

From: Nichols, Trudy [mailto:Trudy_Nichols@kindermorgan.com] On Behalf Of Anderson, Ian
Sent: Friday, August 10, 2012 3:19 PM
To: OfficeofthePremier, Office PREM:EX
Cc: Sweeney, Neil PREM:EX; Anderson, Ian; Nichols, Trudy; Minister, ABR ABR:EX;
Minister, ENV ENV:EX
Subject: Kinder Morgan Canada Reply to Heavy Oil Pipelines Report
Importance: High

Trudy Nichols on behalf of Mr. Ian Anderson, President Kinder Morgan Canada

Please note attached letter dated August 10, 2012. Original and copies to follow by mail.

Regards,
Trudy Nichols
Executive Assistant to President
Kinder Morgan Canada Inc.
Suite 2700, 300 - 5th Avenue S.W.
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Direct Line: 403. 514.6432
Email: trudy_nichols@kindermorgan.com

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August 10, 2012
Honourable Christy Clark
Premier of British Columbia
West Annex, Parliament Buildings
Victoria, BC V8V 1X4
VIA EMAIL: premier@gov.bc.ca
Dear Premier Clark;

I am writing in response to the Government of British Columbia's ("BC Government") recent report on heavy oil pipelines (the "Report"). At the outset, let me commend the efforts of the BC Government in completing this review. The Report addresses many difficult issues during a critical time in Canada's and British Columbia's economic future.

After reading the Report and consulting with my staff, and others, I felt it would be helpful to pass on our initial thoughts on the five conditions and the recommendations. Of course, we have many questions and I believe that through continued discussions with your government, we can help find solutions that will meet the needs of our industry, our company and British Columbians..

It is clear that some issues raised in the Report pertain directly to the Enbridge Northern Gateway proposal, while others apply equally to our proposed Trans Mountain expansion. A key distinction between the two pipeline proposals, irrespective of geography, is that Northern Gateway is a greenfield proposal and Trans Mountain, with its 60-year operating history, is not. Because of the existing operations of the Trans Mountain pipeline in the province of BC, our company, its customers and ultimately all British Columbians have a significant interest in what happens now that the Report has been issued.

The BC Government and many British Columbians are already aware of the existing Trans Mountain pipeline, its operations and safety record. While our environmental and safety compliance efforts fall under National Energy Board (NEB) regulation, we have begun a program to engage more fully with the BC Government and other key stakeholders regarding our operations. In the reality of heightened public awareness and concerns about crude oil pipelines and tankers, I believe continued and diligent engagements are paramount to providing facts and information. I extend our support and co-operation in this regard.

Before I address the five conditions in the Report, I would like to comment briefly on the issue of 'heavy oil.' It's obvious that the characteristics of heavy oil are of concern to the BC Government and the public. The existing Trans Mountain pipeline has been transporting increasing amounts of heavy oil for the past 30 years.

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Kinder Morgan Heartland ULC

Platte Pipeline

Trans Mountain Pipeline L.P.

Trans Mountain Pipeline (Puget Sound) LLC

Kinder Morgan Cochin ULC

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Today, heavy oil represents about a quarter of the volumes shipped through the pipeline. Contrary to much of the public misinformation, regarding; corrosiveness and oil spill clean up (some of which is included in the Report), heavy oil is not significantly different than conventional oil. The Trans Mountain pipeline is not corroding nor is effective oil spill response hindered because of it. In my view, focusing on heavy oil mischaracterizes many progressive and excellent ideas advanced in the Report.

Put another way, I believe all of the five conditions outlined in the Report – and the many recommendations – should be given weight if the pipeline in question is transporting light or heavy crude or, in the case of the Trans Mountain pipeline, refined products as well.

Kinder Morgan's commitment to the safe operation of the pipeline and environmental protection both on land and water and respect for Aboriginal interests would not be diminished, if the pipeline transported only light crude.

Below is a synopsis of Kinder Morgan's response to the five conditions outlined in the Report:

1. Successful Completion of the Environmental Review Process

This condition is worded to apply to the Northern Gateway project; although I expect the BC Government would view the facilities application for Trans Mountain similarly. For the current project, we expect to file a facilities application in late 2013, with the regulatory review process expected to be complete in 2015.

We have no issue with this condition. Clearly, the proposed expansion of Trans Mountain will have to successfully complete an extensive environmental review process. Furthermore, I am confident we will receive this approval, not out of a lack of respect for the process, but a knowledge based on the recent completion of a project in which we constructed 160 kilometers of new pipeline through both Jasper National Park and Mount Robson Provincial Park, and for which we had to demonstrate the highest environmental standards.

In June of this year, we filed a Toll Application with the NEB that underpins the commercial aspects of expansion of Trans Mountain. This should not be confused with the aforementioned facilities application. We welcome the opportunity to review the Toll Application with the BC Government in the context of overall regulatory process governing the proposed expansion of Trans Mountain.

I believe it's important that the BC Government be fully informed about what the Tolling Application is and what it isn't before a position is taken. As we expect direction from the NEB outlining the regulatory steps shortly, we welcome the opportunity to engage with the BC Government in the coming months on this.

2. World Leading Marine Oil Spill Preparedness and Response

We acknowledge the direct link between our pipeline operations on land and the marine issues associated with oil tankers on the south coast of British Columbia. In the 1970s Trans Mountain and four oil companies founded the oil spill co-operative Burrard Clean that has now grown into the Western Canada Marine Response Corporation (WCMRC). Since its inception and under the oversight of Transport Canada, WCMRC has embraced industry best practices from its equipment sourcing, including new vessels, to its operations, such as the implementation of the Incident Command System (ICS).

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The Report identifies issues relating to the role of and the capability of the Canadian Coast Guard in oil spill response. In this regard, we fully agree with the BC Government that the Coast Guard issues must be addressed. I understand that discussions are already underway that could see WCMRC expanding its operational role and capacity thereby enabling the Coast Guard to provide the necessary oversight to ensure oil spill preparedness and response meets what we can all agree must be 'world class' standards. We welcome participation in a joint working group as recommended in the Report.

A 60-year record of crude oil tanker safety on the south coast doesn't just happen. This is due, in part, because the safety regime in which tankers operate has demonstrated continuous improvement and changed significantly over those 60 years in response to advances in technology, training and learning's from other jurisdictions and incidents. Of course, more can always be done and I welcome participation of the BC Government to seek and maintain world-class standards.

Petroleum and other hazardous commodities are transported in coastal waterways by varying types and standards of tankers and barges. Safety in support of environmental protection must be addressed at the highest level of regulation for oil tankers transporting crude and extend to all commodities and all vessels on the coast. In our review, and with a focus on continuous improvement, we must also recognize that a "one size fits all" approach will not work and that we must to the extent possible use fact based science and operating experience to adapt world-class standards to the local conditions. In particular, we must be mindful of building upon the strengths of the organizations already in place and the mutual aid agreements that enable rapid response and rapidly expanding response depending on the size, type and location of a spill. I

believe we can learn from BC's own Provincial Emergency Program which addresses many types of emergencies and employs similar mutual aid relationships.

Improved mapping is another recommendation identified in the Report that we support. In addition to the obvious advances in technology that can be brought to bear to improve oil spill preparedness and response, First Nations have existing and growing capabilities in this area that would enable participation in building and maintaining these databases. WCMRC and other agencies already have effective mapping but more can be done.

The chain of financial liability and the potential public exposure to financial risk in the event of a marine oil spill is a key area that should be reviewed and understood by all parties. As identified in the Report, this issue extends beyond even Canada's borders into broader international agreements and yet has the potential to have very local impacts. It is clear, from some of the recent concerns expressed about the Trans Mountain expansion, that this issue is one that requires careful consideration having regard that the existing framework appear to be largely effective although not consistent across all jurisdictions.

Ensuring tanker safety is a role shared by many companies, organizations and governments. As one of those participants and in support of our existing operations, Kinder Morgan has consistently worked to bring parties to the table to advance ongoing issues. As identified in the Report, areas of competing jurisdiction and capability can hamper these efforts. These are not easy issues to overcome but our company remains committed to working collaboratively with all stakeholders. In recent years, we have seen significant contributions from Port Metro Vancouver, the BC Pilots Association, the Chamber of Shipping, tug companies and others. The recent 'made in BC' solution of simulator development and training in conjunction with BCIT, the introduction of portable pilot unit navigation aids, new state of the art tugs in Vancouver and improved tanker escort techniques are just a few of the ongoing advances that we can all point to.

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3. World Leading Land Oil Spill Preparedness and Response

The issues raised in the Report are timely in light of recent terrestrial pipeline spills, the environmental and human impacts of those spills and industry's response to them. In contrast to the marine environment, Kinder Morgan is directly responsible for Trans Mountain's pipeline spill preparedness and response. We do so under the governance of the NEB and in co-operation with provincial and municipal governments and other community and environmental stakeholders.

Three recent examples of crude oil releases have tested our response plans. I can say from first-hand experience and without reservation that the coordinated response during the 2007 Burnaby pipeline strike was 'world-class.' Representatives from multiple jurisdictions including both Federal and BC authorities co-ordinated efforts through the Incident Command System and executed an efficient and effective response effort that we all can point to when looking into the future. That's not to say the response in 2007 was perfect. Upon review of the cause of the incident, a host of new procedures and improvements have been implemented within our company. Case in point: Kinder Morgan implemented new pipeline protection measures with a larger and more highly trained workforce (across North America) as a result of the learning's from that incident.

Today, the response model that applies in the marine environment (using an agency like WCMRC) does not exist for federally regulated pipelines in BC on land. On the marine side, multiple potential sources from multiple locations are at issue thereby giving rise to the WCMRC model. The current model for land based spills and response in which the operator manages the

effort is routed in historic response to regulation and stems from management by a company of its pipeline operations. At the same time, and as part of our Emergency Response Program, Kinder Morgan actively co-ordinates training and spill exercises with the many First Responders along the pipeline system through our Community Awareness for Emergency Response (CAER) program, and in recent years has extended this participation to First Nation communities. In an environment where multiple federally-regulated oil pipelines may operate in the province, it makes sense to review the WCMRC model to see if a broader organization may be better suited to terrestrial oil spill response without compromising federal compliance regulations for the pipelines. In Alberta, the province is organized geographically into Co-operatives, with shared Emergency Response resources and training that can be mobilized to supplement a company's Emergency Response capabilities. In this regard, a coordinated review, as supported with experience from provincially regulated pipelines in BC and Alberta would be helpful. While I believe the current state of terrestrial response provided by Kinder Morgan is both compliant with regulations and world-class, I'm supportive in seeing what else can be done.

4. Addressing Aboriginal Treaty Rights

This point is a matter of law which Kinder Morgan must comply with.

The existing Trans Mountain pipeline crosses fifteen Indian Reserves in BC and traverses the traditional territory of many more. Increasingly, our operations are affected by the many and complicated issues surrounding Aboriginal rights and title. This applies to our existing pipeline and the proposed expansion. Our discussions with, and the involvement of Aboriginal interests has been on-going since the pipeline was constructed in the 1950s. Of course, one of the unique challenges faced by a pipeline is the sheer number of interests along the entire length and the many and often divergent views of those affected. Liquid petroleum pipelines such as Trans Mountain, when compared to natural gas pipelines for example, have the added responsibility of addressing

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environmental risk of oil spills. These are not easy issues to resolve and, in some cases, may not be able to be resolved. I can speak to our efforts in this regard.

We agree with the BC Government's view about building strong and enduring relationships with First Nations. I believe we will be successful in coming to agreement with many parties for our expansion but despite our best efforts it is possible that we will not have agreements with all those affected. However, we will continue to seek solutions throughout the regulatory process and, while doing so, ensure we are fulfilling our obligations to consult with and mitigate impacts to the extent possible. We welcome the contribution and the significant expertise of provincial officials to help us seek solutions so the project can proceed in an orderly fashion and with the support of those impacted.

5. BC's Fair Share of Benefits

This last requirement for the BC Government to support a heavy oil pipeline is, to a large extent, outside the direct control of Kinder Morgan, although I acknowledge that we can play a role in helping to find a solution.

I welcome the opportunity to join the BC Government, other governments and key stakeholders in this dialogue to discuss economic benefits for BC associated with the proposed expanded pipeline. I am confident that with a collaborative approach we can find a solution that is acceptable to the BC Government and the citizens of BC.

In conclusion, I am generally supportive of the BC Government's position and the issues tabled in the Report. More is being done and more can be done. The history of the Trans Mountain

pipeline in British Columbia points to our commitment to open and honest dialogue with stakeholders, our pipeline design and operating practices, and support of marine oil spill preparedness and response. In 2008, Kinder Morgan was recognized for environmental leadership in successful execution of the pipeline expansion project through Jasper and Mount Robson Parks. Our company brings to the table the expertise and approach necessary to build and safely operate a crude oil pipeline in BC and support the associated tanker activities. I strongly believe we can craft a future that includes an expanded Trans Mountain that benefits everyone and respects the many unique interests of British Columbia. We welcome the opportunity to continue engagement with the BC Government and other stakeholder in the coming months.

Regards,

Ian Anderson

President, Kinder Morgan Canada

cc: Hon. Terry Lake, Minister of Environment, ENV.Minister@gov.bc.ca

Hon. Mary Polak, Minister of Aboriginal relations and Reconciliation, ABR.Minister@gov.bc.ca

Neil Sweeney, Deputy Minister, Corporate Priorities and Planning, Neil.Sweeney@gov.bc.ca

From: Jared Kuehl [mailto:Jared.Kuehl@enbridge.com]
Sent: Tuesday, October 23, 2012 9:46 AM
To: OfficeofthePremier, Office PREM:EX
Cc: Dyble, John C PREM:EX; Doyle, Dan PREM:EX; Sweeney, Neil PREM:EX;
Mentzelopoulos, Athana GCPE:EX
Subject: Enbridge Northern Gateway -- Letter to Premier Clark

Please find attached a letter from Janet Holder (Executive Vice President, Western Access, Enbridge Inc.) to the Premier.

Please let me know if you have any questions. I am available at any time at the coordinates below.

Regards,

Jared Kuehl
Director, Public and Government Affairs,
Western Access
Enbridge Inc.
Direct: (604) 694-7756
Mobile: (604) 365-9292
E-mail: jared.kuehl@enbridge.com



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Sent Via E-mail – Hard Copy to Follow

October 23, 2012

Hon. Christy Clark
Premier of British Columbia
P.O. Box 9041, STN PROV GOVT
Victoria BC V8W 9E1

Dear Premier:

I am writing to reiterate my unconditional invitation to you to work to address the conditions your government has outlined for any heavy oil pipeline in our province.

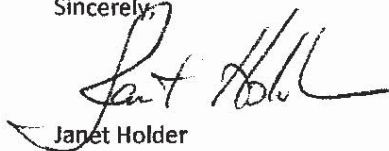
While I recognize your office has indicated that you will not meet with Enbridge Northern Gateway, I would like to again request a meeting with you or your Cabinet colleagues. I will make myself available at any time. I wish to discuss possible BC Crown-industry mechanisms to address your fiscal and economic concerns which could include: establishing fund(s)/trust(s) (in addition to the community investment fund that Enbridge Northern Gateway has committed to which will result in one percent of pre-tax earnings set aside each year to build stronger Aboriginal and non-Aboriginal communities); land management; BC taxation; or alternative measures within your jurisdiction. Should there be an interest from BC and other orders of government to discuss intergovernmental mechanisms, we would be pleased to assist wherever possible. We need to open up a forum for a direct discussion to better understand and address the issues the BC government has expressed.

In addition, we would welcome exploring partnerships around the BC Jobs Plan in order to benefit Aboriginal and non-Aboriginal BC workers on oil pipelines, natural gas pipelines or other trades and construction jobs. Enbridge Northern Gateway is already making investments in BC through a Gateway Education and Training Fund.

Following the release of the Government's five conditions, we confirm that we will be able to meet any of the conditions that pertain specifically to the Project. We would like to discuss measures at the disposal of the BC Government and industry that could address the Government's concerns around economic and fiscal benefits. Other conditions – including Aboriginal, land and marine conditions – are all key components of our proposal. We share your desire for the best pipeline proposal, construction and operations. In addition, we want to exceed expectations on the marine terminal site and proposed tanker routes.

You have a responsibility to ask for the highest standards for any project, the people of BC understandably want that and we are determined to deliver it after the Joint Review Panel has finished its process. We believe that all of the Government's conditions for the Project can be successfully implemented. The Project will have a major long term positive economic and fiscal impact on BC and Canada, as it will on Aboriginal people along or near the route. We want to work with you and your government to send a signal to the world that BC is the best place to partner, invest and create new commercial opportunities.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Holder", written over a horizontal line.

Janet Holder
Executive Vice President, Western Access
Enbridge Inc.

From: Jean Trac [mailto:jean.trac@enbridge.com]
Sent: Wednesday, May 22, 2013 4:12 PM
To: OfficeofthePremier, Office PREM:EX
Subject: Letter to Premier Clark

Please find the attached letter sent on behalf of Janet Holder.

Warmest regards,

Jean Trac
Executive Assistant to Janet Holder
Western Access, Enbridge Inc.
Tel: 604.694.7758



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May 22, 2013

The Honourable Christy Clark
Premier of British Columbia
Box 9041
Station PROV GOVT
Victoria, BC
V8W 9E1

Dear Premier Clark:

Congratulations on your election victory and the mandate given to you by British Columbians.

British Columbians have sent a clear message. British Columbians want a strong economy to ensure people have jobs and the social services they value most while also protecting the environment.

Enbridge agrees with British Columbians and have listened to the input provided by First Nations and British Columbians on our Northern Gateway Project. This input has resulted in numerous enhancements and route changes. Enhancements such as: increasing the wall thickness of the oil pipeline, and further increases of wall thickness at major tributary water crossings; committing to having a person on site 24-7 at each of the pump stations; and increasing marine monitoring to ensure world-class marine safety. We will continue to talk with First Nations and British Columbians, listen to their views and to explain our plan to help grow the economy without compromising the environment.

We would appreciate the opportunity to meet with you at your earliest convenience to discuss the Northern Gateway Project, the five conditions you laid out for heavy oil pipelines and how we can work together to achieve a strong economy for our home province.

We extend best wishes as you continue your role as Premier and look forward to working together with you and the British Columbia Liberal government.

Sincerely,

A handwritten signature in black ink, appearing to read 'Janet', written over a horizontal line.

Janet Holder
Executive Vice President, Western Access

From: Hadzoglou, Eleni [mailto:eleni.hadzoglou@capp.ca]
Sent: Friday, November 9, 2012 1:54 PM
To: OfficeofthePremier, Office PREM:EX; Sweeney, Neil PREM:EX
Cc: Minister, EMH EMH:EX
Subject: Follow-Up to October 31, 2012 Meeting with CAPP REVISED

My sincere apologies, kindly please replace previous sent letter with the signed one attached.

Dear Premier Clark,

On behalf of Dave Collyer, please find attached a follow-up letter to your meeting with CAPP on October 31st. Original will follow by mail.

Eleni

Eleni Hadzoglou
Executive Assistant to the President
Tel. 403-267-1103
Fax 403-266-3147

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November 8, 2012

Honourable Christy Clark
Premier
Government of British Columbia
Parliament Building
Victoria, B.C. V8W 9E1

Dear Premier Clark:

Re: Follow-Up to October 31, 2012 Meeting with CAPP

Thank you for taking time to meet with me and my CAPP colleagues in Vancouver on October 31. From CAPP's perspective, it was a constructive and forward-looking dialogue regarding our shared interests and challenges pertaining to potential growth in natural gas and oil exports from British Columbia to growing markets in Asia.

The timely development of new markets for British Columbia's abundant natural gas resources is critically important to the ongoing growth of the natural gas industry in the province. We very much appreciate your government's ongoing support for the LNG industry and related infrastructure. I believe we are well-aligned on both the size of the potential opportunity and the urgency in capitalizing upon this opportunity.

British Columbia's competitiveness in the global LNG market is an imperative if we are to realize growth in LNG exports from British Columbia. Maintaining British Columbia's stable fiscal and royalty regime is vital, as are timely regulatory reviews and access to affordable power. Your government's recent announcement regarding expansion of the clean energy definition was a very positive measure for the emerging LNG industry in the province, and a tangible demonstration of your commitment to competitiveness. CAPP looks forward to working with your government to advance the LNG Strategy for the province.

CAPP will continue to engage with the public through our ongoing natural gas communications campaign, which supports and promotes natural gas development in the province, encourages expanded domestic use of natural gas and promotes market diversification through exports to Asian markets. Looking forward, CAPP's communications campaign will further underscore the benefits the natural gas industry in the province brings to British Columbians.

With regard to west coast oil market access, the clarity you provided via the "5 Conditions" concerning your government's perspective on this matter has been helpful in framing the issues that

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need to be resolved going forward. I can assure you that CAPP is interested in resolving these issues in order to enable oil exports from the west coast. To that end and as discussed at the meeting, we look forward to engaging with your officials to advance resolution of these issues in a manner that addresses the interests of your government, of our industry, of First Nations and of key stakeholders. In addressing some of these issues, it will also be important that the Alberta and federal governments be engaged.

We look forward to following up with Minister Coleman and his officials to expeditiously advance LNG export opportunities and to constructively address potential impediments to crude oil exports from Canada's west coast.

Thank you again for the meeting and we look forward to ongoing discussions regarding these matters, which are of considerable importance to our industry and to the province of British Columbia.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Collyer', with a stylized, flowing script.

Dave Collyer
President

cc: Minister Coleman
Greg Stringham - Canadian Association of Petroleum Producers
Geoff Morrison - Canadian Association of Petroleum Producers



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November 13, 2012

Hon. Christy Clark
Premier of British Columbia
West Annex, Parliament Buildings
Victoria, British Columbia V8V 1X4

Dear Premier:

I wanted to take this opportunity to provide a brief update on Enbridge's Northern Gateway Pipelines Project. As you may know, the Joint Review Panel (JRP) hearings are underway. As the proponent, we intend to demonstrate to British Columbians and to all Canadians, through the examination of the facts, that there is a path forward that provides for prosperity while protecting and respecting the environment. The JRP is the appropriate forum for this confidence-building exercise. In addition, we continue our engagement in communities around environmental measures we have outlined as well as partnerships and benefits that would be available in BC. We have also confirmed that we will meet or exceed the BC government's expectations outlined in the conditions for heavy oil pipelines that are within the control of the Project.

Why is Northern Gateway in BC and Canada's Interest?

Oil exports have become the cornerstone of Canada's economy. In 2010, Canada's single largest export was crude oil. We exported \$50 billion worth of it and almost all of that went to just one customer: the United States. It is not strategic or prudent to take our most valuable export commodity, and rely on only one market. Every day that passes that we are not able to access tidewater and the world energy market is a lost opportunity. Not just for Enbridge and the energy industry, but for Canada, for BC and for all of us who cherish our standard of living and value the public services supported by a thriving export economy.

Right now Canada is selling its landlocked oil at a heavy discount. A discount that adds up to millions of dollars a day -- billions of dollars a year -- in lost public revenue to invest in things like education, health care and public infrastructure. For Canada, pipeline capacity is the key to increased energy market diversity. The country needs the ability to link increased production with changing global patterns of demand. Canadians have the oil needed by the growing economies of the Pacific Rim.

Western Canada is one of the few places on earth that has the ability to increase production to meet that growing global demand. What we do not have right now is the pipeline capacity

to efficiently and safely transport our oil to these new consumers. And, as we have seen from Conference Board of Canada and Canadian Energy Research Institute research papers, BC is the second top beneficiary outside of Alberta of oil sands jobs and opportunities. That, in a nutshell, is the strategic argument for Enbridge Northern Gateway.

Environmental Responsibility and Community Engagement

At Northern Gateway, safeguarding the quality-of-life enjoyed by communities along the Project route is always front-of-mind. Our main objective is delivering energy safely. As part of Northern Gateway's planning, a team of over 200 environmental experts and scientists conducted comprehensive marine biology, geology, archaeology and other environmental analysis along the Project route.

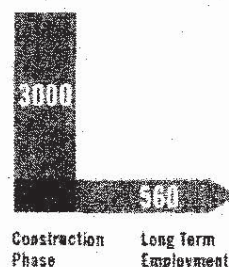
Protecting people and the environment is our top priority, which is why we announced enhancements to make what was already a very safe project even safer. In July 2012, Northern Gateway announced additional measures to ensure pipeline safety and integrity on the Project, including: increased pipeline wall thickness; more remote-operated isolation valves; more in-line inspections; and staffing at remotely-located pump stations to heighten monitoring, response and security.

Northern Gateway will put in place a comprehensive, world-class marine safety program for this Project, including: modern double-hulled tankers; independent BC pilots and International Maritime Organization (IMO) certified tanker crews; all tankers vetted by a third-party agency before gaining entry to port; escort tugboats tethered to laden tankers; and a radar system to augment the automatic identification system being installed along coastal routes.

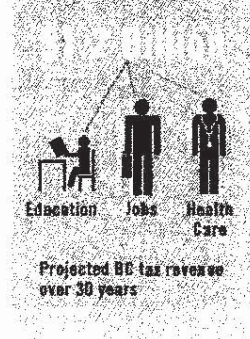
Our work on Northern Gateway has included the most extensive consultation process ever undertaken for a Canadian pipeline project: over 2,500 meetings; 123 open houses; 150 presentations; and 64 workshops. In total, we have consulted directly with more than 17,000 people. Those consultations have greatly influenced our development of Northern Gateway. For example, they have resulted in numerous route changes. And they have provided valuable information that has helped frame our approach to safety and the environment.

Opportunities and Benefits

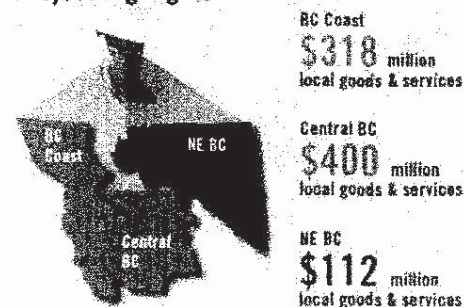
Jobs for BC



Tax Revenues



Project Highlights



At \$6 billion, Northern Gateway is a historically significant infrastructure project in BC. Northern Gateway has already spent about \$150 million in British Columbia on environmental studies and reports, engineering, partnerships, public engagement, employment, leases and procurement. The investments have supported individuals and families in BC.

Enbridge has worked long and hard to ensure that the opportunities for BC are real and substantial – amounting to **over \$800 million in goods and services sourced specifically in Northern BC during the construction phase alone**. During the three to four years of construction we will need people, services and supplies: everything from fuel to hotel rooms to meals -- for the thousands in BC who will build this project.

Our regulatory application contains a detailed breakdown of what this will mean in dollar terms across Northern BC: local goods and services spending estimated at \$318 million for the Coastal Region; \$400 million for the Prince George region; and \$112 million for Northeast BC.

And once Northern Gateway is built, it will directly support at least 560 permanent, long-term jobs in BC and generate \$1.2 billion in provincial tax revenues. And this does not include the impact, for example, of potential spending associated with building the marine equipment we will require, or the upgrading of marine safety facilities on the north coast.

Aboriginal Benefits and Partnerships

Enbridge Northern Gateway is committed to Aboriginal partnerships. Almost 60 percent of the eligible communities along the proposed right of way, representing 60 percent of the First Nations' population (80 percent of the combined First Nation and Metis populations) have agreed to be part owners of the Project.

Northern Gateway is offering an unmatched portfolio of benefits to First Nations communities – including but not limited to an equity offering component that has been designed to offer substance and sustainable benefit. Ten percent of our Project equity is being offered to eligible Aboriginal groups, in aggregate. Enbridge is facilitating access to guaranteed and inexpensive financing to ensure that Aboriginal groups may participate at the full 10 percent, without barriers or obstacles. We have encouraged groups to participate in a longer term and sustainable cash flow stream.

Similar philosophies guide our other benefits-related commitments. We are offering over one billion dollars in aggregate economic benefit to Aboriginal communities (our equity offer comprises less than 1/3 of this total amount). Other benefit components include but are not limited to: Aboriginal set-asides in conventional goods and services procurement; a broad suite of marine related benefits; employment; training; access to community based renewable energy projects and on-reserve location of pump stations and pipelines at the request of host First Nations who are seeking related annual tax income streams.

The Project has already formed and activated the Gateway Education and Training Fund. The Fund is supporting training initiatives that focus on pipeline construction skills – skills which are highly transferable and allow for employment in multi-industry environments.

In addition, Northern Gateway will establish a fund for Aboriginal and non-Aboriginal communities with a commitment of one percent pre-tax domestic profit to support the fund, measured on a five year rolling average basis (\$100 million over 30 years).

Our Commitment to British Columbia

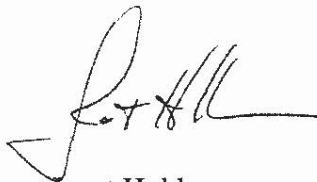
We recognize we have more work to do to answer questions and engage with communities across BC, but we are committed to doing so. You may have seen recent public outreach through advertisements which speak to the incredible benefits to the province as well as measures to protect and respect the environment. We also continue with a number of speaking engagements and public meetings throughout BC.

As you may know, I oversee the Project from my hometown of Prince George. This month, I was extremely pleased to announce that our new Prince George office will be the headquarters for Enbridge Northern Gateway. We also have Project staff in Kitimat and Vancouver. Enbridge is committed to Northern Gateway and contributing to the community through presence, partnerships and employment opportunities.

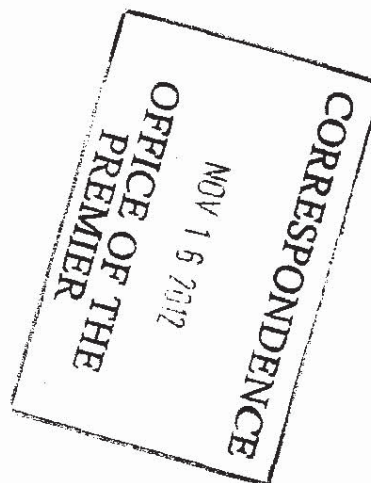
Thank you for taking the time to review the brief update on Enbridge Northern Gateway. Additional background and regular updates can be found at www.northerngateway.ca.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Janet Holder
Executive Vice President, Western Access
Enbridge Inc.



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October 9th, 2013

Honourable Christy Clark
Premier of British Columbia
Parliament Buildings
Victoria BC V8V 1X4

Dear Premier Clark:

I applaud the fact that your government has been consistent in requiring five conditions to be met before you will support enhanced heavy oil tanker traffic off our coast. Consistency is important in providing certainty to the public, business and investors alike. It is for this reason that I am writing to you to seek some further clarification on the second and third of your five conditions. As written, these conditions require:

“World-leading marine oil-spill response, prevention and recovery systems for B.C.’s coastline and ocean to manage and mitigate the risks and costs of heavy-oil pipelines and shipments.”

“World-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines.”

The Department of Fisheries and Oceans has identified that behaviour models specific to diluted bitumen (dilbit) do not exist. In short neither research nor data on the effects of dilbit released into a marine environment is available. In addition, the procedures, protocols, equipment and expertise that will be required to respond to a potential spill do not exist. This suggests that the current standard for a “world-leading” response is, practically speaking, a fairly low standard.

In my view, the Province’s May 31, 2013 thorough and comprehensive submission to the Joint Review Panel (JRP) did an outstanding job representing the interests of British Columbians. The submission specifically stated that the BC Government required an “effective” heavy oil spill response capacity before it could support a proposal. In that report, the government implies that its criteria for an “effective response” includes meeting specific standards for:

1. Removing dissolved oil from the water column;
2. Dealing with sunken oil in a water course;
3. Implementing a precise leak detection threshold;
4. Committing to a specific and realistic response time to any oil spill at any affected geographic location;
5. Ensuring accessibility of the pipeline year-round to respond to any spill, regardless of seasonal conditions.

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In order to provide further clarity to the public, business and investors I have four further questions:

- 1) Could you please provide a detailed outline of the specific standards and criteria your government uses to evaluate the *effectiveness* of a proposal's heavy oil spill response capacity?
- 2) In your interview with Peter Mansbridge that aired on October 5, 2013, you stated that British Columbia is "woefully under-resourced" to deal with a heavy oil spill. You also acknowledged that BC is already at risk of a heavy oil spill, since tankers leave Burnaby harbour every week transporting dilbit from the Kinder Morgan Trans Mountain pipeline. As I am sure you are aware, the product transported in the Trans Mountain pipeline has changed since it was initially constructed in 1963 and dilbit is a relatively new addition. Given the numerous concerns that you and your government have raised about our current heavy oil spill response capacity, will the proposals to expand the Trans Mountain pipeline or transport heavy oil by rail be subjected to the same specific criteria of "effectiveness" that you have laid out for the Northern Gateway proposal?
- 3) In this same interview you made it clear that you expect the federal government to provide more resources for marine spill response "before any more heavy oil comes off the coast". However, the Province's submission to the JRP clearly states that an effective spill response will "be impossible or severely constrained" in certain regions, regardless of available resources. How, realistically, will further Federal resources address the fact that effective spill response may not even be possible in certain instances?
- 4) In regards to the heavy oil that is already being transported out of Burnaby harbour as well as any additional heavy oil that is to be transported to the BC coast, would you not agree that it would make far more sense to refine that heavy oil in its entirety in British Columbia prior to shipping it offshore both to mitigate against the risk of a marine dilbit spill and to provide jobs and an economic stimulus to British Columbia?

I thank you in advance for your consideration of these four questions and I very much look forward to your response.

Yours sincerely

Andrew Weaver
MLA Oak Bay Gordon Head



June 12, 2013

Honourable Christy Clark
Premier of British Columbia
West Annex, Parliament Buildings
Victoria, BC V8V 1X4

Dear Premier Clark:

I would like to take this opportunity to congratulate you and your party on the outcome of the May 2013 general election. On behalf of all employees at Kinder Morgan Canada, I wish you every success as you move forward and lead the Government of British Columbia.

Kinder Morgan Canada and its predecessor companies have operated in British Columbia for almost 60 years and have significant investments in the province. We value our relationship with the communities in which we operate and we strive to operate according to the highest standards.

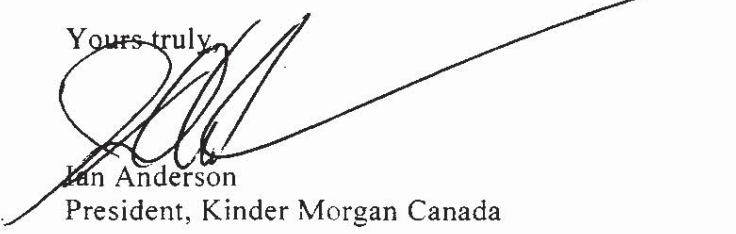
As you are well aware, pipeline expansion and tanker traffic is a topic of considerable interest among British Columbians. We understand the sensitivity surrounding these matters, particularly as they pertain to our proposed expansion project, and are working diligently to engage the public, stakeholders and First Nations as our development plans evolve and where concerns are raised.

As we continue with our plans for expanding the Trans Mountain Pipeline, including addressing the five conditions your government has set forth around heavy oil pipelines, we look forward to working with you and your officials as soon as possible to address British Columbia's interests.

I value the constructive working relationship we have enjoyed with your government over many years. I look forward to continuing to build on this relationship as we operate, plan and invest in the province.

I would like to meet with you at your earliest convenience to review our current operations and the status of our expansion plans.

Yours truly,



Ian Anderson
President, Kinder Morgan Canada

Kinder Morgan Canada

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