. This total can be divided as follows:

Liquids Pipelines (Canada & U.S.)	1,980
Major Projects (Canada & U.S.)	382
Gas Pipelines (Gas Transportation), including International	1,357
Gas Distribution and Services*	2,103
Corporate	234
<b>Enterprise</b>	<b>6,056</b>

\*includes Enbridge Gas Distribution, Enbridge Gas New Brunswick, Gazifère and St. Lawrence Gas.

The approximate breakdown of the total by gender was 68 per cent male and 32 per cent female. The average age was 43.9 years.

A large majority (99 per cent) of Enbridge's permanent workforce is full time.

As at December 31, 2009, Enbridge employed 156 temporary employees. In 2009, Enbridge began to track contractors in its PeopleSoft system and as of December 31, 2009, there were 1,103 contractors working at Enbridge in various capacities but primarily project based.

### LA2 – Total number and rate of employee turnover by age group, gender and region.

For the year ending December 31, 2009, voluntary employee turnover as a percentage of total workforce population was 2.8 per cent. The average length of service for this group was 5.4 years.

Enbridge does not publish employee turnover by age group, gender or region.

**LA3 – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.**

Enbridge's benefit programs include a comprehensive selection of life, health and dental coverage and defined-benefit and defined-contribution pension plan options that are market based and competitively positioned to ensure they are meeting employees' needs.

In Canada, regular part-time employees receive the same benefits as full-time employees, as long as they work three days or more per week. If they work between 14 and 24 hours per week, the benefits are the same except that the credits they receive to purchase health and dental coverage are reduced, although they are eligible to purchase full coverage.

Temporary employees have reduced coverage and are only eligible for one-time life insurance, 50 per cent coverage for health and dental, business travel accident insurance and 50 per cent provincial health care coverage (where applicable).

In the U.S., employees who work 30 hours or more per week receive the same benefits as full-time employees. Part-time employees are eligible to participate in the cash balance pension plan, the 401(k) plan and receive business travel accident insurance.

## Labour/Management Relations

### LA4 – Percentage of employees covered by collective bargaining agreements.

There are 1,059 employees covered by a negotiated agreement, representing 17.5 per cent of the permanent employee base.

Area within Enbridge	Bargaining Unit	Geographical Area	Number of Employees as of Dec 31, 2009
<b>Enbridge Gas Distribution</b>	Local 975, Communications, Energy and Paperworkers Union of Canada (CEP)	Ontario (Franchise Area)	750
<b>Enbridge Gas Storage</b>	Joint Industrial Council	Sarnia, Ontario	20
<b>Liquids Pipelines – Canada</b>	Joint Industrial Councils (4)	Northwest Territories, Alberta, Saskatchewan, Ontario, Quebec	145
<b>Liquids Pipelines – U.S.: Chicago and Superior Regions</b>	Local 2003, United Steel Workers of America (USW)	Minnesota, Wisconsin, Michigan, Illinois, Indiana	110
<b>Liquids Pipelines – U.S.: Cushing Region</b>	United Steel Workers of America (USW)	Kansas, Oklahoma, Missouri	14
<b>St. Lawrence Gas</b>	International Brotherhood of Electrical Workers (IBEW)	Massena, New York	20
<b>Total Number of Employees Covered by a Negotiated Agreement</b>			<b>1,059</b>

### LA5 – Minimum notice period(s) regarding operational changes, including whether they are specified in collective agreements.

The Enbridge Gas Distribution/Local 975 CEP collective agreement contains a 60-day minimum notice period. Enbridge's other collective bargaining agreements do not contain any minimum notice periods.



## Occupational Health and Safety

### **LA6 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.**

Enbridge's entire workforce is represented in formal joint management-worker health and safety committees. While the structure of these committees varies between business segments, a common element is the participation of both employees and management representatives.

As well, a number of Environment, Health & Safety Committees function at all levels within Enbridge's Liquids Pipelines business. These committees promote the exchange of EH&S information and enable management to implement EH&S policies and programs.

### **LA7 – Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.**

Enbridge's health and safety performance for 2005 to 2009 is outlined in the Health & Safety spreadsheet in the Summary Tables section of this report (available at [www.enbridge.com/csr2010](http://www.enbridge.com/csr2010)). The Health & Safety spreadsheet provides consolidated data for the following operating business segments and units: Liquids Pipelines; Gas Pipelines (the Enbridge operated portion of the Vector natural gas pipeline); Enbridge Gas Distribution (EGD); Gas Pipelines (Gas Transportation); and Major Projects. The Health & Safety statistics included in the spreadsheet and quoted below are based on the 5,822 employees working for those entities as at December 31, 2009, and exclude Corporate (head office) employees,

Enbridge's injury rate in 2009 was 1.70 recordable injuries per 200,000 hours worked. First-aid incidents, while reported and tracked, are not included in the frequency rate.

Enbridge's lost-day rate in 2009 was 0.28 lost days injuries per 200,000 hours worked, which is the company's strongest performance in the last five years for this important measure. Lost days begin the day after the incident and include calendar days after the date of the injury.

All incidents, whether reportable by law or not, are reported to local supervisors, as well as the company's Health & Safety Department for tracking, trending, prevention and communications regarding potential lessons learned.

Enbridge's absentee rate in 2009 was 2.61 days absent per employee.

#### **Work-related fatalities**

Enbridge had no employee fatalities in 2009. However, the company is deeply saddened to report that one employee died on January 9, 2010, at its Bryans Mill natural gas treating plant near Douglassville, Texas. Nalvestor Maxie, a long-time plant operator, died after a hydrogen sulfide release occurred at the plant, which is part of Gas

Transportation's East Texas System. Nine employees and one contractor were working at the time of the release. Another plant operator, Richard Youngblood, suffered injuries from the H<sub>2</sub>S release. As a precaution, five others were transported to a hospital in Linden, Texas; all were treated and released the night of the incident. Enbridge has conducted an internal investigation into the incident and cooperated fully with the emergency officials and regulators in their incident investigation.

Also, on November 24, 2009, a truck driver from Bertil's Gravel and Excavation LLC was run over by another gravel truck from the same company during civil work related to station construction on Liquids Pipelines' Phase 6 North Dakota System Expansion project at Crookston, Minnesota. The driver had been told to return to his truck when he tripped and fell behind the reversing truck. Local staff administered first aid until Emergency Medical Technicians arrived. However, the victim was pronounced dead at the site. The incident was investigated by the general contractor, Enbridge and Minnesota OSHA.

**LA8 – Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.**

Enbridge takes safety seriously. Before employees are authorized to perform any job that may have health or safety risks associated with it, they must complete mandatory training. As well, within each of the company's business segments and at each of its sites, Enbridge has established health and safety committees that meet regularly to discuss and proactively implement changes in response to legislation, new policies and practices and new understandings gained from analyzing incidents.

If an employee should be injured on the job, Enbridge arranges for counselors to be brought in for the team. As well, Enbridge offers the Employee and Family Assistance Program (EFAP) to employees and their families in need of help in a variety of areas. In addition to providing assistance in dealing with an illness or injury, employees and their families can access help related to:

- alcohol and drug dependencies;
- marital and family concerns;
- outplacement and retirement issues;
- bereavement;
- depression;
- stress and anxiety; and
- long-term or major illness.

All services under the EFAP are provided by, or coordinated through, an independent consulting firm with certified professional counselors. All EFAP counselors are qualified psychologists or social workers, who are required to maintain employees' confidentiality.

Under the EFAP, Enbridge covers the initial assessment and the first four hours of counseling. Extended health care plans provide ongoing coverage to certain maximums.

Enbridge's short- and long-term disability plans also include a variety of healthcare, support and counselor assistance.

Additionally, Enbridge has in effect several programs and initiatives that focus on the health of its employees and families such as Pandemic Planning and other health initiatives within the business segments.

#### **LA9 – Health and safety topics covered in formal agreements with trade unions.**

The business segments (and partial segments) within the Enbridge group of companies that employ individuals who are represented by trade unions are Liquids Pipelines and Enbridge Gas Distribution (EGD). However, only the collective agreement that Enbridge Gas Distribution has with the Communications, Energy and Paperworkers Union (CEP), local 975, includes topics related to health and safety. Article 2 of the Union Management Cooperation document states the following:

2.04 – The company and the Union recognize the importance of a strong commitment to the Health and Safety of our work force and therefore agree and commit to the following:

- a. Compliance with a standard that, as a minimum, meets all applicable laws and regulations as of April, 1998, and reflects applicable industry standards.
- b. That Enbridge will provide and maintain a safe and healthy work environment, safe equipment and will follow operating practices that will safeguard all employees and the public.
- c. The elimination of the source of dangers to the health, safety and physical well being of our employees is of paramount importance.
- d. That procedures are in place to ensure the efficient delivery of, and accessibility to, Health and Safety Training.
- e. That Enbridge and the Union will work together to ensure all employees are aware of their rights and obligations with respect to these commitments.
- f. That unacceptable performance of health and safety responsibilities will not be tolerated.
- g. Development and communication of a Safety Management System

2.05 – The company and the Union also recognize the importance of Joint Health and Safety Committees, comprising knowledgeable employees, to achieve these commitments and agree to ensure that the committees have the necessary support to fulfill their role.

## **Training and Education**

### **LA10 – Average hours of training per year per employee by employee category.**

Enbridge will implement an enterprise-wide learning management system over 2009 and 2010 to track training information pertaining to its employees. However, as Enbridge's business segments have specific training needs and training programs that are not centrally managed, Enbridge does not expect that it will be able to report enterprise-wide statistics on the yearly average number of training hours.

In 2009, Enbridge spent over \$10 million on leadership and employee development.

### **LA11 – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.**

Enbridge offers a wide variety of skill development and ongoing learning opportunities to employees to help them enhance their abilities in their current roles and prepare them for future career opportunities.

The company offers in-house courses in areas such as communications and business skills, team development, technical training, project management skills, and leadership or management skills. Enbridge also supports development opportunities through:

- externally-offered courses, certificates, designations, degrees, etc.;
- on-the-job training, through participation in special projects or volunteer experiences;
- expanding relationships through coaching, volunteering and mentoring; and
- self-directed learning such as reading and e-learning.

In addition, some of Enbridge's business segments have adopted the company's Career Compass Program. This program, which is delivered in partnership with an external vendor, involves meeting with a coach, preparing an inventory of current skill sets and behaviours, and creating a development plan to enhance career marketability within Enbridge. Other business segments utilize a combination of approaches to broaden and develop staff, including: in-house career planning workshops; providing information to employees regarding flexible job progression pathways for key senior roles; and providing opportunities for targeted internal job rotations and job assignments.

As employees approach retirement, they are offered pre-retirement workshops to help assist in making a successful transition to retirement from the workplace. This includes segments on financial planning, goal setting and lifestyle changes.

If an employee is terminated from their employment at Enbridge for reasons other than cause, they are provided with severance pay that is calculated with a number of variables including the age of the employee and their length of service. In addition, they are provided with a range of outplacement support that helps prepare them to transition to alternative employment.

## **LA12 – Percentage of employees receiving regular performance and career development reviews.**

There are approximately 6,000 regular employees (full time and part time) at Enbridge. At the beginning of each reporting period, employees, in conjunction with their leaders, set performance objectives that will be used to monitor and assess their performance at the end of the fiscal year.

Throughout the year, leaders verbally review progress with employees against their objectives and provide coaching for completion of objectives.

Employees participate in a formal year-end assessment of their accomplishments and identify a future-based development plan with their leaders.

In 2009, leaders completed feedback via the online performance management system that covered 98 per cent of permanent employees. Performance feedback for the remaining two per cent was captured through another mechanism.

## **Diversity and Equal Opportunity**

### **LA13 – Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.**

Enbridge's Board of Directors consists of the following directors. Biographies on each of the directors can be found at [www.enbridge.com](http://www.enbridge.com).

- David A. Arledge
- James J. Blanchard
- J. Lorne Braithwaite
- Patrick D. Daniel
- J. Herb England
- Charles W. Fischer
- David A. Leslie
- George K. Petty
- Charles E. Shultz
- Dan C. Tutchter
- Catherine L. Williams

As at December 31, 2009, Enbridge employed 6,056 permanent employees. The approximate breakdown by gender was 68 per cent male and 32 per cent female. The following is the breakdown by age group:

<b>Age Group</b>	<b>Employee Count</b>
up to 24	152
25 to 29	596
30 to 34	690
35 to 39	757
40 to 44	905
45 to 49	969
50 to 54	1,006
55 to 59	665
60 and above	316
<b>Enterprise Total - Permanent</b>	<b>6,056</b>

Enbridge employed 156 temporary employees as at December 31, 2009. The approximate breakdown by gender was 47 per cent male and 53 per cent female. Following is the breakdown by age group:

<b>Age Group</b>	<b>Employee Count</b>
up to 24	51
25 to 29	23
30 to 34	13
35 to 39	11
40 to 44	6
45 to 49	7
50 to 54	8
55 to 59	16
60 and above	21
<b>Enterprise Total - Temporary</b>	<b>156</b>

Enbridge does not track minority group membership across the enterprise but one of its business segments, Liquids Pipelines, is federally regulated and therefore complies with Employment Equity regulations and Equal Employment Opportunity legislation in each country in which Enbridge operates. Each new employee receives a workforce survey asking him or her to self-identify in confidence. Enbridge tracks this information in PeopleSoft and reports it to the federal government each year.

**LA14 – Ratio of basic salary of men to women by employee category.**

The following chart indicates the salary ratio of men to women throughout Enbridge as at December 31, 2009, by permanent and temporary employees. The ratios shown are calculated by dividing the average male salary by the average female salary.

Salary levels at Enbridge are determined using an objective and equitable process that considers the internal value of the role, market rates of pay, as well as employee skill and competency.

	<b>Salary Ratio Men to Women (%)</b>
Permanent Employee	116
Temporary Employee	127
	121

Enbridge fully supports employment equity legislation requiring that fair employment opportunities be available to all people. Enbridge is committed to creating a workforce that, at all levels, is representative of the diverse population it serves and to providing a working environment that encourages all people to participate on an equitable basis in employment, training and career advancement opportunities consistent with their abilities, qualifications and aspirations.

Enbridge’s policy on equal opportunities in Canada and the U.S. is set forth below:

Enbridge is committed to an organizational climate that is responsive to the reasonable accommodation of differences and requirements of employees. Enbridge’s Employment Equity Program has as principal objectives:

- The achievement and maintenance of a work-force in compliance with legislation, taking into account such factors as work force availability and the evolving social and economic situation of these groups, as well as Enbridge’s operational objectives
- The identification and removal of systemic barriers in employment systems, policies, procedures and practices which may have an adverse effect on the employment or career progression of the designated groups
- The implementation of special measures to correct the effects of employment disadvantages and to promote the work force participation of designated groups

As such, management will:

- Base hiring decisions on job qualifications and individual knowledge, skills and abilities
- Treat employees fairly with respect to access to developmental and career advancement opportunities, training and other conditions of employment consistent with their performance and qualifications
- Support and be committed to programs and initiatives that foster equal employment opportunity and non-discrimination



# SOCIAL PERFORMANCE: HUMAN RIGHTS

## Policy

The Human Rights section of Enbridge's CSR Policy states that:

Enbridge recognizes that governments have the primary responsibility to promote and protect human rights. Enbridge will work with governments and agencies to support and respect human rights within our sphere of influence.

Enbridge will not tolerate human rights abuses and will not engage or be complicit in any activity that solicits or encourages human rights abuse.

Enbridge will always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups.

In addition, Enbridge's Statement on Business Conduct states that:

Enbridge is committed to ensuring that our employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

Enbridge shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and comply with Enbridge's applicable health, safety and environmental policies.

Enbridge shall support the protection and observance of human rights and freedoms within our sphere of influence and has adopted the Voluntary Principles on Security and Human Rights as set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

The Statement on Business Conduct is applicable to the Enbridge Group of Companies, their directors, officers, employees, consultants and contractors in all countries in which Enbridge conducts business.

## Organizational Responsibility

Al Monaco, Executive Vice President, Major Projects & Green Energy, is responsible for, among other things, Public, Government & Aboriginal Affairs and CSR. He is supported by D'Arcy Levesque, Vice-President, Public & Government Affairs, who is responsible for developing and implementing CSR strategies and practices.

As well, Enbridge's Human Resources function is a significant partner in guiding and operating the business. The Human Resources (HR) Council, which is the executive HR leadership team and which consists of senior HR professionals who represent all business segments, is an enterprise-wide governance and working council through which Enbridge governs and advances its commitment to effective human resource policy and programs throughout its businesses.

In addition, within each business segment, Enbridge leaders manage people and lead their business operations. Their role as people managers is central to Enbridge's goal of engaging its workforce and to developing it to meet the company's growth plans. Individual leaders contribute daily to employee engagement through effective employee relations, by actively developing employees and creating a positive and supportive work environment.

## **Training and Awareness**

As a condition of employment, all Enbridge employees must review and confirm their compliance with Enbridge's Statement on Business Conduct each year. The statement addresses human rights as follows:

Enbridge is committed to ensuring that our employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

Enbridge shall establish and maintain safe working conditions and conduct our operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and comply with Enbridge's applicable health, safety and environmental policies.

Enbridge shall support the protection and observance of human rights and freedoms within our sphere of influence and has adopted the Voluntary Principles on Security and Human Rights as set forth by the U.S. Bureau of Democracy, Human Rights and Labour.

## **Monitoring and Follow-up**

Enbridge complies with, and conducts business in accordance with, the principles set out in the Human Rights legislation of the countries in which the company operates. If, after investigating an alleged incident, Enbridge finds that a transgression has occurred, it follows up with an appropriate level of discipline, including termination and possibly prosecution.

Enbridge recognizes the increasing public demand for corporations to be accountable and transparent in all of their business activities and to be seen as proactively dealing with the issues of the day. With that in mind, and in keeping with its commitment to transparency

and CSR, in 2002, Enbridge adopted the Voluntary Principles on Security and Human Rights, which deal with responsible corporate action in conflict zones. These principles were particularly relevant to Enbridge's business involvement in Oleoducto Central S.A. (OCENSA) in Colombia and were incorporated into the company's Statement on Business Conduct. (Enbridge sold its interest in OCENSA on March 17, 2009.)

In addition, in 2003, Enbridge became a signatory to the United Nations Global Compact and committed to following its principles. The compact is an initiative that brings companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour and the environment. Enbridge has committed to support and advance the Global Compact's principles and to make them part of the company's strategy, culture and daily operations.

# Human Rights Performance Indicators

## Investment and Procurement Practices

**HR1 – Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.**

**HR2 – Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.**

Enbridge strictly adheres to Canadian and U.S. human rights laws with regard to its North American operations. Further, Enbridge's activities are governed by its Statement on Business Conduct and by the Voluntary Principles on Security and Human Rights, which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor. As such, Enbridge does not include human rights clauses or human rights screening in any of its North American investment agreements.

**HR3 – Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.**

Enbridge offers a regular "Respectful Workplaces" course and a periodic "Anti-Harassment" course. Both of these courses are voluntary and the company does not track the number of hours or percentage of employees who have participated.

## Non-Discrimination

**HR4 – Total number of incidents of discrimination and actions taken.**

Enbridge management is not aware of any incidents of discrimination taking place in the company in 2009.

Enbridge management is aware of one incident in which discrimination was alleged in 2009 involving individuals who were contractors, not Enbridge employees. With Enbridge's support, the companies for whom the contractors worked took responsibility for resolving the matter to Enbridge's satisfaction.

## **Freedom of Association and Collective Bargaining**

**HR5 – Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.**

Enbridge is not involved in any operations in which the right to exercise freedom of association and collective bargaining may be at significant risk.

## **Child Labour**

**HR6 – Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.**

Enbridge follows the labour laws of the countries in which it operates and does not hire children.

Further, Enbridge's activities are governed by its Statement on Business Conduct and by the Voluntary Principles on Security and Human Rights, which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

## **Forced and Compulsory Labour**

**HR7 – Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour.**

Enbridge follows the labour laws of the countries in which it operates and does not practice forced or compulsory labour.

Further, all of Enbridge's activities are governed by its Statement on Business Conduct and by the Voluntary Principles on Security and Human Rights, which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

## Security Practices

**HR8 – Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.**

Enbridge employs two full-time security personnel within its Corporate Security department. Both have a full understanding of the company’s Statement on Business Conduct.

Further, all of Enbridge’s activities are governed by its Statement on Business Conduct and by the Voluntary Principles on Security and Human Rights, which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

## Indigenous Rights

**HR9 – Total number of incidents of violations involving rights of indigenous people and actions taken.**

Enbridge is sensitive to the rights and culture of indigenous peoples and has adopted an Aboriginal and Native American Policy that outlines key principles for Aboriginal relations and that promotes the understanding of Aboriginal and Native American peoples and issues that are important to them.

Enbridge is not aware of any incidents of violations involving the rights of indigenous people in 2009.

# SOCIAL PERFORMANCE: SOCIETY

## Policy

Enbridge's CSR Policy and its Aboriginal and Native American Policy govern the company's stakeholder relations.

Enbridge also has a set of Community Partnerships & Investment program criteria and guidelines, which guide its community investment activities. They are as follows:

### **Community Partnerships & Investments – Program Criteria and Guidelines**

The company considers investment and sponsorship opportunities in communities where Enbridge operates that are:

- Within a 20-kilometre (10-mile) radius of its pipeline right-of-way;
- Important to the community as determined by best practice comparison, community-based research and information gathered through on-going stakeholder relationships;
- Beneficial to the greatest possible number of people;
- Significant to the long-term interests of the community; and
- Supportive of one of the four building blocks that Enbridge views as integral for a sustainable community.

### **Qualified Organizations**

- Medical research and infrastructure
- Community-based emergency services
- Health-based organizations
- Education providers
- Social services agencies
- Environmental and safety initiatives
- Professional and amateur cultural organizations

### **Ineligible Organizations**

- Organizations without a Revenue Canada Taxation number OR non-profit organizations established under 501(3)(c) of the U.S. tax code
- Organizations discriminating on the basis of race, religion, gender or sexual orientation
- Individuals
- Religious, political organizations or special interest groups

- Advocacy or lobby initiatives
- Recreation or sports organizations and events
- Trips, tours or conferences
- Foundations or third party fundraisers
- Advertising, memberships, ticket sales or lotteries
- Mass-mailed or non-addressed solicitation

## **Organizational Responsibility**

Al Monaco, Executive Vice President, Major Projects & Green Energy, is responsible for, among other things, Public, Government & Aboriginal Affairs and CSR. He is supported by D'Arcy Levesque, Vice-President, Public & Government Affairs, who is responsible for developing and implementing CSR strategies and practices.

As well, Enbridge's Public, Government & Aboriginal Affairs function is a significant partner in guiding and operating the business in the areas of Community Relations, Aboriginal & Native American Relations, and Community Investment.

## **Training and Awareness**

Several employees within Enbridge's Public, Government and Aboriginal Affairs department have taken the Certificate in CSR, offered by the University of St. Michael's College, Continuing Education in the University of Toronto, in partnership with the Conference Board of Canada.

Enbridge has also added a CSR section to each of its regular new employee onboarding sessions and to each of its annual employee meetings.

## **Monitoring and Follow-up**

In 2005, Enbridge signed on as one of 10 founding members of the London Benchmarking Group Canada (LBG Canada). LBG Canada is a member-driven association working toward a higher standard in the management, valuation and performance measurement of corporate community involvement. Using the LBG model, Enbridge is able to evaluate community contributions consistently and maximize the impact of its corporate community involvement programs. LBG is a structured process that includes goal setting, clarity on the investment required to achieve a desired outcome and performance measurement of the result.

For more information on the benchmarking Enbridge is doing through its association with LBG Canada and recent assessment results, please see the report below in "Society Performance Indicators – SO1 – Community Partnerships and Investments – Benchmarking and Assessment".



# Society Performance Indicators

## Community

**SO1 – Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.**

Enbridge manages the impacts of its operations on communities through three areas of activity that have complementary programs and practices: community and landowner relations; Aboriginal and Native American relations; and community partnerships and investments. Following are detailed reports on all three of these areas.

### COMMUNITY AND LANDOWNER RELATIONS

#### Assessing Impacts

Many of Enbridge's projects require the company, as the proponent, to develop and submit a comprehensive Environmental and Socio-Economic Assessment (ESA) or similar study and document. An ESA is prepared to provide the current environmental and socio-economic baseline conditions along a proposed pipeline route and in the vicinity of proposed facilities. An ESA also typically evaluates project alternatives, and determines and compares potential effects a proposed project will have on the natural and human environment.

The socio-economic component of an ESA evaluates potential impacts to communities by assessing aspects such as human occupancy and resource use, heritage resources, traditional land and resource use, social and cultural well being, human health and aesthetics, infrastructure and services, employment, and the economy.

An integral component in determining socio-economic effects of a project includes collecting and evaluating information obtained during consultations with numerous stakeholders, including: environmental interest groups; landowners and occupants; municipal, provincial and federal agencies; as well as Aboriginal groups. Once potential effects have been identified and analyzed, residual effects are predicted and their significance is assessed. Measures are then proposed to avoid or mitigate the identified effects.

#### Major Projects – Public Involvement Programs

Enbridge is undertaking or completing an unprecedented number of construction projects in North America. Whether a particular project pertains to adding pipeline along a new or existing pipeline right-of-way, construction of alternative energy projects, crude oil tanks, or the acquisition of land, the company uses proactive public communications and consultation programs to ensure timely two-way communication. Enbridge's philosophy

is to be as transparent as possible with its stakeholders and the company accomplishes this by providing frequent, honest and open communications with all stakeholders and communities located near planned projects that may have an impact on them.

When it proposes a new project, Enbridge, as a first step, implements a comprehensive Public Involvement Program, the purpose of which is to build public awareness and understanding, gather community and stakeholder input, answer stakeholders' questions, and whenever possible implement changes to project design or scope to minimize adverse impacts.

As part of this program, landowners, Aboriginal communities, community residents, stakeholder organizations, public officials, chambers of commerce and the media in communities proximate to Enbridge's activities receive regular project updates via newsletters, posters, regulatory compliance mailings, telephone calls, community open house meetings and in-person visits.

While many stakeholders are satisfied to receive the company's project information at the start of the process and then simply be informed on a timely basis about progress and new developments, other individuals or groups affected by a project may have interests or concerns that require personal consultations. These consultations can vary widely—from negotiations with First Nations, private landowners and recreational users of public land; to engagement with multi-stakeholder advisory groups; to discussions about economic opportunities with local contractors. For example:

For a 140-km (87-mile) oil sands pipeline project Enbridge is currently developing in the Fort McMurray area of Alberta, the company's Public Involvement Program has been under way since early fall 2009. Pending regulatory approvals, Enbridge plans to start construction of this pipeline, which will be located mainly on Crown land, in the winter season of 2010/2011.

Among the many stakeholders Enbridge has engaged with to date regarding this project, one is a local snowmobile recreational group, the Fort McMurray Sno-Drifters Association. As part of Enbridge's process of gathering information about potentially impacted stakeholders in proximity to the project, the company learned that its proposed pipeline right-of-way would overlap with 8 km (5 miles) of this group's established trail, and potentially restrict the use of it for two winter seasons.

Enbridge's construction manager met in person with the president of the Sno-Drifters and together they were able to work out a mutually agreed solution that would mitigate the impact winter construction would have on the Association's members. In commenting on Enbridge's proposal to mitigate impacts, the Association's president commented, "This is the kind of communication needed to work effectively. I appreciate your efforts."

### **Operations – Public Awareness Programs**

Enbridge knows that its neighbours during construction will also be its neighbours for the many years that the project will be in operation, and the company welcomes the opportunity to invest in long-term collaborative consultation relationships.

Through its Public Awareness Program, Enbridge has a scheduled communication process through which (a) landowners, communities and all other relevant stakeholders are kept informed about a pipeline and related initiatives and issues and (b) the company seeks comments from the affected public and addresses questions and concerns.

Our programs take many forms. For example:

Enbridge representatives meet regularly with local emergency responders, excavators, schools, public officials and other community stakeholders along the company's rights-of-way to share information about the pipelines, damage prevention, leak detection, and Enbridge's emergency contact information.

In addition, Enbridge's Safe Communities program provides contributions to local emergency responders to purchase equipment or to fund training activities. Enbridge also makes targeted donations in communities near its rights-of-way to support environmental, educational, health and safety, cultural and other community initiatives. Enbridge representatives often hand-deliver the cheques and use those face-to-face meetings as an opportunity to talk about our Public Awareness Program and encourage stakeholders to contact their Enbridge representative at any time with any questions or concerns.

Further, Enbridge personnel conduct regular emergency response drills and invite local emergency responders to participate.

The meetings, the community investment program and the emergency response drills all provide opportunities to foster relationships, while also increasing the community's understanding of Enbridge's pipelines.

### **Landowner Relations**

Enbridge involves landowners in the decision-making process pertaining to their property and seeks to provide fair compensation for any damages experienced as a direct result of the company's activities.

Following are some examples of the company's recent landowner relations initiatives that are designed to meet regulatory requirements and incorporate feedback from landowners:

**Enbridge agricultural screening tool:** Enbridge has developed a screening tool to assist landowners in making decisions regarding crossing the company's rights-of-way with their heavy equipment. This has been a concern for some landowners for some time, so Enbridge developed this practical, user friendly tool based on an industry-agreed-upon science called the Keifner Model, which examines axle weight, tire pressure, depth of cover, and ground pressure to determine whether equipment can safely cross a pipeline. While the vast majority of agricultural equipment can do so, some extremely heavy equipment may require the landowner to call Enbridge for a site-specific assessment. Enbridge's agricultural screening tool is the first of its kind in the world to address pipeline crossings and the company is optimistic the tool will provide landowners with greater confidence on surface loadings and depth of cover.

**Pipeline Depth Monitoring Program (PDMP):** In response to the National Energy Board's certificate conditions, Enbridge developed a Pipeline Depth

Monitoring Program for its Alberta Clipper and Southern Lights pipelines. The program includes a methodological approach to how and when to survey these pipelines for sufficient depth of cover and how to remediate deficiencies in concert with the affected landowners. During the consultation process, a draft proposal was reviewed by affected landowners and the company received comments and suggestions from a sizeable segment of the landowner population. Where possible, feedback was then incorporated into the working draft, which was then submitted to the NEB for approval. Enbridge is currently examining the feasibility of implementing a PDMP for all of its Canadian pipelines.

### **Community Relations Advisors**

In early 2010, Enbridge added a specific Community Relations function to Liquids Pipelines Operations to focus on building relationships with communities and residents near its operating assets as well as the projects it is planning or constructing.

Reporting to a Senior Manager, Community Relations in Canada and to a Manager, Liquids Pipelines Operations and Projects in the United States, Community Relations Advisors will help develop and implement local community engagement plans that meet the needs of local stakeholders. They will also identify and proactively address and resolve emerging concerns in key communities and regions and ensure that the company's Corporate Social Responsibility initiatives are promoted and implemented within local communities.

### **Measuring Effectiveness**

There are many long-term benefits to fostering good relations with stakeholders and building trust and goodwill with the landowners and communities along the company's rights-of-way, including making it easier to build new pipelines within the existing rights-of-way. If landowners and communities already know Enbridge and believe they have been treated fairly by the company in the past, then they are more likely to support it and any of its future expansion initiatives.

The actions or reactions of Enbridge's stakeholders are the primary indicators of the company's community relations performance. Key performance indicators for Enbridge include:

- positive or negative feedback gathered in meetings with stakeholders;
- concern/support from elected officials regarding matters important to the projects;
- letters of support;
- positive, negative or balanced media coverage;
- level of opposition to projects;
- timely regulatory approvals of the projects; and
- conflict mitigation through effective communication and a meaningful consultation process with stakeholders.

By fostering positive relations and addressing stakeholders' concerns proactively, Enbridge has been able to move forward on its growth projects with the support of landowners, communities and Aboriginal and Native American neighbours.

Enbridge conducts formal and informal surveys to measure the effectiveness of its programs.

For example:

- In order to provide a benchmark assessment of Enbridge Gas Distribution's reputation, a research study was conducted in late 2009 and early 2010 among various external stakeholder groups. More than 95 per cent of stakeholders said they have a favourable impression of Enbridge and reported a high degree of trust. Stakeholders told EGD that safety and reliability are the most important factors when assessing the company's reputation, and almost all stakeholders agree that Enbridge is delivering on that promise.
- In the U.S., Enbridge measures the effectiveness of its federally mandated pipeline public awareness programs (PAPs) and adjusts them, if necessary. Informally, the company polls a group of its field operations and compliance partners to gauge their understanding of the PAP and seeks recommendations for improvements.
- Also in the U.S., Enbridge participates with several other companies in an American Petroleum Institute-sponsored nationwide survey of local public officials, emergency responders and members of the affected public (i.e., pipeline neighbours) to measure their understanding of pipeline safety and retention of information they would have received as part of a company's pipeline public awareness baseline direct mail program.
- Enbridge also uses informal measures of media interest (news and blog clips) to gauge stakeholder interest in certain topics such as proposed pipeline construction in their area, as well as to develop educational and open house materials that are responsive to stakeholder questions that are raised in media stories.

#### **Engagement with Regulators**

In 2010, Enbridge participated in survey meetings with the National Energy Board to discuss the NEB's Draft Expectations for Public Involvement Programs and existing company programs. The NEB's objectives for these meetings were to provide it with:

- a greater understanding of how individual companies manage public involvement during different project phases, how the company manages public involvement during the transition from one phase to the next, and how the public involvement program complements other programs within a company;
- a baseline of industry best practices; and
- additional feedback on the NEB's draft expectations.

Enbridge provided detailed information on its proactive and reactive approaches during the planning, construction, operations and abandonment phases of a project.

In the U.S., Enbridge participated in the federal Pipeline and Hazardous Materials Safety Administration's (PHMSA) Pipelines and Informed Planning Alliance program, which is a multi-stakeholder consensus effort to develop best practices for development near pipelines and for assuring that those who host pipelines on their property understand how those pipelines are operated and what pipeline companies do to protect their near neighbors.

### **Constant Improvement**

Enbridge aims for constant improvement of its community relations initiatives to reinforce the company's long-standing commitment to being a good neighbor and maintain positive relationships with landowners, tenants and communities along the company's rights-of-way.

For example, in Westover, Ontario, Enbridge, for more than 20 years, has leased four acres of land to the community for use as a baseball field. Enbridge leases the land for the nominal fee of \$1 per year and in the past provided the funding to install lights for nighttime games. In 2009, Enbridge provided additional funding for a picnic shelter to further enhance the ball park facility. The baseball field contributes to the positive development of youth and adds to the health of the community. Enbridge also leases a lot at a nominal fee to the City of Sarnia for use as a play park

Enbridge applies the same level of energy to building relations with communities it is entering for the first time.

For example, regarding recent renewable energy projects that Enbridge has under way or has recently completed, the company is supporting communities in a variety of ways:

- Enbridge contributes \$50,000 annually to the Community Grant Program of the Municipality of Kincardine on the Bruce Peninsula where the company's Ontario Wind Power Project is located. The funds are distributed annually to non-profit groups (maximum of \$5,000 per application) that are qualified to receive a grant. The process is managed by representatives from the Municipality and Enbridge staff.
- The Saugeen First Nation is participating in Enbridge's Post-construction Environmental Monitoring Program at the Ontario Wind Power Project as the result of an Environmental Agreement between Enbridge and the Saugeen Ojibway First Nation.
- Enbridge supports the Nawash First Nation, which is located on the Bruce Peninsula, in their annual golf tournament, as well as the Aamjiwnaang First Nation, which is located near Sarnia, Ontario, in their young people's participation in the Little NHL tournament.

For its part, Enbridge Gas Distribution enters a new community when it is requested to do so by a developer or a municipality and upon approval of the Ontario Energy Board. Once that is done, EGD conducts a community consultation if the community currently exists. If it is a new development, then it will incorporate natural gas into its marketing program with EGD's assistance.

Responsibility for reviewing any social and environmental impacts rest with EGD's regional general managers with assistance from various company departments, including Public & Government Affairs and Environment, Health & Safety. EGD then works closely with the community, supporting it with sponsorships and donations that promote a healthy and vibrant community and ensuring proper maintenance and monitoring.

The relationships that EGD builds with communities through its community events, sponsorships of community activities or meetings with key stakeholders have helped establish a powerful brand of a good corporate citizen. Some recent examples include:

- Through EGD's sponsorship of Project Zero, which is a public education program aimed at reducing residential fire deaths to zero, the Ontario Fire Marshal's office was able to distribute 2,700 combination smoke and CO<sub>2</sub> alarms to nine municipalities across the province.
- Through EGD's commitment to the Winter Warmth program, EGD assisted over 1,400 low-income families and individuals with payment of their natural gas bill during the winter of 2009/2010.
- Through EGD's title sponsorship for the Enbridge CN Tower Stair Climb for United Way, United Way Toronto raised almost \$1.7 million.

## **ABORIGINAL & NATIVE AMERICAN RELATIONS**

Aboriginal and Native American people comprise some of Enbridge's most important stakeholders.

The terms "Aboriginal" and "Native American" are commonly used to refer to the original inhabitants of Canada and the U.S.—those who lived on the continent before other groups arrived from other parts of the world. In Canada, the term "Aboriginal" includes First Nations, Métis and Inuit peoples.

Enbridge recognizes the history, uniqueness and diversity of Aboriginal and Native American Peoples. Positive relationships with Aboriginal and Native American Peoples, based on mutual respect and trust will help them and the company to realize our aspirations and will help Enbridge to reach its strategic business objectives.

Enbridge's relations with Aboriginal and Native American people are extensive. In Canada, for example, there are now over 60 First Nations communities along Enbridge's rights-of-way. As Enbridge's network expands, the breadth and depth of these relationships will grow.

Enbridge is committed to respectful relations, early engagement, meaningful dialogue and forthright and sincere consultation with its Aboriginal neighbours in Canada and its Native American neighbours in the U.S.

Enbridge shares with them a high regard for the environment and for tradition and, as such, the company respects their land, heritage sites, and traditional knowledge and land use.

## **Aboriginal and Native American Policy**

Enbridge first formalized the principles that guide its relations with Aboriginal and Native American people in its Indigenous Peoples Policy, which the company adopted in 2001.

Since then, a great number of legal decisions in Canada have interpreted the nature of Aboriginal and treaty rights under the Constitution Act. These decisions have interpreted government's duty to consult and, where necessary, accommodate Aboriginal people when their Aboriginal and/or treaty rights are impacted by government decision making, including regulatory approvals.

Also, starting in 2007, Enbridge embarked on an unprecedented number of pipeline expansion projects in both Canada and the U.S. All of these projects require regulatory approval from government agencies.

Consequently, in 2008, Enbridge reviewed its existing Indigenous Peoples Policy and, in early 2009, approved and adopted a new Aboriginal & Native American Policy that reflects the new legal and business realities.

The goal of the new policy is to help achieve mutually beneficial relations with Aboriginal and Native American communities in proximity to or, in some significant way, affected by Enbridge's operations. The policy and the guidelines that flow from it are designed to ensure a consistent, thorough approach to consultation and engagement with Aboriginal and Native American people.

In the new policy, Enbridge affirms that the company:

- recognizes the legal and constitutional rights possessed by Aboriginal people in Canada and by Native Americans in the U.S.;
- respects the traditional ways, Aboriginal and Native American heritage sites, and the relationship that Aboriginal and Native American peoples have with the land and the environment;
- engages in forthright and sincere consultation with Aboriginal and Native American peoples about Enbridge's projects and operations that have an impact upon their legally and constitutionally protected rights;
- commits to working with Aboriginal and Native American peoples to achieve sustainable benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development and community investment; and
- fosters understanding and respect for local Aboriginal and Native American Peoples among Enbridge's employees and contractors.

Read the full Aboriginal & Native American Policy.



## **Enbridge's Approach**

Enbridge's Aboriginal & Native American Policy provides direction to Enbridge employees in their interaction and engagement with Aboriginal and Native American peoples located near the company's projects and operations.

Enbridge's interaction and engagement is regular and consistent and spans the life of the project—from the planning and regulatory approval phases, through construction and then ongoing after a project becomes operational.

Enbridge designs its engagement activities to meet all legal and government (federal, provincial and state) regulatory requirements.

Open and ongoing two-way communication is the vital link that allows the company to:

- identify the interests and concerns of the people who may be affected by Enbridge operations; and
- explain Enbridge's plans, expectations and constraints.

Enbridge's wide range of engagement activities include:

- regular communication through correspondence and project update newsletters;
- presentations at tribal government meetings;
- community open houses;
- job fairs;
- emergency preparedness exercises; and
- community investments and sponsorships.

Topics of communication and discussion typically include proposed pipeline routes, facility location, water course crossings, summaries of environmental studies, outcomes from the identification of traditional use sites and opportunities to achieve sustainable benefits, including employment and procurement.

## **Recent initiatives and significant events**

The following is an overview of recent Aboriginal and Native American Relations developments in Canada and the U.S.

### **Canada – Corporate**

Enbridge engages in broad-based national initiatives that can impact and benefit Aboriginal people, communities and organizations throughout Canada.

### **Major Aboriginal Community Investment**

The Enbridge School Plus Program, which the company developed in partnership with the Assembly of First Nations (AFN), supports enriched programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes. The overall goal of the program is to encourage First Nations youth to stay in school by assisting schools in offering sports activities, music or arts programs, field trips and school clubs.

The company launched the program in 2009 and expects it will be in place for three years.

The initial pilot program provided funding to 42 eligible First Nations schools located in proximity to Enbridge's mainline right-of-way between Fort McMurray, Alberta, and Gretna, Manitoba, and in proximity to the company's Ontario Wind Farm. Over 2,650 First Nations youth benefited from the program in 2009.

The first funded program took place in May 2009 when students at the Nakoda Oyade Education Centre from the Carry the Kettle First Nation in Saskatchewan took part in a cultural and historical field trip to the Cypress Hills in southeastern Saskatchewan, which are part of their ancestral traditional lands.

In early 2010, Enbridge expanded School Plus to support initiatives that strengthen Métis and urban Aboriginal communities. The expanded program includes a partnership with the Gabriel Dumont Institute, which funds the publication and distribution of a Métis history resource that is used by more than 150 schools in Saskatchewan. Enbridge has also partnered with the University of Winnipeg to fund a program that provides inner-city students with the chance to engage in enriched science-oriented educational activities through the Enbridge Eco-Kids on Campus program. The expanded program also includes partnerships with Métis Child and Family Services of Edmonton and the Stardale Women's Group of Calgary.

#### **Major National Partnerships**

In 2009, Enbridge continued its commitment to provide \$1 million over seven years to the Banff Centre to support Aboriginal leadership and management programming, including a program dedicated to developing leadership skills in Indigenous women leaders.

In 2009, Enbridge was a major corporate sponsor of the AFN's Annual General Assembly, which was held in Calgary. Over 3,000 delegates, including approximately 600 Chiefs of First Nations in Canada, attended the meeting to elect a new National Chief of the AFN and discuss resolutions directing the AFN's activities in the upcoming year. Enbridge was exclusive lead corporate sponsor of the National Chief's Reception that introduced the new National Chief to the Calgary business community. Enbridge was also a major corporate sponsor of the Annual General Assembly's reception honouring the leadership of First Nations women in Canada.

#### **National Corporate Investment**

Enbridge is the presenting sponsor for the Dominion Institute's annual Canadian Aboriginal Writing Challenge, a national short-story contest inviting young Aboriginal Canadians to showcase their creative writing talent.

#### **Canada – Major Projects**

In 2009, Enbridge made excellent progress on Aboriginal economic development related to its Major Projects. On the Alberta Clipper Project alone, the total value of economic opportunities provided to the Aboriginal community was \$34 million. This was comprised of \$24 million paid in direct employment, \$9 million for contracting work and \$1 million to train Aboriginal people for construction jobs. In total, 645 Aboriginal

people were employed during 2009, representing about 22 per cent of the Alberta Clipper construction workforce.

The Enbridge-sponsored heavy equipment operator program, offered in partnership with The Operating Engineers Training Institutes of Saskatchewan and Manitoba, provided over 30 Aboriginal and Métis people with transferrable skills in heavy equipment operation that will both further individual career aspirations and support local communities.

During the Alberta Clipper project, Enbridge worked with Treaty 6 First Nations in Saskatchewan and the Dakota Nations of Manitoba organizations to enhance economic development, including participation in two Alberta Clipper pump stations.

Enbridge also provided funding to Treaty 4 First Nations to create a Special Purpose Trust for the benefit of First Nations located in Treaty 4. The purpose of the funding is to assist in, among other things, community priorities, including health, education, youth and seniors programs and cultural development initiatives.

To enhance Aboriginal business participation in oil and gas projects in Alberta, including future pipeline projects, Enbridge teamed up with the Confederacy of Treaty 6 First Nations, the Government of Alberta and Meyers Norris Penny LLP to deliver Contract Readiness, Entrepreneur, and Project Management training to First Nations of Treaty 6.

Training initiatives such as these have been successfully complemented by the 2009 development and deployment of an Aboriginal economic development strategy for the company's proposed project expansion in the Athabasca (Alberta) and Bakken (Saskatchewan) regions. To date in 2010, two recently approved projects in a slate of six in the Athabasca area have yielded over \$2.85 million in direct and indirect contracting opportunities for Aboriginal businesses, in addition to \$216,000 in wages to Aboriginal employees.

### **Northern Gateway**

In May 2010, Enbridge filed its application for the construction and operation of the Enbridge Northern Gateway Project with the National Energy Board. The project involves a new twin pipeline system between Edmonton, Alberta, and a new marine terminal in Kitimat, British Columbia, to export petroleum and import condensate.

Enbridge has published the Enbridge Northern Gateway Project 2010 Corporate Social Responsibility Report. The report includes extensive details of Enbridge's Aboriginal engagement program and activities for Northern Gateway.

To read the Enbridge Northern Gateway Project 2010 Corporate Social Responsibility Report, please visit [csr.enbridge.com/northerngateway2010](http://csr.enbridge.com/northerngateway2010).

### **Federal Court Decisions**

The Treaty One First Nations of Manitoba had sought to overturn the Governor in Council approval of Enbridge's Southern Lights and Alberta Clipper projects and TransCanada's Keystone pipeline on the basis that Crown consultation had been inadequate. However, in May 2009, the Federal Court dismissed the Treaty One First Nations' application for judicial review. In its decision, the Court found that the duty of

the Crown to consult with the Treaty One First Nations had been adequately discharged by project-related materials and dialogue that were provided to and conducted with them and other Aboriginal communities in the context of the National Energy Board regulatory proceedings. The Court also found that the Treaty One First Nations had a reciprocal obligation to participate in a readily accessible regulatory process to make their concerns known and to have them addressed; and that the consultation and engagement undertaken by Enbridge was extensive and thorough.

Alberta Clipper passes through lands claimed by the Sweetgrass, Moosomin and the Standing Buffalo Dakota First Nations in Saskatchewan. In October 2009, all three First Nations appealed the NEB decisions to approve the Alberta Clipper and Southern Lights Projects, as well as TransCanada's Keystone Project. The issue raised by the appellants at the Federal Court of Appeal was whether the NEB can consider a project without first deciding whether the Crown has a duty to consult with First Nations and if so, whether this duty has been adequately discharged. The court found that the consultation obligation imposed on project applicants ensures that the decisions made by the NEB are in accordance with the aboriginal rights found in section 35(1) of the constitution. The Federal Court of Appeal dismissed the applications, and its findings are now subject to applications for leave to appeal to the Supreme Court of Canada.

#### **Canada – Liquids Pipelines Operations**

Enbridge's Liquids Pipelines system in Canada spans over 3,500 kilometres—from Norman Wells in the Northwest Territories, through Alberta, southern Saskatchewan and Manitoba, and to central Ontario and Quebec.

The combined efforts of Enbridge's Aboriginal Affairs staff ensured communication with most of the 60+ Aboriginal communities along the entire right-of-way in 2009.

Reaching out to these communities comes in many forms, including Enbridge's hallmark CSR programs. The company's successful Safe Community program, launched in 2009, was adapted to enable 35 Aboriginal communities to apply for funding for safety and emergency response initiatives.

Enbridge has also entered into a partnership with Ducks Unlimited Canada to bring environmental-awareness classroom and wetland experiences to over 15 elementary schools with high Aboriginal enrollment along the company's operational right-of-way in Alberta, Saskatchewan and Manitoba.

#### **Canada – Enbridge Gas Distribution**

Through its subsidiary Niagara Gas Transmission Ltd. (NGT), Enbridge Gas Distribution engages with the Mohawk Council of Akwesasne, located near Cornwall, Ontario.

Since 1962, NGT has operated a natural gas transmission pipeline on a right-of-way owned by the Federal Bridge Corporation Limited (FBCL) that crosses the Akwesasne Reserve. FBCL is intending to replace the existing bridge on its right-of-way, which will require Enbridge to build a new pipeline that will be regulated by the National Energy Board. Because the new pipeline will also run through the Akwesasne Reserve, albeit on a right-of-way in favour of the federal government, there exists a possibility that Akwesasne rights could be affected by Enbridge's operations.

In June 2009, NGT and the Mohawk Council of Akwesasne signed a Cooperation and Land Use Agreement that enables NGT to remove the existing natural gas pipeline on the current bridge and replace it with a new one as the new bridge is built. The agreement recognizes Akwesasne's support of the proposed new pipeline project and provides economic, social and community benefits for Akwesasne.

In 2009, Enbridge provided a total of \$5,000 in bursaries to five Akwesasne students graduating from Grade 12 to assist them in their post-secondary education. Also in 2009, Enbridge made a donation of \$5,000 to the Ronathahonni Cultural Centre and \$2,000 for the Akwesasne Pow-Wow.

#### **Canada – Ontario Wind Power**

Enbridge's 190-megawatt Ontario Wind Power Project located at Kincardine in Bruce County, Ontario, on the eastern shore of Lake Huron went into full commercial operation in the first quarter of 2009. It is the second largest wind farm in Canada.

The wind farm is located within the traditional territory of the Saugeen Ojibway, which comprises two First Nations—the Chippewas of Nawash and Saugeen First Nation.

Although the Government of Ontario bears the constitutional duty to consult with any First Nations regarding regulatory approvals that affect their legally or constitutionally protected rights, Enbridge proactively engages with Aboriginal groups whose rights may be affected by the company's projects or operations.

Throughout 2009, numerous face-to-face meetings occurred between Enbridge and the Saugeen Ojibway Nation regarding implementation of commitments made in their Agreement on Heritage and Environmental Issues signed in 2007.

The agreement contemplated the Saugeen Ojibway Nation's participation in archeological work and in ongoing environmental monitoring, as well as potential employment, training and business opportunities for members of the Saugeen Ojibway Nation members.

Of the six permanent employees of the wind farm, two are members of the Saugeen Ojibway Nation.

During 2009, Saugeen Ojibway Nation members participated in environmental monitoring work that Enbridge was required to carry out in accordance with government regulation.

Enbridge also supported the Nawash 2009 golf tournament.

#### **Canada – Other Renewable Energy Projects**

In 2009, Enbridge acquired the Sarnia Solar Project in Ontario, and under an agreement with the developer, First Solar Inc., plans an expansion of the project to 80 megawatts (MW) from 20 MW. Enbridge has maintained a relationship with the Aamjiwnaang First Nation, whose Reserve is located in proximity to Sarnia, Ontario, and in 2009 and 2010 provided financial support for the First Nation's Youth After School Health and Fitness program.

In 2009 and early 2010, Enbridge entered into agreements with Renewable Energy Systems Canada Inc. to construct wind energy projects near Chatham, Ontario, and

Thunder Bay, Ontario. First Nations and other Aboriginal groups located in proximity to those projects have been engaged and consulted during the regulatory process. Enbridge looks forward to maintaining good relationships with these groups as the projects go forward.

### **U.S. – Major Projects and Liquids Pipelines Operations**

Enbridge engages with Native American communities in the U.S. regarding new projects and ongoing operations. These sovereign nations play an important role in the planning, consultation and construction processes.

Tribal environmental staff also have an ongoing role on a consultative basis both during construction and when construction is complete and the pipeline is operational.

The U.S. federal government consults with recognized Native American tribes on a government-to-government basis, which is required under Section 106 of the National Historic Preservation Act. These consultations have occurred throughout the permitting phase of Enbridge’s Alberta Clipper Project. The U.S. Department of State, which is the lead federal agency for the project, hosted four off-site meetings to discuss Native American issues related to the project. Enbridge participated in the U.S. government’s Section 106 consultations with the following tribes:

#### *Minnesota*

- Fond du Lac Band of Lake Superior Ojibwe
- Leech Lake Band of Ojibwe
- Lower Sioux Indian Community
- Mille Lacs Band of Ojibwe
- Wahpekute Sioux

#### *Montana*

- Fort Peck. Assiniboine and Sioux Tribes

#### *North Dakota*

- Spirit Lake Dakotah Nation

#### *South Dakota*

- Sisseton-Wahpeton Oyate Sioux

Enbridge also works directly with the tribes whose lands are being crossed by the construction projects. The tribal governments and the U.S. Bureau of Indian Affairs have to approve agreements with Enbridge to build on any tribal-owned tracts of land. In addition, the tribes are concerned with any construction or maintenance activity taking place on reservations so, as a courtesy, it is important that Enbridge keep tribal governments informed of any such plans.

Lastly, all Native American reservations have a Tribal Employment Rights Ordinance (TERO), which states that companies, such as Enbridge, will give Native Americans hiring preference on all work within reservations. In the case of Alberta Clipper, Enbridge and its contractors are required to comply with the TERO ordinance during the crossing of two Native lands—Fond du Lac Band of Lake Superior Chippewa and the Leech Lake Band of Ojibwe.

Enbridge signed agreements with Fond du Lac Band of Lake Superior Chippewa in March 2009 and the Leech Lake Band of Ojibwe in May 2009. These agreements provided for monetary compensation for easement rights, as well as other promises of performance such as actions to address any environmental or safety concerns that the Band has with the construction or operation of the pipelines.

Also in May 2009, Enbridge hosted 18 Native Americans representing seven tribes for a week-long tour of the Alberta Clipper project route. The group toured sights along the route that had cultural or historic significance for the tribes.

Enbridge has been actively working with the TERO officers for the Leech Lake Band of Ojibwe and the Fond du Lac Band of Lake Superior Chippewa to identify qualified workers and subcontracting services for the project. During Alberta Clipper construction, Enbridge and its pipeline construction contractors worked with the Leech Lake and Fond du Lac TERO offices to hire qualified Band members on the project. The company and its contractors also sought to use Reservation or Band-member owned businesses for a variety of subcontracting opportunities during construction, such as providing security, gravel, clearing, and excavation services.

A small group of Leech lake Band members who have been opposed to Alberta Clipper held a protest just prior to the start of construction to voice their opposition to the project and to Alberta's oil sands development. Their opposition has remained vocal throughout most of the project but gained almost no support from other Band members. Enbridge continues to work on its relationships with both the Leech Lake and Fond du Lac Tribal governments.

Enbridge has invested over \$150,000 in the Fond du Lac and Leech Lake tribes since 2008. For example, on the Leech Lake Reservation, Enbridge made charitable contributions to several Band organizations, including the Bena Community Center in Cass Lake, Minnesota, the Cass Lake Fire Department, and the Leech Lake Boys and Girls Club. The company has also been making scholarship donations to the Leech Lake and Fond du Lac Tribal colleges for several years.

#### **Scholarships/Bursaries**

Enbridge contributed over \$119,000 to Aboriginal groups and organizations in support of scholarships and bursaries in 2009.

- Enbridge is proud of its partnership with the Banff Centre in Banff, Alberta, and, in particular of a \$1-million commitment the company made in 2007 to support two programs at the Banff Centre's new Indigenous Leadership Centre: the "Indigenous Women in Leadership" program; and the "Best Practices in Aboriginal Business and Economic Development" program. This financial commitment will be paid over a seven year period starting in 2008.
- Enbridge has been the lead sponsor of the Canadian Aboriginal Writing Challenge for the past five years, in partnership with the Dominion Institute. The Dominion Institute is a not-for-profit organization that aims to foster greater knowledge of Canadian history. Through this program, Enbridge has provided \$35,000 per year in support of the development of the literary talents of young Aboriginal

Canadians, enabling them to tell their stories about their people and their role in Canadian history from a distinctive aboriginal perspective.

- In 2005, the company established The Enbridge Scholarship for Aboriginal Leadership at Mount Royal University in Calgary. The annual award of \$2,500 is presented to an Aboriginal student graduating from the College's Aboriginal Education Program and entering a mainstream Mount Royal University program.
- In 2003, the company established The Enbridge Inc. Scholarships at York University in Toronto to support talented undergraduate students in financial need. When fully endowed in 2010, the scholarship program will provide \$2,500 annually to a second-year Canadian Aboriginal student in any course of study.
- The company made three \$5,000 donations in 2007, 2008 and 2009 to the Mohawk Council of Akwesasne to provide bursaries to deserving Aboriginal students from the Akwesasne, Ontario, community.
- In 2009, Enbridge provided \$12,000 in support of the Canadian Indigenous Language and Literary Development Institute. Language survival has been identified as a common concern amongst many Aboriginal communities. This initiative supports the Enbridge Indigenous Language Leadership Award for Treaty 6 and Treaty 8 students at the University of Alberta.
- Enbridge has provided scholarships annually to the Fond du Lac Tribal and Community College in Cloquet, Minnesota (\$2,500) and the Leech Lake Tribal College in Cass Lake, Minnesota (\$2,500). In the past, the company has also supported the Itasca Community College in Grand Rapids, Minnesota, (\$15,000).
- Enbridge contributed \$2,250 to the Northern Alberta Institute of Technology (NAIT) in Edmonton for the Enbridge Northern Student Entrance Award, available to students from the Yukon Territory, the Northwest Territories or Nunavut who demonstrate financial need and who have been accepted into a program related to the energy sector or community development. Preference is given to students of indigenous ancestry who are able to speak their cultural language and whose intent is to return to and work in the North.
- Enbridge provided \$1,000 to Keyano College in Fort McMurray, Alberta, in support of the Enbridge Inc. Entrance Bursary, awarded to a student of Aboriginal ancestry entering the first year of a certificate or diploma program. Selection is based on financial need. Proof of Aboriginal ancestry must be provided.
- Enbridge provided \$2,000 to the University of Winnipeg Foundation for an Aboriginal student who completed at least 30 credit hours in an undergraduate degree program and who participated in extra-curricular activities at the University of Winnipeg or in the community.
- Enbridge Pipelines Inc. donated \$75,000 in 2009 to the Belcourt Brosseau Métis Awards Fund to help support Alberta Métis post-secondary students in financial need. The donation to the Edmonton Community Foundation will go into an endowed fund that provides financial support to Métis students across Alberta in any post-secondary educational or vocational program.



- Enbridge contributed \$100,000 into a Trust and Equity account at the First Nations University of Canada in Saskatchewan towards the development of a Governance and Law Institute, an Our Life in Balance Centre and Student Association initiatives.

## **COMMUNITY PARTNERSHIPS AND INVESTMENTS**

### **Strategy**

Directed by its social vision statement, Enbridge helps build communities across its operating regions in Canada and the U.S. that are sustainable, with solid infrastructure and programming in the company's four focus areas:

- Education
- Health & Safety
- Environment
- Culture & Community

Enbridge sees these as the four key 'building blocks' for a sustainable community. Enbridge's "Building Sustainable Communities" philosophy means that by investing in each of these key areas with its dollars, partnerships and human capital, the company is able to support organizations that contribute to the economic and social development of communities near Enbridge operations. Enbridge believes these investments are essential to being a good neighbour and are a contributing factor in maintaining the company's social licence to operate. Please see the "Building Sustainable Communities" section below for more details on the four building blocks.

Enbridge partners with charitable and non-profit organizations in its various geographic regions in Canada and the U.S. that have the skills and expertise to effect change.

In the year ended December 31, 2009, Enbridge's actual enterprise-wide Community Investment expenditure totaled \$9.8 million, which the company invested in more than 350 charitable, non-profit, and community organizations. Because this total represents at least one per cent of Enbridge's 2009 pre-tax profit, the company met Imagine Canada's Caring Company standards; and Enbridge has committed to remaining a Caring Company in the years to come.

### **Building Sustainable Communities**

Following are details about Enbridge's approach to the four key 'building blocks' for a sustainable community, as well as the company's flagship initiatives related to those building blocks.

#### **Building Block: Education**

Investing in educational programs in the regions where Enbridge's employees live and work helps to build strong, sustainable communities. Enbridge understands that today's students are tomorrow's leaders, and the company is committed to helping young people advance their education to achieve their greatest potential.

Enbridge supports a number of Aboriginal education programs that focus on literacy, staying in school, and post-secondary support through scholarships.

### ***School Plus Program***

Enbridge's School Plus Program—one of Enbridge's flagship community investment programs—was designed to encourage young Canadian Aboriginal students to stay in school. Established by Enbridge in partnership with the Assembly of First Nations, the School Plus Program supports enrichment programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes and the company's wind farm in Ontario. With funding from Enbridge, teachers have the means to find creative ways to make education more enticing to kids in danger of dropping out.

### **Building Block: Health & Safety**

Enbridge has developed a number of partnerships with organizations that are focused on health and safety programs. Enbridge's support of these organizations helps to improve services, purchase equipment and provide research, with the goal of improving the wellness of the people in our communities.

### ***Safe Community Program***

One of Enbridge's flagship community investment programs, the Safe Community Program provides monetary support to:

- police agencies;
- fire fighters, including volunteer fire-fighting organizations in rural communities;
- Emergency Medical Services (EMS); and
- other related health providers who respond to emergency situations in the communities where Enbridge operates.

In 2009, Enbridge committed \$1 million to the program, supporting over 150 first-responder organizations in right-of-way communities in Canada and the U.S.

Grants given through this program allow eligible organizations to acquire such support as new safety equipment, obtain professional training and deliver safety educational programs in their neighbourhoods. Enbridge's communities give the company its licence to operate. By helping first responders, Enbridge is making its neighbourhoods safer, and building sustainable communities, one at a time.

### **Building Block: Environment**

Environmental performance is a key indicator of success for Enbridge. The company actively pursues ways to minimize its impact on the environment, and support initiatives that help it protect air, land and water sources. Enbridge also invests in programs that promote conservation and awareness of environmental issues, and organizations that develop new technologies, including alternative and renewable energy sources, to reduce environmental impact.

### ***Enbridge Natural Legacy Program***

The Enbridge Natural Legacy Program provides the company with an opportunity to demonstrate its ongoing commitment to environmental stewardship, habitat remediation and protection. Enbridge does this through initiatives such as elementary educational programs, and the planting and care of native trees and plants throughout urban and rural areas along the company's rights-of-way.

Enbridge operates the program with environmental/conservation partners and employee volunteers dispersing the funding across Canada and the United States. In 2009, Enbridge committed to investing \$550,000 in the program.

### **Building Block: Culture & Community**

The development and sustainability of cultural institutions is an investment in the vibrancy and diversity of a community. Enbridge supports arts and culture initiatives that make its communities brighter, warmer, more interesting places to live.

In addition to civic investments, Enbridge also supports social development initiatives through employee-led United Way campaigns across the company.

### ***Volunteers in Partnership (VIP) Program***

Besides Enbridge's financial contributions, the company encourages its employees to actively participate in their communities. Through Enbridge's Volunteers in Partnership (VIP) program, the company recognizes employee contributions of time and dollars to charitable organizations by providing additional support in terms of paid volunteer time and top-up financial contributions.

Enbridge supports employee volunteer opportunities by:

- providing grants of \$500 to non-profit organizations where employees have volunteered at least 40 hours or more of service, per year, outside of business hours; or, providing grants to cover an employee's personal registration fee and match their individual fundraising efforts for one event per year up to a maximum of \$500;
- matching employee donations up to \$5,000 to the United Way during the individual business unit campaigns;
- Providing the opportunity for employees to take one paid day or eight hours off per year to volunteer at a non-profit organization of their choice; and
- providing one paid day or eight hours off per year for supervisor-led team building volunteer activities.

Through this support, Enbridge gains a better understanding of its communities, the challenges they face and the ways the company can best contribute.

### **Benchmarking and Assessment**

To help Enbridge ensure that its community investments are achieving the maximum results possible, the company has been working with London Benchmarking Group (LBG) Canada, of which Enbridge is a founding member. LBG Canada comprises a

group of companies that are using the “LBG model” to improve their management, measurement, and reporting of community involvement initiatives.

LBG Canada focuses on companies’ voluntary community contributions and applies consistent accounting principles to value their total investments. Companies value financial donations, as well as a full range of other contribution—including staff time, in-kind contributions, and management costs—that a company could make to a community.

The LBG Canada approach provides a process for assessing the results that the company and the community realize from contributions. SiMPACT Strategy Group, facilitator of LBG Canada, worked with Enbridge to determine the true community value of 65 per cent of the company’s 2009 Canadian community investments.

SiMPACT determined that \$1.3 million in additional value had been realized due to Enbridge’s program management costs, and that an additional \$797,224 of employee giving and external resources were leveraged and went to the community as a result of Enbridge’s leadership.

## **PARTNERSHIP PROFILES**

### ***EDUCATION***

#### **Enbridge – company-wide**

***Scholarships and bursaries*** – Enbridge contributed approximately \$50,000 through 26 previously endowed scholarships and bursary awards to eight post-secondary institutions across Canada. By focusing on areas such as engineering, Aboriginal leadership, non-profit studies, environmental sustainability leadership, Enbridge is actively supporting the development of the next generation of business and community leaders in a number of key areas.

#### **Enbridge Inc.**

***Calgary Stampede Foundation*** – Enbridge partnered with the Calgary Stampede Foundation in support of The Enbridge Citizens of Tomorrow Program to provide equal opportunity programming for Calgary’s youth. This program promotes western heritage while supporting leadership and character-building activities. In 2009, Enbridge provided 10 post-secondary scholarships to youth who were selected based on their achievements throughout their time at the Young Canadians School of Performing Arts and the Calgary Stampede Showband.

#### **Liquids Pipelines**

***Science Alberta Foundation*** – Enbridge’s current partnership focuses on supporting the Science Leaders Program, specifically along the Enbridge right of way in the Battle River School Division. Programs enrich science and math teaching and learning; provide in-demand resources to classrooms; increase utilization of hands-on and digital activities in subject areas of interest to Enbridge, specifically energy, engineering and Aboriginal ways of knowing about science; and increase training of knowledge workers for the future.

***Junior Achievement of Northern Alberta & NWT (JANA)*** – By underwriting the cost of JANA’s Volunteer Resources Management program, Enbridge directly supports hands-

on teaching of volunteer community leaders, thereby helping JANA achieve its overall vision and mission to inspire and educate young Canadians to experience free enterprise, understand business and economics and develop entrepreneurial and leadership skills.

***Northern Alberta Institute of Technology (NAIT) scholarships*** – Enbridge makes available \$5,000 to second-year students enrolled in the Biological Sciences Technology - Renewable Resources program at NAIT. This is awarded on the basis of top academic achievement in a student's first year as well as community involvement and demonstrated leadership skills. Enbridge also makes available \$5,000 to fourth-year students enrolled in the Bachelor of Technology in Technology Management program at NAIT. This is awarded on the basis of top academic achievement in the third year, as well as community involvement and demonstrated leadership skills.

### **Gas Transportation / Enbridge Energy Partners**

***Scholarships*** – In 2009, Enbridge's U.S. community investment program contributed to Enbridge scholarship funds at nine colleges and universities located near the company's U.S. liquids pipelines.

***Texas Medical Center*** – Enbridge began a new partnership with the Houston Zoo in early 2010 by supporting education programs offered to pediatric patients at the Texas Medical Center.

***The Keystone Center's Key Issues Institute*** – For the eighth consecutive year, Enbridge recruited middle school science teachers from areas near its U.S. operations to attend The Keystone Center's Key Issues Institute. Enbridge sponsored the participation of six teachers in the interdisciplinary program, providing educators with a balanced and non-biased process for teaching students the concepts of sustainability and investigating environmental issues.

***Sally Ride Science Festival*** – Enbridge and its employees supported the Sally Ride Science Festival at Rice University. In October 2009, the Gas Transportation Women of Enbridge Network facilitated an interactive booth for middle school girls at the educational event aimed at encouraging young girls' interests in science and technology.

### **Enbridge Gas Distribution (EGD)**

***Junior Achievement (JA)*** – EGD's support of JA Southern Ontario and JA Eastern Ontario is well aligned with the company's community investment goals. JA's Dollars with Sense program introduces students to personal financial management concepts. Students learn to assess personal goals, learn about money as a means of exchange, and explore various investment vehicles through role playing and investment simulation. In 2008/2009, as a result of Enbridge employee volunteerism, approximately 1,000 students benefited from the JA experience.

## ***HEALTH & SAFETY***

### **Enbridge Inc.**

***Alberta Cancer Foundation*** – Enbridge became the title sponsor of The Enbridge Ride to Conquer Cancer benefiting the Alberta Cancer Foundation and dedicated to fighting all cancers through prevention, diagnosis, treatment and palliation. Proceeds are allocated to

top-quality cancer research in Alberta, with a particular focus on the highest research funding priorities. The Enbridge Ride to Conquer Cancer is a two-day cycling event through the Rocky Mountains of Alberta. The inaugural Alberta ride took place in 2009 and more than \$6.9 million was raised for cancer research. In the second annual Alberta ride, which took place in June 2010, more than 1,800 riders and 500+ crew and volunteers came together to raise \$7.3 million dollars.

***Enbridge Endowed Research Chair in Psychosocial Oncology*** – Enbridge is a proud partner of the Alberta Cancer Foundation and the Alberta/NWT division of the Canadian Cancer Society in support of a research chair in psychosocial oncology at the University of Calgary. The Enbridge Endowed Research Chair conducts high-quality, nationally funded research into the emotional care of cancer patients and their families. Since its inception, the Enbridge Endowed Research Chair has:

- been awarded 18 grants for a total of \$8.8 million in research funding;
- disseminated research findings through 71 presentations, including major international conferences;
- been invited to speak at 70 non-academic events, including 33 media events;
- supported 33 students, including summer, honours, graduate and postdoctoral students in their research;
- facilitated the recruitment of a senior scientist from Stanford University;
- screened 6,700 participants and included them in various research studies; and
- developed new programs in:
  - sleep;
  - mindfulness-based stress reduction;
  - stress management;
  - survivorship care;
  - screening for distress; and
  - building community partners on issues related to diversity.

### **Liquids Pipelines**

***Alberta Shock Trauma Air Rescue Society (STARS)*** – A component of the *Enbridge Safe Community program* is the company's partnership with STARS. In 2009, Enbridge donated \$500,000 to support the STARS' Vision Critical Campaign to acquire and retrofit two long-range helicopters.

***Stollery Snowflake Gala*** – Enbridge Pipelines was the presenting sponsor in 2009 of the Miracle Workers Volunteer Component of the Stollery Snowflake Gala in Edmonton. This annual black-tie event, which is organized by the the Stollery Children's Hospital Foundation, raises money to support sick and injured children through the enhancement of health services and programs and the acquisition of equipment. The 2009 gala raised over \$820,000. Over 20 Enbridge employees volunteered their time at the event.

## **Gas Transportation / Enbridge Energy Partners**

**2010 Houston Keep the Beat Heart Ball** – Enbridge served as a diamond sponsor of the 2010 Houston Keep the Beat Heart Ball by committing a \$200,000 special appeal gift dedicated to supporting the American Heart Association’s mission to reduce death caused by cardiovascular disease and stroke.

**Cushing Regional Hospital** – In 2009, Enbridge’s annual donation to the Cushing Regional Hospital pushed the company’s total giving since initiating the partnership in 2004 to more than \$100,000. In recognition of this milestone, the hospital named the emergency room in Enbridge’s honor and in March hosted a reception and dedication ceremony for Enbridge leaders, hospital directors and local public officials.

**Texas Children’s Hospital** – Enbridge donated \$100,000 to Texas Children’s Hospital in Houston toward the company’s \$500,000 pledge benefitting the world’s first dedicated neurological research institute.

### **Enbridge Gas Distribution (EGD)**

**Project Zero** – EGD has been a sponsor and supporter of the Fire Marshal’s Fire Safety Council since its inception in Ontario in 1993. EGD has developed a strong relationship with the Council, which addresses public safety issues and distributes information to local fire departments that in turn reach out to their respective communities. As a council member, EGD is a strong supporter of fire and life safety education. EGD is proud to provide funding support to programs like Project Zero. Part of Enbridge’s Safe Community Program, the Project Zero program aims at reducing residential fire and carbon monoxide deaths to zero. Working with the Fire Marshal’s Public Fire Safety Council and nine local Ontario fire departments, more than 2,700 combination smoke and carbon monoxide alarms will be delivered to Ontario homes this year through the Project Zero program.

**York Central Hospital Foundation (YCHF)** – EGD has confirmed a pledge agreement in the amount of \$120,000 payable over four years to support the York Central Hospital, a large community hospital in Richmond Hill north of Toronto that serves a community of over 500,000 area residents. EGD’s support will go towards the purchase of equipment for the Endoscopy Unit, as well as additional funding objectives to be identified by YCHF.

## **ENVIRONMENT**

### **Enbridge Inc.**

**Nature Conservancy of Canada (NCC)** – In early 2010, Enbridge made its largest-ever community investment with a \$2.5-million investment in support of the Nature Conservancy of Canada’s work to preserve and protect important and sensitive natural habitats across Canada. Enbridge’s investment will help conserve and care for more than 7,400 acres (about 3,000 hectares) of some of the best remaining wildlife habitat in Canada. The investment is particularly significant at this time because, thanks to matching funds from sources including the Government of Canada’s Natural Areas Conservation Program, it will trigger a conservation impact of more than \$10 million over the next three years.

The investment aligns with Enbridge's Neutral Footprint program. Under the program, the company will move toward having no net environmental footprint from its future activities. The program comprises three commitments: Enbridge will plant a tree for every tree it removes, conserve an acre of natural habitat for every acre of habitat it impacts, and generate a kilowatt of renewable energy for every kilowatt of power its operations consume. Enbridge's investment in NCC will enable it to meet its "acre for acre" commitment which, under current estimates, requires the company to help conserve about 6,000 acres (about 2,400 hectares) in Canada.

**60<sup>th</sup> Anniversary tree planting** – To mark its 60<sup>th</sup> anniversary in 2009, Enbridge has donated 60,000 trees to 60 communities close to its operations—40,000 trees in Canada and 20,000 in the U.S. in 2009 and 2010. Many Enbridge employees and families contributed their time and efforts in a number of these planting initiatives. For example, in Calgary, which is home to Enbridge's head office, Enbridge donated \$50,000 to City of Calgary Parks in support of the planting of 6,000 trees in the city. As a result of this partnership, 200 Enbridge employees and their families had the opportunity to assist in the planting of 1,100 trees at Edworthy Park in the fall of 2009. In 2010, the City will also be planting some of the 6,000 trees at Shouldice Athletic Park, Bonnybrook Water Treatment Plant site, Ralph Klein Regional Park and the Haskayne Regional Park.

#### **Liquids Pipelines/Enbridge Inc.**

***Emerald Foundation Awards*** – Enbridge is an Emerald Leader Sustaining Patron Sponsor, as well as the Youth, Environment and Education Media Program Sponsor of the Alberta Emerald Foundation, which celebrates and showcases environmental leadership in Alberta. The Alberta Emerald Awards recognize leadership in environmental excellence based on commitment to preservation, protection, enhancement and sustainability of the environment; positive, tangible and long-term impact on air, water or land quality; preservation of biological diversity; climate change/greenhouse gases; and public or corporate attitudes towards the environment.

#### **Liquids Pipelines Inc.**

***Ducks Unlimited Canada*** – Through its partnership with Ducks Unlimited Canada, Enbridge supports their wetlands and environmental education programs that teach Canadians about wetlands and the need to conserve them.

***TreeCanada*** – As part of the company's Natural Legacy Program, Enbridge partners with TreeCanada, a not-for-profit, charitable organization established in 1992 that provides education, technical assistance, resources and financial support through working partnerships to encourage Canadians to plant and care for trees. These efforts help to reduce the harmful effects of carbon dioxide emissions. TreeCanada is a leader in promoting the value of urban forests in Canada.

#### **Gas Transportation / Enbridge Energy Partners**

Enbridge gave several environmentally-focused donations during 2009 in conjunction with expansion projects in the U.S.

***Gathering Waters 15 at \$15,000*** – Enbridge signed on as a donor to the Gathering Waters 15 at \$15,000 fundraising campaign in recognition of the organization's 15th anniversary. Gathering Waters supports the land trust organizations throughout the state



of Wisconsin and has land trusts in almost all of the areas where Enbridge operates pipelines.

***West Wisconsin Land Trust*** – Enbridge provided funds to the West Wisconsin Land Trust to support their efforts to purchase land in Douglas County, Wisconsin. Douglas County is home to Enbridge’s Superior Region office, as well as the recent Southern Access-Stage 1 and Alberta Clipper/Southern Lights projects.

***Pheasants Forever*** – Enbridge made a donation to Pheasants Forever for a habitat restoration project in Wisconsin. This donation was a supplement to funds provided to Pheasants Forever in 2008 for the new Wisconsin Build-a-Wildlife Area campaign.

***Wetlands Initiative*** – Enbridge continued its support of the Wetlands Initiative in Chicago, Illinois, with a \$10,000 contribution toward their work on the Midewin National Tallgrass Prairie near Joliet, Illinois. Enbridge’s new Southern Lights pipeline and facilities projects, including the Manhattan Terminal, are located within miles of the Midewin property. The work being done there is a collaboration between the Wetlands Initiative, the U.S. Forest Service and private donors.

***City of Grand Rapids*** – Enbridge provided funds to help support the City of Grand Rapids’ storm water run-off project, which includes upgrades to the city park and beach. Grand Rapids hosts multiple Enbridge pipelines, including the recently completed Alberta Clipper and Southern Lights pipelines.

## **Enbridge Gas Distribution (EGD)**

***Pollution Probe*** – As a proud sponsor of Pollution Probe’s 2009 Clean Air Commute, a charitable environmental organization dedicated to achieving positive and tangible environmental change, EGD and its employees find cleaner ways to commute to and from work to reduce smog during the Clean Air Commute Campaign in June. EGD employees were encouraged to participate through employee events, information sessions and contest giveaways. As a result of EGD’s high employee participation, total smog savings from the 2009 Clean Air Commute was 12.5 tonnes.

## ***CULTURE & COMMUNITY***

### **Enbridge – company-wide**

***Haiti earthquake relief*** – Enbridge employees responded quickly to Haiti’s crisis, with more than 900 employees donating \$111,062 in Canada and \$23,500 in the United States. The company matched those funds, along with a \$25,000 corporate donation, bringing the total contribution from Enbridge to \$297,072.

### **Enbridge Inc.**

***United Way employee campaign*** – Enbridge’s Calgary office raised a total of \$704,310 for the United Way campaign in 2009. Over two-thirds of the company’s Calgary employees were involved in the United Way campaign, either through a volunteer activity or through a monetary donation.

***Families in Transition Program*** – Enbridge’s Calgary-based employees raised \$107,640 through a silent auction with proceeds going directly to the Families in Transition

Program, an Enbridge-sponsored program of Aspen Family & Community Network. Now into its 11th year, this program helps to transition families at risk into more stable living conditions. Calgary-based employees host these families throughout the year in various social activities, including organizing an annual "Back-Pack" program in August, providing necessary school supplies and gift certificates for running shoes.

***Timeraiser*** – Enbridge has partnered with the Framework Foundation in support of its Timeraiser events since 2006. The Timeraiser program is a comprehensive volunteer engagement process that makes it easier for individuals to find meaningful and relevant volunteer opportunities in their community. It also benefits non-profit and charitable organizations by connecting them with quality, skilled volunteers. This annual event facilitates connections between a variety of groups, including young citizens, businesses, charitable and not-for-profit agencies, and emerging artists. The Timeraiser is part volunteer fair, part silent art auction and part night on the town, with people matching their skills with agencies and bidding volunteer hours for artwork. For the third year in a row, Enbridge supported the 4<sup>th</sup> annual Timeraiser held in Calgary in June 2009. With over 400 people in attendance, a total of 6,995 volunteer hours were pledged. Of the 29 works of art, 20 went for the maximum bid of 125 hours. Over 25 Enbridge employees attended the event in support of local artists and non-profit organizations. Enbridge was also Presenting Sponsor in 2009 of Edmonton's Timeraiser event.

***BC Scene 2009*** – Enbridge was a Major Partner of BC Scene, the National Arts Centre's multi-disciplinary arts festival, and hosted the Aboriginal Opening Night of the festival. This celebratory event welcomed First Nation artists from British Columbia in an evening of community sharing between local indigenous performers, visiting B.C. artists and other invited dignitaries. The BC Scene festival featured 600 artists from disciplines as varied as music, theatre, dance, visual and media arts, literature and culinary arts, in more than 30 venues around the National Capital Region. On September 8<sup>th</sup> This was Enbridge's third sponsorship of the National Arts Centre's biannual event, and followed our support of the Alberta Scene and Quebec Scene festivals.

***Mayor's Evening for Business and the Arts*** – For the second year, Enbridge was the presenter sponsor of the 2009 Mayor's Evening for Business and the Arts in Calgary. An evening designed to celebrate the relationship between business and the arts in the city, the event recognizes artists who are doing significant work and the businesses that support them and make their work possible.

## **Liquids Pipelines**

***United Way employee campaign*** – In 2009, employees from Enbridge's Edmonton operations raised over \$840,000 in support of the United Way, a total that included corporate matching funds.

***Youth Emergency Shelter Society*** – In addition to becoming the three-year sponsor partner of the Safety Education Pillar at the new Armoury Youth Centre, which is a safe haven for daytime learning and support services for homeless youth, the company donated \$50,000 to the United Way specifically for the Youth Emergency Shelter Society's START House Extreme Home Makeover initiative. This was to support the

renovation of 10 rooms for youth engaged in this special program to prepare them for independent living, following their commitment to getting off the street and addressing the issues that contributed to their homelessness. A Day of Caring was held in Edmonton in April 2010 for Enbridge employees to spend the day painting and decorating these 10 rooms in their entirety. The rooms are dedicated to these youth for a period of up to one year while they are continuing their education and working part-time. In addition to independent living skills such as budgeting and healthy meal preparation, these youth eventually leave START House with money they have saved to use for renting their own apartments and the purchase of necessary supplies.

***The Works Art & Design Festival*** – By providing funding for paid internships through The Works International Visual Arts Society, Enbridge is helping to provide new cultural workers with meaningful job experiences. The interns play an integral part in the beautifying and revitalizing of Edmonton’s downtown core, with projects like the “living mural”, which continuously changes with open participation from other artists.

***Theatre Network's Nextfest*** – The Enbridge Nextfest Emerging Artist awards are cash awards given to young Alberta artists from different genres to support their artistic pursuits and further their development as artists. In 2009, Enbridge gave five, \$1,000 awards to emerging artists.

#### **Gas Transportation / Enbridge Energy Partners**

***United Way employee campaign*** – In 2009, Enbridge and its employees contributed more than \$500,000 to United Way chapters in the U.S. The company hosted workplace giving campaigns in six areas and matched employee contributions dollar for dollar. Contributions in Enbridge’s U.S. headquarters in Houston totaled \$387,000.

***Houston Ballet*** – In early 2010, Enbridge signed on to support the Houston Ballet’s *Dance with Us!* campaign over the next five years. The campaign’s goal is to raise \$95 million to construct a state-of-the-art Center for Dance in downtown Houston, enabling the ballet company to advance their level of artistic excellence and make ballet more accessible to all Houstonians.

***Alley Theatre*** – Enbridge continued its support of the Alley Theatre in Houston by making a \$100,000 contribution to serve as the lead sponsor of two productions during the 2009-2010 season.

***Houston Society for the Prevention of Cruelty to Animals*** – Enbridge and its employees supported the Houston Society for the Prevention of Cruelty to Animals annual pet telethon with a financial contribution and volunteers to take phone pledges during the telethon, which aired on public television.

***Lumberjack World Championships*** – For the second year in a row, Enbridge was the lead sponsor of the Lumberjack World Championships in Hayward, Wisconsin. This event is televised nationally on ESPN and draws competitors from around the globe. Hayward was an important community during Enbridge’s Southern Access Stage 1 construction project.

#### **Enbridge Gas Distribution (EGD)**

**United Way employee campaign** – EGD donated a total of \$1.195 million dollars. Employee participation rose seven percent and overall donations increased six per cent. The Enbridge CN Tower Climb for United Way is another example of EGD’s commitment to United Way. In 2009, close to 11,000 climbers raised almost \$1.7 million.

**Winter Warmth Fund** – EGD proudly sponsored the 2009-2010 Winter Warmth program. Winter Warmth provides support to low-income customers and is coordinated by a network of community-based agencies through the United Way. In 2009, 1,184 Ontario households received help with their Enbridge natural gas bills. EGD donated a total of \$623,000 to the fund. EGD and its employees supported the 6<sup>th</sup> Annual Winter Warmth Drive across the Greater Toronto Area. This year, EGD supported The Denise House and The Sandgate Shelter, which provide emergency housing and support services to women and children who are victims of abuse. Employees donated items to one of 17 families that their departments adopted as part of the drive.

**Eva’s Initiatives** – EGD sponsors Eva’s Initiatives’ Home for Life fundraising event, which focuses on supporting innovative and award winning programs assisting homeless youth in leaving the streets permanently and making the transition from being homeless to becoming self-sufficient members of the community. Eva’s Initiatives operates three unique shelters in the Greater Toronto Area that each night house and feed 114 youths aged 16 to 24. With cutting-edge services and distinctive programming, the shelters provide a continuum of service not available anywhere else in Canada. Nationally, Eva’s Initiatives works to build innovative long-term solutions to youth homelessness.

**York Region Community Foundation (YRCF)** – As a Founding Benefactor of the Foundation, EGD has pledged another five-year commitment to the YRCF, which is a locally run public foundation that builds and manages endowment funds to support local charities and community priorities.

**NOTE:** For reports on Northern Gateway’s community investments in 2009, please see the Enbridge Northern Gateway Project 2010 Corporate Social Responsibility Report at [csr.enbridge.com/northerngateway2010](http://csr.enbridge.com/northerngateway2010).

## **DONATIONS LIST**

The following is a complete listing—by business segment (and partial segment) and donation category—of the organizations to which Enbridge donated in 2009:

### **Enbridge Inc.**

#### Education

Alberta College of Art and Design (ACAD)

Calgary Opera – Advanced Education Fund for Emerging Artist Program

Calgary Reads Society

Decidedly Jazz Danceworks

Famous 5 Foundation – Enbridge Famous 5 Living the Legacy Youth Leadership Award

Famous 5 Foundation – Ottawa

Junior Achievement of Southern Alberta

Science Alberta Foundation

Telus World of Science

The Banff Centre  
The Historica-Dominion Institute  
University of Calgary – Enbridge Mentorship Program

#### Health & Safety

AIDS Calgary Awareness Association  
Alberta Cancer Foundation  
Alberta Council of Women's Shelters  
Alberta Shock Trauma Air Rescue Service Foundation (STARS Foundation)  
Bill Brooks Prostate Cancer Benefit  
Energy Fore Friends  
International Psycho-Oncology Society  
Parkinson's Disease Society of Southern Alberta  
Sistership Dragon Boat Association  
West Park Health Centre  
YMCA Calgary

#### Environment

Alberta Emerald Foundation  
City of Calgary Parks  
Nature Conservancy of Canada (donation made in 2010)

#### Culture & Community

Alberta Ballet  
Alberta Council of Women's Shelters  
Alberta Theatre Projects (ATP)  
ATMCC (c/o Big Sisters and Big Brothers Society of Calgary and Area)  
Blue Christmas Productions  
Bowmont Seniors Assistance Association  
Calgary Animated Objects Society  
Calgary Drop In Centre  
Calgary Homelessness Foundation  
Calgary Meals on Wheels  
Calgary Opera  
Calgary Professional Arts Alliance  
Glenbow Museum  
Honens International Piano Competition Foundation  
Inn from the Cold Society  
National Theatre School of Canada  
Theatre Calgary  
Theatre Junction Society  
UNICEF Alberta  
United Way of Calgary

#### **Liquids Pipelines**

## Education

Adult Learning Centre Regina  
Community Careers Cooperative  
Fort La Bosse School Division Foundation  
Grant MacEwan University  
Junior Achievement of Northern AB and NWT  
Keyano College  
Northern Alberta Institute of Technology  
Saskatchewan Institute of Applied Science and Technology  
Science Alberta Foundation  
University of Alberta  
University of Saskatchewan Extension Division

## Health & Safety

Alameda Fire Department  
Alberta Cancer Foundation  
Alliance Fire Rescue  
Baldur-Argyle Fire Department  
Balgonie Fire Department  
Baltimore Volunteer Fire Department  
Beaver County Fire Services  
Bethune & District First Responder  
Bonnyville Municipal Ambulance  
Boyle Fire Department  
Brighton District Fire Department  
Brockville Police Department  
Camrose County Emergency  
City of Belleville Police and Fire  
Clarington Fire Department  
Conklin Fire Department  
Crohns and Colitis Foundation of Canada  
Czar Fire and Ambulance  
Dakota Ojibway Police Service  
Daysland Fire Department  
Daysland Health Centre  
Dinsmore Fire Department  
Dodslan Fire Department  
Durham Regional Police  
Elk Point Volunteer Firefighters  
Fort Simpson Fire Department  
Frontenac Detachment - OPP  
Galahad Fire Department  
Glenboro Fire Department  
Greater Napanee Fire Department  
Hardisty Fire / Rescue Department  
Hay Lakes Fire Department

Holland Volunteer Fire Department  
Hospitals of Regina Foundation  
Irma Fire and Rescue  
Juvenile Diabetes Research Foundation  
Kerrobert Fire Department  
Kipling and District EMS  
Kipling Fire Department  
Lac La Biche Fire Department  
Lac La Biche Victim Services  
Lougheed Fire Department  
Macklin Ambulance  
Macklin Fire Department  
Mannville Volunteer Fire Department  
Milden Fire Department  
Montmartre Fire Department  
Moose Jaw Fire HQ Station  
Morden Fire Hall  
Norman Wells Volunteer Fire Department  
Odessa Volunteer Fire Department  
OPP Russell County  
Oshawa Fire Services  
Outlook D.A.R.E  
Outlook Fire Department  
Outlook Health Centre Ambulance  
Oxbow / Enniskillen Fire Department  
Pembina - Manitou Fire Department  
Pickering Fire Services  
Pipestone Albert Fire Department  
Provost Fire Department  
Ryley Fire Department  
Saint Elizabeth Health Care Foundation  
Sedgewick Fire Department  
Six Nations Police  
Souris EMS  
South Stormont Fire Rescue  
St. Paul & District Ambulance  
St-Andre d'Argenteuil Fire Safety  
STARS  
Ste-Anne-des -Plaines Fire Department  
Strathcona Co. Emergency Services  
Swan Lake Fire Department  
Swan Lake First Nation Fire Department  
Sylvain Ethier Municipality  
Tulita Fire Department  
Tyendinaga Fire Department  
University of Alberta Hospital Foundation

Wainwright Fire Department  
Wallace District Fire Department  
Wandering River Fire Department  
Wawanesa Fire Department  
Wawota EMS  
Weyburn Fire Department  
WWW Fire Protection District  
YMCA of Sarnia Lambton

#### Environment

Alberta Emerald Foundation  
City of Calgary  
City of Edmonton Ducks Unlimited Canada  
Jean Michel Cousteau Dinner and presentations  
Joint Secretariat – Inuvialuit Renewable Resource Committees  
Tree Canada  
Trout Unlimited Canada

#### Culture & Community

Alberta Ballet  
Alberta Native Friendship Centers Association  
Association of Fundraising Professionals: Philanthropy Day Edmonton  
Christmas and Winter Relief Association  
Dow Centre for Youth Excellence  
Edmonton and Area Famous 5 Society  
Edmonton Chamber of Commerce  
Edmonton Symphony Orchestra  
Fort McMurray Famous 5 Foundation  
Framework Foundation  
Freewill Players – River City Shakespeare Festival  
Globe Theatre Society  
Leadership Edmonton  
Regina Symphony Orchestra  
Rotary Club of Alberta  
Santa's Anonymous  
Santa's Anonymous (News Talk 980 CJME Saskatchewan)  
Sirens  
Souris Donors Choice  
Stollery Children's Hospital Foundation  
Stratford Festival of Canada  
The Society for Safe and Caring Schools and Communities  
The Works International Visual Arts Society  
Theatre Network  
UNICEF Unite for Children  
United Way Campaigns (Edmonton, East, Central and West Regions)  
Virden Donors Choice



West Central Crisis and Family Support Centre

**Gas Transportation / Enbridge Energy Partners**

Education

Bemidji High School  
Bemidji State University  
Black Leaders for Education and Economic Development  
Cass Lake High School  
Clearbrook-Gonvick School  
College of St. Scholastica  
CREED Project  
Cushing Public School Foundation  
Cushing Sirloin Club (Local 4H & FFA)  
D.A.R.E.  
Engadine High School  
Floodwood Dollars for Scholars  
Fond du Lac Tribal Community College  
Greenway High School  
Griffith Public Schools Educational Foundation  
Houston Livestock Show & Rodeo  
Houston Press Club  
Illinois Agriculture Association  
Ironwood Area Sports Hall of Fame - Scholarship Foundation  
Lakeland Public Television - BSU Nova Program  
Leech Lake Tribal College  
Louisiana Region IV Science Fair  
Louisiana School for Math, Science and the Arts  
Minot Daily News  
Northland College  
Northland Foundation - Kids Plus Leadership Program  
Northland Youth Music Program - Superior WI  
Northwest Minnesota Foundation  
Northwestern High School  
Orange County 4-H  
Petal School District  
Red Lake County Central High School  
Sally Ride Science Festival  
Solon Springs School District  
Superior Chamber of Commerce - Excellence in Education  
Superior Housing Authority - Family Fun Festival - Safety Ed Program  
The Keystone Center  
University of Minnesota-Duluth  
University of North Dakota (Grand Forks)  
University of Wisconsin-Superior  
University of Wisconsin-Superior American Indian Scholarship Fund  
Wisconsin Indianhead Technical College

Wisconsin Outdoor Alliance Education Foundation

Health & Safety

4-H Clearwater County - Bagley, MN  
4-H Douglas County  
Adams Volunteer Fire Department  
American Cancer Society - Relay for Life, Beltrami County  
American Cancer Society - Relay for Life, Red Lake County  
American Cancer Society - Relay for Life, Superior  
American Heart Association (South Central Affiliate)  
American Red Cross (Cloquet, Minn.)  
American Red Cross (Houston)  
Arpin Volunteer Fire Department  
Big Flats Volunteer Fire Department  
Bowling to Beat Breast Cancer, Inc.  
Boy Scouts of America  
Burlington Fire and Rescue  
C.H.U.M - Churches United in Ministry  
Cambridge Volunteer Fire Department  
Camp Fish Tales  
Challenge Center, Inc.  
Coolspring Township Volunteer Fire Department  
Crystal Lake Fire Rescue Association  
Cushing Regional Hospital  
Deer River Health Care Center  
Dragon Boat Festival  
Evergreen House  
Fort Atkinson Volunteer Fire Department  
Frankenlust Volunteer Fire Department  
Friendship Volunteer Fire Department  
Gonvick Volunteer Fire Department  
Grand Itasca Foundation  
Grand Rapids Hospital (Grand Itasca Foundation)  
Griffith Fire Department  
Hewitt Area Fire Department  
Houston SPCA  
Ladysmith Fire Department  
LaPorte Firefighters Association  
Leslie Area Ambulance  
Lovells Township Volunteer Fire Department  
Marshall Fire Department  
Minnesota Safety Council  
Monitor Township Fire Department  
Muscular Dystrophy Association  
National Autism Association  
National Children's Cancer Society

National Fire Safety Council - Ft. Atkinson  
Nekoosa Fire Department  
Niles Township Volunteer Fire Department  
Owen Volunteer Fire Department  
Pine Township Volunteer Fire Department  
Pittsville Volunteer Fire Department  
Richfield Rural Fire Department  
Rome Township Fire Department  
Salvation Army - Superior  
Schererville Fire Department  
Sheldon Volunteer Fire Department  
South Haven Volunteer Fire Department  
St. Clair Emergency Services  
St. Mary's Hospital (SMDC Foundation)  
Susan G. Komen Breast Cancer Foundation  
Texas Children's Hospital  
Town of Rock Fire & Rescue  
Trinity Health Foundation  
Vesper Volunteer Fire Department  
Wilton-Bemidji Rural Fire Association

Safe Community

Adams County (WI) Emergency Management (Friendship)  
Alabama-Coushatta Indian Nation Volunteer Fire Department (Livingston, TX)  
Alma (MO) Fire Protection District  
Alpha-Mastodon Township Fire Department  
Ashland (WI) Fire Department  
Ashland County (WI) Sheriff's Department  
Ashland Police Department  
Auburn Williams Fire Department  
Bangor Township (MI) Fire Department  
Battles Volunteer Fire Department (Stateline, MS)  
Bay City Fire Department  
Bay County (MI) Sheriff's Office  
Beaver Township (MI) Fire Department  
Bessemer Township (MI) Fire Department  
Carlton (MN) Fire and Rescue  
Carp Lake Township (MI) Fire Department  
Cavalier (ND) Ambulance Service  
Cavalier (ND) Fire Department  
Center Township (IN) Volunteer Fire Department  
Chalton Township (MI) Fire Department  
Chariton County Local Emergency Planning Committee  
Clearbrook (MN) Police Department  
Clearwater County Sheriff's Office  
Clifton Volunteer Fire and EMS Department

Cloquet (MN) Fire Department  
Coal City (IL) Fire Protection District  
Cohasset (MN) Fire Hook and Ladder  
Crims Chapel (TX) Volunteer Fire Department  
Crosby (ND) Fire Department  
Cushing (OK) Fire Department  
Deer River Fire Department  
Delta County (MI) Sheriff Department  
Donie Volunteer Fire Department  
Douglassville (TX) Volunteer Fire Department  
Drayton (ND) Volunteer Fire Department  
Floodwood (MN) Police Department  
Garden City (MO) Fire Protection District  
Garfield Township (MI) Fire Department  
Gladstone (MI) Public Safety Department  
Gonvick (MN) Fire Department  
Greenwood Rural Fire Department  
Griffith (IN) Fire Department  
Hampton Fire Department  
Highland Township (MI) Fire Department  
Holiday Lake Estates (TX) Volunteer Fire Department  
Hudson Township (MI) Fire Department  
Inverness Fire Department  
Iron County (MI) Sheriff's Office  
Iron County (WI) Emergency Management  
Ironwood (MI) Public Safety Department  
Ladysmith (WI) Police Department  
Lapeer County (MI) Office of Emergency Management  
Lawrence Mill Fire Department (Fayette, AL)  
Leeds (ND) Fire Department  
Linn County (KS) Sheriff Office  
Lockport Township (IL) Fire Protection District  
Luzerne Fire Department (MI)  
MABAS Division 25 (IL)  
Mackinac County (MI) Sheriff's Office  
Mackinaw City (MI) Police Department  
Marlette (MI) Fire Department  
Marquette County (MI) Sheriff Office  
Minong Police Department  
Monitor Township Fire Department  
Montgomery County (KS) Sheriff's Office  
Neche (ND) Quick Response  
Neodesha (KS) Fire/EMS Department  
New Lenox (IL) Police Department  
Northeast Texas Rescue Association (Omaha, TX)  
Onalaska (TX) Volunteer Fire Department

Oscoda County (MI) HazMat Response Unit  
Otsego County (MI) EMS Rescue  
Park Forest (IL) Fire Department  
Pembina Rural Fire Department  
Plummer (MN) Volunteer Fire Department  
Pontiac (IL) Fire Department  
Pontiac Police Department  
Portal (ND) International Fire Department  
Portsmouth Township (MI) Fire Department  
Powers Lake (ND) Ambulance Association  
Rose City Area (MI) Fire Department  
Saxon-Gurney Volunteer Fire Department  
Scenic Loop Volunteer Fire Department (Livingston, TX)  
Schoolcraft County (MI) Sheriff's Office  
Segno Volunteer Fire Department (Livingston, TX)  
Shelby Community Fire Department  
Solon Springs Volunteer Fire Department  
Solway (MN) Fire Department  
Somonauk (IL) Fire Protection District  
St. Ignace (MI) Fire Department  
Stanley Rural Fire Department  
Thief River Falls (MN) Fire Department  
Trinidad (TX) Fire Department  
Tri-Township Fire Department (Mio, MI)  
Tri-Township Fire Department (Quincy, IL)  
Vanderbilt Corwith (MI) Fire & Rescue  
Viking (MN) Volunteer Fire Department  
Washington (MO) Fire Department  
Wayland Volunteer Fire Department  
Wayne County (MS) Volunteer Fire Department  
Wayne County Emergency Response Management Agency  
Wilson County (KS) Emergency Management  
Wilton (MN) Fire Department  
Wortham (TX) Volunteer Fire Department  
Wrenshall Fire Department

#### Environment

City of Grand Rapids  
City of Superior, Environmental Services Division  
Ducks Unlimited  
Friends of Kankakee  
Gathering Waters Conservancy  
Griffith Parks Department  
Hartley Nature Center  
Indiana Nature Conservancy  
Iron County Development Zone Council

Lake County Soil & Water Conservation  
Leeds Park Board  
Little Muddy Recreation, Inc.  
McLean Co Chamber of Commerce  
McLean Co Farm Bureau  
Michigan Nature Conservancy  
Pheasants Forever  
Renville County Mouse River Loop Envirothon  
Sigurd Olson Environmental Institute  
The Nature Conservancy of Illinois  
The Nature Conservancy of Louisiana  
The Nature Conservancy of Minnesota  
The Nature Conservancy of Texas  
The Wetlands Initiative  
West Wisconsin Land Trust  
Wisconsin Nature Conservancy  
Wisconsin Outdoor Alliance Foundation  
Wisconsin Wildlife Federation  
Wolf Ridge Environmental Learning Center

#### Culture & Community

Alley Theatre  
American Association of People with Disabilities  
Bemidji Symphony Orchestra  
Boys & Girls Club of Leech Lake Area  
Cancer Counseling  
Cherokee Creek Music Festival  
City of Cavalier Parks Dept  
County Seat Theater Company  
Cushing United Way (Stillwater Area United Way)  
Duluth Superior Area Community Foundation  
Economic Development Council of the Bloomington-Normal Area  
Floodwood Training & Services  
Food Bank of Northwest Indiana  
Gibault, Inc  
Great Tomato Festival (Taube Museum)  
Griffith Emergency Fund  
Habitat for Humanity  
Houston Ballet Guild  
Iron County Development Zone Council  
KUHF Houston Public Radio  
Lake Area United Way  
Lucius Woods Performing Art Center  
Lumberjack World Championships  
Make a Wish Foundation of Indiana  
Manhattan Fun Day Festival

Marshall Community Foundation  
Marshall County Fair  
McLean County Chamber of Commerce  
Minnesota Ballet  
Minnesota Public Radio  
Minot Park District  
Minot Y's Men Rodeo  
Monaco Air Foundation  
North Dakota Community Foundation Roughrider Honor Flight  
Pampa United Way  
Reif Center  
Richard I Bong Veterans Historical Center  
Superior Public Library  
Superior Sister Cities Commission  
Superior Toys for Tots  
UNICEF  
United Way (Bay City, MI)  
United Way (Fort Atkinson, WI)  
United Way (Marshall, MI)  
United Way (Vesper, WI)  
United Way of Bemidji Area  
United Way of Delta County  
United Way of Grand Forks, East Grand Forks & Area  
United Way of Greater Duluth  
United Way of Greater Houston  
United Way of Greater Longview  
United Way of Parker County  
United Way of Souris Valley  
United Way of Superior-Douglas County  
United Way of Williston (Basin United Way )  
Voyageurs Area Boy Scouts  
WDSE Public Television  
Wheeler Ag Center  
Williston Community Builders  
Woodland Hills  
YMCA  
YMCA - Strong Kids Campaign (formerly Partners w/Youth)  
YMCA - US Troops Program

## **Enbridge Gas Distribution**

### Education

Help Lesotho Foundation  
Niagara College  
The Duke of Edinburgh's Award  
University of New Brunswick  
York University

### Health & Safety

Aplastic Anemia & Myelodysplasia  
Baycrest Hockey Pro-Am (Brian Maher)  
Cystic Fibrosis Golf Tournament  
Dorothy Ley Hospice  
One Night Live - Sunnybrook Hospital  
Ontario Fire Marshall Safety Campaign  
Ottawa Regional Cancer Foundation  
Phillipines Typhoon Disaster Relief  
Project Zero Toronto Fire Services  
St.Elizabeth's  
Street Health (Medical Supplies)  
Westpark Healthcare Foundation  
Westpark Scarlett Ball  
York Central Hospital

### Environment

Cleaning the Capital  
Credit Valley Conservation Foundation  
Live Green Toronto Festival  
Ontario Clean Air Alliance  
Pollution Probe Clean Air Commute & Gala  
Rideau Canal Festival  
Solar Initiative  
TAF - Renewables Seminar  
Toronto Renewable Energy Co-Op  
Trout Unlimited

### Culture & Community

42 Division Police Picnic  
ACSA 35th Anniversary Gala  
Audi Best Buddies Bike Challenge  
Barrie Waterfront Festival  
City of Barrie "Dave's Family Golf Tournament  
City of Pickering community events  
Councillor Bill Saundercook's event

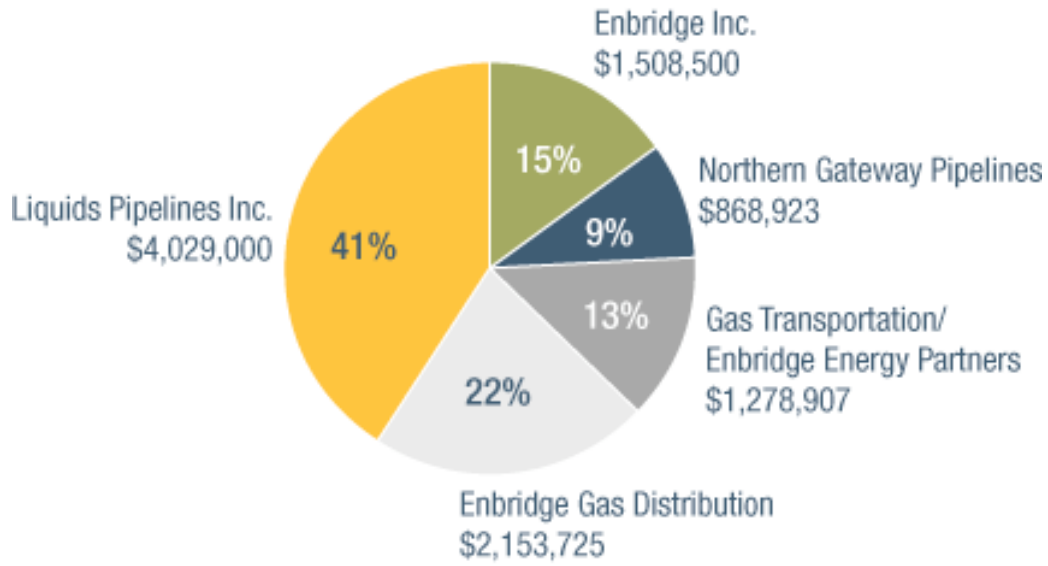


Councillor Frances Nunziata's Canada Day  
Councillor Rob Ford Football Foundation  
Downsview Community Renaissance Fund  
Enbridge CN Tower Stair Climb for 2008  
Eva's Initiatives  
Lakeshore Mardi Gras  
Markham Village Music Festival  
Mayors Youth Advisory Committee  
Neighbourhood Information Post WW  
Peterborough Festival of Lights  
Pickering Great Waterfront Trail Adventure  
Portugal Week  
Richmond Hill Winter Carnival  
Scarborough Walk of Fame  
Scouts Canada - Councillor Ainslie  
Stephen Leacock Foundation - Golf  
Town of Alliston Music on Main Festival  
Town of Richmond Hill Tastes of the Hill  
United Way Committee  
United Way Corporate Match  
United Way Employee Pledge Loss  
United Way Toronto's Celebration Dinner  
Urban Leadership Awards  
Viking Boat Race  
Vision Youth Leadership Development Centre  
Volunteer Awards  
Wasaga Beachfest  
Winter Warmth  
Yellow Brick House  
York Region Community Foundation  
YRCF October 2009 Charities Workshop

**NOTE:** For the donations list related to Northern Gateway's community investments in 2009, please see the Enbridge Northern Gateway Project 2010 Corporate Social Responsibility Report at [csr.enbridge.com/northerngateway2010](http://csr.enbridge.com/northerngateway2010).

**Enterprise-wide Community Investment Spending – 2009 actual**

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<b>CA: \$ 8,560,148</b>
<b>US: \$ 1,278,907</b>
<b>TOTAL: \$9,839,055</b>

## Corruption

### **SO2 – Percentage and total number of business segments analyzed for risks related to corruption.**

Enbridge analyzes each of its business segments annually for corruption. The analysis tools the company uses include the general control evaluation procedures that were established to ensure that Enbridge met the requirements of the Sarbanes-Oxley Act of 2002 (SOX) and its Statement on Business Conduct that each employee must review and confirm their compliance with each year.

### **SO3 – Percentage of employees trained in organization’s anti-corruption policies and procedures.**

Each of Enbridge’s employees must review and confirm their compliance with the company’s Statement on Business Conduct each year. The statement applies to Enbridge Inc. and to each of its subsidiaries or controlled entities. It emphasizes Enbridge’s commitment to specific standards of conduct expected of each of its directors, officers, employees, consultants and contractors in all of the countries where Enbridge does business.

### **SO4 – Actions taken in response to incidents of corruption.**

Enbridge’s Statement on Business Conduct and Whistle Blower Procedures outline the procedures Enbridge would take in response to incidents of corruption.

Strict adherence to the Statement on Business Conduct and all other Enbridge policies is mandatory. Failure to comply could result in disciplinary action up to and including termination.

Enbridge management is not aware of any incidents of corruption that took place in 2009.

## Public Policy

### **SO5 – Public policy positions and participation in public policy development and lobbying.**

Enbridge supports the democratic process in the jurisdictions in which the company conducts business. It does so in accordance with the letter and spirit of all applicable laws of the countries in which it operates. As such, all of Enbridge's activities pertaining to public policy development, lobbying and political donations comply with the country, provincial and state laws governing those activities, as well as with the company's Statement on Business Conduct.

Enbridge does not have a formal policy on public policy development or lobbying, but its Statement on Business Conduct addresses political contributions by stating that, "no funds or assets of Enbridge shall be contributed to any political party or organization, or any candidate for public office, except where such contribution is permitted by applicable law and authorized by senior management or the Board of Directors."

In Canada, the federal *Accountability Act* prohibits corporate political donations. Laws governing corporate political donations to provincial entities vary by province. Enbridge strictly adheres to them.

Although U.S. federal law and the laws of most states prohibit corporate political donations, companies that establish political action committees (PACs) may contribute amounts up to the limits set by the governments in whose jurisdiction they lie. However, Enbridge does not have a federal or state PAC and does not make corporate political donations, even in those states where corporate contributions are allowed.

### **SO6 – Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.**

In 2009, Enbridge contributed approximately \$130,000 to provincial political parties in Canada. It did not contribute to federal political parties or politicians in Canada.

Enbridge did not make any contributions to political parties, politicians or related institutions in the U.S.

## **Anti-Competitive Behaviour**

### **SO7 – Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.**

In 2009, Enbridge was not involved in any legal actions for anti-competitive behaviour, or for anti-trust or monopoly practices.

Regarding competition and anti-trust legislation, Enbridge's Statement on Business Conduct states that:

Enbridge and its employees must comply with all applicable Canadian, U.S. or other foreign competition and antitrust legislation. Behaviour that is prohibited under such legislation includes activities such as agreements with competitors to allocate markets or customers, price fixing or agreements to control prices, the boycotting of certain suppliers or customers, bid-rigging, misleading advertising, price discrimination, predatory pricing, price maintenance, refusal to deal, exclusive dealing, tied selling, delivered pricing and the abuse of dominant position. Situations constituting potential breach of such legislation or circumstances requiring direction should be immediately reported to the employee's supervisor or the Law Department.

### **SO8 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.**

Enbridge did not receive any fines in 2009 for anti-competitive behaviour.

Enbridge did not receive any non-monetary sanctions for non-compliance with laws and regulations pertaining to anti-competitive behaviour in 2009.

# **SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY**

## **Goals and Performance**

Enbridge is committed to excellence in implementing product responsibility standards that not only comply with legislated requirements, but also respond to the social, economic and environmental expectations of communities, customers, shareholders, government and the public.

This commitment is an integral part of all planning and operations initiatives corporately and through business segments, as Enbridge believes that prevention of accidents and injuries benefits everyone and delivers increased value to its stakeholders.

## **Organizational Responsibility**

At Enbridge, all employees are responsible for conducting their activities in a manner that makes product responsibility a primary part of their daily activities.

The most senior person with operational responsibility for Enbridge's product responsibility performance is Patrick D. Daniel, President and Chief Executive Officer, who is responsible for all of Enbridge's operations and staff. He is supported by:

- Stephen J.J. Letwin, Executive Vice President, Gas Transportation & International, who is responsible for all aspects of Enbridge's natural gas operations, including oversight of Enbridge Gas Distribution and Enbridge Gas New Brunswick, as well as for International operations, the Alliance, Vector and offshore natural gas pipelines, and Enbridge Energy Partners;
- Al Monaco, Executive Vice President, Major Projects, who is responsible for project execution once commercial viability for a major project has been established; and
- Stephen J. Wuori, Executive Vice President, Liquids Pipelines, who is responsible for all crude oil and liquids pipeline operations in North America, including Liquids Pipelines and its related operations, and Enbridge's many opportunities for new pipelines to transport growing oilsands production.

The chain of command with respect to product responsibility is essentially the same in each Enbridge business segment. The most senior positions are vice presidents with operational responsibilities. Reporting to each vice president is a director supported by a manager(s), a supervisor(s) and analysts or specialists. (Actual number of reports varies with the activities of the various business segments.)

# Product Responsibility Performance Indicators

## Customer Health and Safety

**PR1 – Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.**

Enbridge is a transporter of energy, primarily in the form of natural gas and liquid petroleum products. Enbridge does not produce these commodities, but transports them from source to end users.

While Enbridge does not specifically conduct life cycle reviews of the products that it transports through its systems, it does thoroughly review its systems to ensure that the products it transports are delivered in a manner that is safe and reliable. These reviews pertain to the design, construction and operation of the transport systems. They are conducted on all of Enbridge's systems.

For details on Enbridge's pipeline and system integrity practices and performance, please see the section "Environmental Performance – GRI Performance Indicators – Products and Services – EN26 and EN27" of this report.

**PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.**

In 2009, Enbridge's gas distribution companies received from local safety regulators approximately 180 inspection reports of a non-material nature related to possible or actual non-compliance with codes or regulations governing the installation, inspection or operation of various aspects of the natural gas distribution system. No prosecutions or enforcement actions were undertaken by the regulators in connection with these orders.

Elsewhere in the company in 2009, there were no non-compliance incidents concerning the health and safety impacts of Enbridge's products and services.

For information on regulatory notifications, please see the section "Environmental Performance – GRI Performance Indicators – Compliance – EN28" of this report.

## Product and Service Labelling

### **PR3 – Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.**

Enbridge's Liquids Pipelines and Gas Pipelines (Gas Transportation) business segments, as well as Enbridge Gas Distribution (EGD), are required to indicate with a warning marker and label with the company name and contact information, any pipeline that is situated within a right-of-way. Although Enbridge is not required to label pipelines that run through streets or properties, it is illegal to dig up streets or properties without obtaining "locates", which provide information on underground pipelines, etc. In Ontario, home and property owners and contractors are responsible for obtaining "locates" before they dig and can obtain them by calling Ontario One Call. Ontario One Call is a call centre with which EGD contracts to handle such inquiries.

In addition, the Workplace Hazardous Materials Information System (WHMIS) requires EGD to provide Material Safety Data Sheets (MSDS) to all of its natural gas customers. EGD maintains updated French and English copies of the sheet pertaining to natural gas on its [website](#). EGD also emails copies of the sheet to customers once each year.

### **PR4 – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.**

Enbridge's Liquids Pipelines, Gas Pipelines (Gas Transportation), and Gas Distribution and Services businesses were in full compliance with regulations pertaining to product and service information or labeling in 2009.

### **PR5 – Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.**

In 2009, Enbridge Gas Distribution (EGD) responded to over two million customer inquiries and issued approximately 24 million residential utility bills.

Customer service and satisfaction are important to EGD and, as a result, measurement of these areas is equally important. Each quarter, EGD conducts a benchmarking survey that compares it to the local telephone companies, electric companies and natural gas marketers. EGD consistently leads in four of the five areas, including overall value, image quality, overall billing and customer communications quality.



EGD uses a third-party market research supplier to conduct monthly telephone interviews with residential customers. EGD uses the study to monitor customers' expectations about, perceptions of and satisfaction with EGD based on various interaction points. Customers are said to be satisfied if they responded *excellent* or *very good* (top-2 boxes), when asked three key satisfaction questions on a seven-point scale ranging from *excellent* to *poor*. For the past eight years, the customer satisfaction composite index has been stable from year to year, but has trended upward overall during the eight-year timeframe based on the top-2 box scores.

EGD also offers an automated after-call survey to each of its customers immediately following contact with a call centre. Through this survey, customers are asked to rate the quality of the service they have received and whether they are satisfied with the resolution. The results of the after-call survey are very favourable and have been consistently high for the past four years.

In 2005, EGD instituted an Office of the Ombudsman to resolve customer issues that the call centre was unable to resolve. In 2009, EGD introduced a number of initiatives to help elevate awareness of the Ombudsman's Office, both with customers and EGD's call centre service representatives. These ongoing efforts have resulted in a sustained increase in the number of issues being escalated to the Office of the Ombudsman for resolution. In 2009, 3,240 issues were escalated to the Ombudsman's Office.

EGD uses a variety of information, including all of the sources of information outlined above, to identify opportunities to improve customer satisfaction.

## **Marketing Communications**

### **PR6 – Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.**

Enbridge's legal department reviews all marketing communications that are sent to Enbridge Gas Distribution (EGD) customers.

While EGD does offer third parties the opportunity to include advertising inserts in the envelopes in which it sends customer bills, these third parties are required to include a disclaimer clause in their advertising saying that they are in no way affiliated with Enbridge or EGD.

EGD retains membership in the Association of Canadian Advertisers and the Canadian Marketing Association to ensure that it knows about—and adopts—new policies and regulations.

### **PR7 – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.**

In 2009, Enbridge was compliant with all regulations and voluntary codes concerning marketing communications.

## **Customer Privacy**

### **PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.**

In 2009, Enbridge Gas Distribution (EGD) received only one substantiated complaint from a customer regarding misdirected mail containing personal information, which EGD resolved directly with the customer. No complaints were referred to the Privacy Commissioner in 2009.

## **Compliance**

### **PR9 – Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.**

Enbridge's gas distribution companies did not receive any fines in 2009 for non-compliance with laws and regulations concerning the provision and use of products and services.

# ACKNOWLEDGEMENTS

This publication was created with the assistance of Enbridge's Corporate Social Responsibility Employee Advisory Council and its CSR Expert Report Groups:

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