

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy L. Wergin	Commissioner

In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border

Docket No. PL-9/CN-14-916

SUMMARY OF CERTIFICATE OF NEED FILING

On April 24, 2015, Enbridge Energy, Limited Partnership (Enbridge) filed an application with the Minnesota Public Utilities Commission (Commission) for a Certificate of Need for the replacement of Line 3 in Minnesota (the Project). The Project is a major component of Enbridge's Line 3 maintenance driven replacement program (the Replacement Program) in the United States. The Replacement Program will replace the existing Line 3 pipeline from Hardisty, Alberta, Canada to Superior, Wisconsin at an estimated cost of approximately \$7.5 billion. The proposed replacement pipeline will serve the same purpose and need as the existing Line 3, which is the transportation of crude oil from Canada to Enbridge's Clearbrook Terminal near Clearbrook, Minnesota, and to the Superior Terminal near Superior, Wisconsin. The replacement pipeline is generally expected to serve the same markets and transport the same products as the existing Line 3 has done throughout its operating history. Upon replacement, the average annual capacity of Line 3 will be 760,000 barrels per day.

The Project is the Minnesota portion of the Replacement Program and includes the replacement of approximately 282 miles of the existing 34-inch diameter Line 3 pipeline with approximately 337 miles of 36-inch diameter pipeline and associated facilities between the North Dakota/Minnesota border and the Minnesota/Wisconsin border at a cost of approximately \$2.1 billion. In Minnesota, the Project will cross Kittson, Marshall, Pennington, Polk, Red Lake, Clearwater, Hubbard, Wadena, Cass, Crow Wing, Aitkin, and Carlton counties. The existing Line 3 pipeline will be permanently removed from service after the Replacement Program has received all regulatory approvals and the 36-inch replacement pipeline is constructed, tested, and placed into service.

Line 3 has been an essential component of Enbridge's pipeline transportation network to deliver the crude oil needed by refiners. The replacement of Line 3 will ensure that Enbridge can transport the crude oil required by refiners in Minnesota, other PADD II states, Eastern Canada, and the Gulf Coast. As with the existing Line 3, the Project will be operationally

integrated as part of the Enbridge Mainline System and will continue to transport crude oil from Hardisty, Alberta, Canada to Superior, Wisconsin.

The Project provides numerous benefits to the State of Minnesota and refiners in PADD II, Eastern Canada, and the Gulf Coast:

- First, the Project addresses Line 3's existing integrity risks by replacing a pipeline with a large number of integrity anomalies with a new pipeline constructed with the latest technology and materials. The Project will eliminate the large number of integrity digs currently forecasted to be required on Line 3 over the next 15 years, as well as the related impacts to landowners and the environment.
- Second, the Project will reduce on-going and forecasted apportionment to the refining industry in PADD II, Eastern Canada, and the Gulf Coast, including Flint Hills and Northern Tier Energy in Minnesota.
- Third, the restored capabilities will allow Enbridge to more efficiently operate the Enbridge Mainline System, optimize its pipeline system, and reduce power utilization on a per barrel basis.

A copy of Enbridge's Application for a Certificate of Need for the Line 3 Replacement Project is available at the Commission's website: <http://mn.gov/puc/>. On the Commission's homepage, click on the "Search eDockets" link, and then enter the docket number "14-916" in the docket look up box.