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PUBLIC SERVICE COMMISSION

Notice of Start of Construction for Enbridge Energy's LSr Pipeline in Pembina County.

ENBRIDGE

June 5, 2008

Commissioner Susan Wefald
North Dakota Public Service Commission
600 E Boulevard Ave Dept 408
Bismarck, ND 58505-0602

Re: Elected Officials – Notice of Start of Construction

Dear Commissioner Wefald:

This letter is to notify you that the North Dakota Public Service Commission ("ND-PSC") has granted Enbridge a Certificate of Corridor Compatibility ("CCC") and Route Permit ("RP") for its proposed LSr Pipeline. These permits authorize Enbridge to construct the 20-inch diameter crude oil pipeline in Pembina County. Construction is expected to begin in mid to late June 2008 and will be completed by the end of the year.

With the capacity to transport up to 186,000 barrels of crude oil per day, the LSr Pipeline will help U.S. refineries meet the growing demand for petroleum by facilitating access to a reliable, secure supply source from western Canada.

This letter contains an overview of what you can expect during the construction of the LSr Pipeline. It is our goal to keep you informed of major project milestones throughout the pipeline construction process. Later on in this letter, we will provide contact information for Enbridge representatives whom you can go to with questions, concerns or any issues that may arise before, during or after construction. We are committed to working with landowners to facilitate the construction of a safe, reliable pipeline with the least possible impact to the surrounding community and environment.

Construction

In anticipation of construction, you may already have seen survey crews staking the pipeline route. In early June, clearing crews will be removing trees and brush from the designated pipeline right-of-way and temporary construction workspace. You may also observe specialty crews beginning their work at stream, river, railroad and road crossings on some sites. Equipment such as tractors, backhoes and front-end loaders will also be staged on various points along the pipeline route.

As the work progresses, a crew made up of several hundred workers will begin construction in Pembina County and work their way southeast towards Clearwater County, Minnesota. This influx of workers normally provides a great deal of economic stimulation in the communities near the pipeline route, benefitting local gasoline service stations, motels, grocery stores, hotels and restaurants.

Work on individual properties typically lasts six to 10 weeks, but will vary depending on weather and site-specific conditions. Landowners will be directly notified prior to any construction activity taking place on their property. While many of you have experienced our pipeline construction activity before, we have enclosed a brochure outlining the specific steps involved in pipeline construction to give you a better understanding of what to expect. This brochure is also being provided to landowners.

This construction project will involve the installation of a 20-inch pipeline and will (unless we have made other arrangements with you for specific areas) require up to approximately 50 feet of additional permanent right-of-way and up to approximately 50 feet of temporary workspace during construction. In most cases, the pipe will be buried a minimum of three feet, but the depth may vary depending on agreements with individual landowners, regulatory agencies and site-specific conditions. The depth of cover on your specific property will be clearly laid out in your easement agreement.

The ND-PSC's Route Permit specifies conditions for constructing the pipeline. Enbridge has also consulted with state and federal permitting agencies such as the Department of Natural Resources, U.S. Department of State, U.S. Army Corps of Engineers and U.S. Fish and Wildlife Service to outline conditions for pipeline construction. These conditions relate to topics such as depth of cover, restoration, topsoil segregation and other construction practices and procedures that the company must follow. Enbridge will have company safety personnel and environmental inspectors on-site who will be monitoring all construction activity to ensure compliance with all applicable permits, laws and regulations. These construction monitors have the authority to stop construction if work is not done in compliance with the above.

At the conclusion of construction, Enbridge will meet with each landowner to review a checklist of items. After all topics have been covered, the landowner will then be asked to sign a form indicating that restoration has been completed to their satisfaction. This form is designed as a mechanism to ensure work was completed according to the specifications outlined in applicable permits and landowner easement agreements. If landowners have issues or concerns with construction or restoration on their property, we encourage them to hold off on signing the form and to immediately contact their right-of-way agent or the toll-free number below to inform them of the nature of their concerns. We are committed to working with landowners to ensure restoration is completed as promised.

Safety

Safety is Enbridge's top priority during construction. All crew members have undergone extensive safety and environmental training provided by Enbridge. We ask everyone who lives and works near the pipeline right-of-way to be mindful of the presence of construction equipment and pipeline construction workers, to obey all flagmen, speed limits and other postings along roads and highways, and to drive carefully at all times. We need and really appreciate everyone's cooperation to ensure this pipeline expansion is constructed safely.

Upcoming Milestones

Construction on the entire 313-mile project will take approximately six months to complete in the United States. Construction on the Canadian portion of the Project is already underway. The pipeline will be operational in late 2009.

Enbridge's application to construct the Alberta Clipper Pipeline is still before the regulatory agencies. As you know from our prior informational mailings, land agent contacts and public

meetings, this additional pipeline will, subject to final regulatory approvals, parallel the same right-of-way as LSr but would require additional right-of-way. If approved, construction of the Alberta Clipper additional 36-inch pipeline would begin in some wetland areas in the winter of 2008/2009 with most construction taking place starting the spring of 2009. Where Alberta Clipper and the LSr project parallel each other north and west of Clearbrook, Minnesota, restoration will be done following construction of LSr this year and then again following the construction of Alberta Clipper next year.

Who to Call

If you have questions or concerns regarding pipeline construction activity in your area, please call me at (612) 347-7879 or e-mail at kgoconnor@nrg-llc.com.

Landowners are being asked to contact their right-of-way agent or the toll-free number that will be staffed during regular business hours, Monday through Friday and part-time on Saturday and Sunday.

Toll-Free Number: (866) 410-4356

By maintaining good communications and working together, we hope to complete this project with as little disruption as possible and in a manner that is respectful of landowners, tenants and the communities near the pipeline.

Sincerely,

Kevin O'Connor
Enbridge Contract Community Relations Manager

QUESTIONS AND ANSWERS

ABOUT PIPELINE CONSTRUCTION

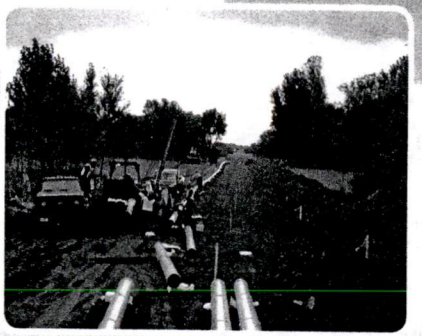
PIPELINE CONSTRUCTION

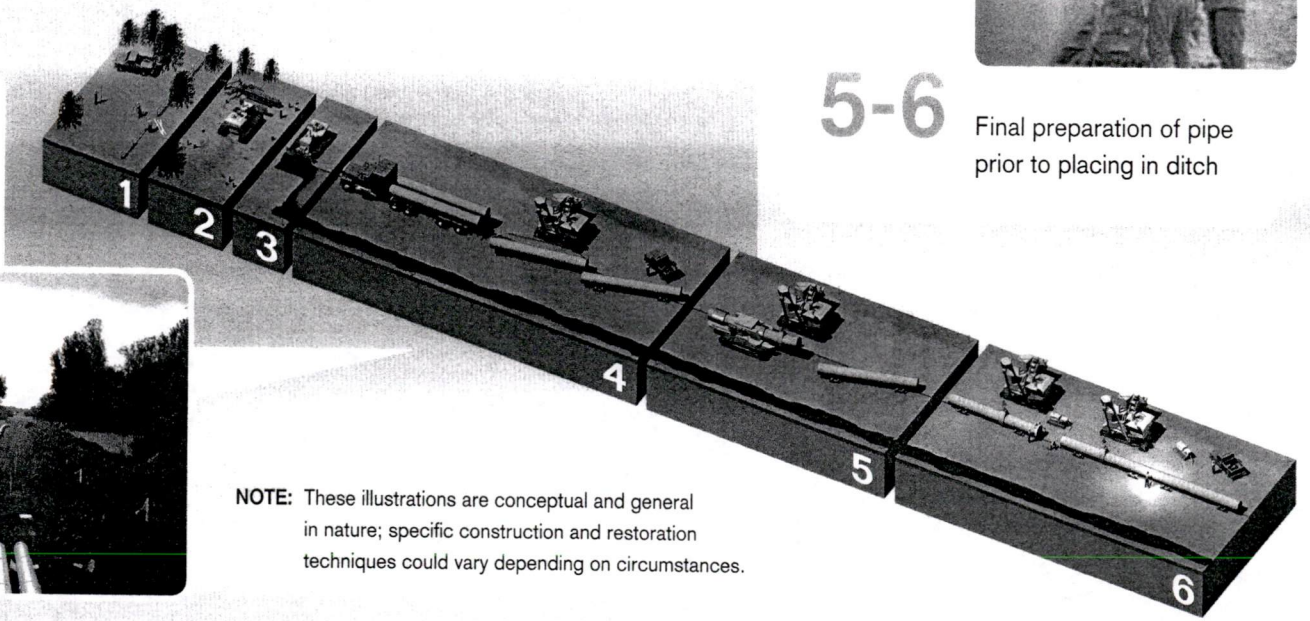
Pipeline construction is a multi-step process. Many months prior to construction, field surveys are conducted along the proposed pipeline route, or right-of-way, to better understand environmental, development and local issues. A final route is then selected (1). The specific location of the selected route is then marked with stakes (1). Once weather conditions permit, crews begin to prepare for construction by grading the right-of-way, removing trees and preparing the working space .

In cultivated areas, the topsoil along the right-of-way is stripped and stored in piles for careful replacement later (3). Crews then re-stake the center of the trench area, lay out or "string" sections of the pipe along the right-of-way (4) then finally bend and weld them into a longer piece that follows the contours of the land (5-6). Individual sections are already coated to prevent corrosion. The integrity of each weld is inspected, and the weld joint is coated.

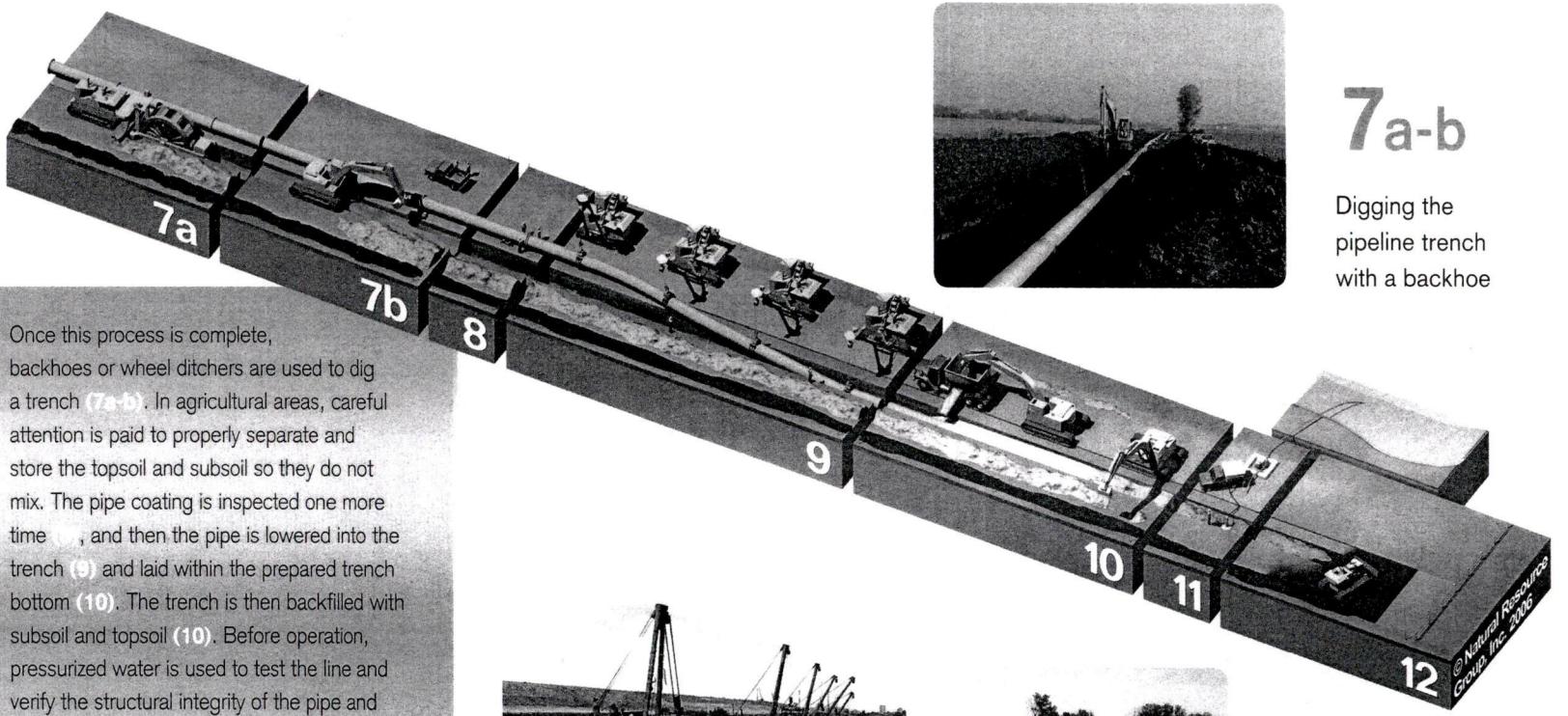
5-6 Final preparation of pipe prior to placing in ditch

4 Stringing pipe along right-of-way





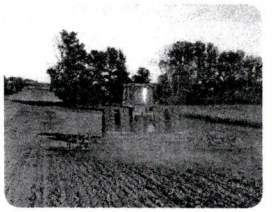
NOTE: These illustrations are conceptual and general in nature; specific construction and restoration techniques could vary depending on circumstances.



7a-b

Digging the pipeline trench with a backhoe

Once this process is complete, backhoes or wheel ditchers are used to dig a trench (7a-b). In agricultural areas, careful attention is paid to properly separate and store the topsoil and subsoil so they do not mix. The pipe coating is inspected one more time , and then the pipe is lowered into the trench (9) and laid within the prepared trench bottom (10). The trench is then backfilled with subsoil and topsoil (10). Before operation, pressurized water is used to test the line and verify the structural integrity of the pipe and the welds (11). Finally, the topsoil is regraded and the land is vegetated according to agency requirements and agreements with landowners . The construction process usually takes less than two to three months to complete across each landowners land, depending on weather conditions and the size of each landowners property. Throughout many phases of pre-planning and construction, Enbridge representatives work closely with communities and individuals along the route to provide information, seek input and answer questions.



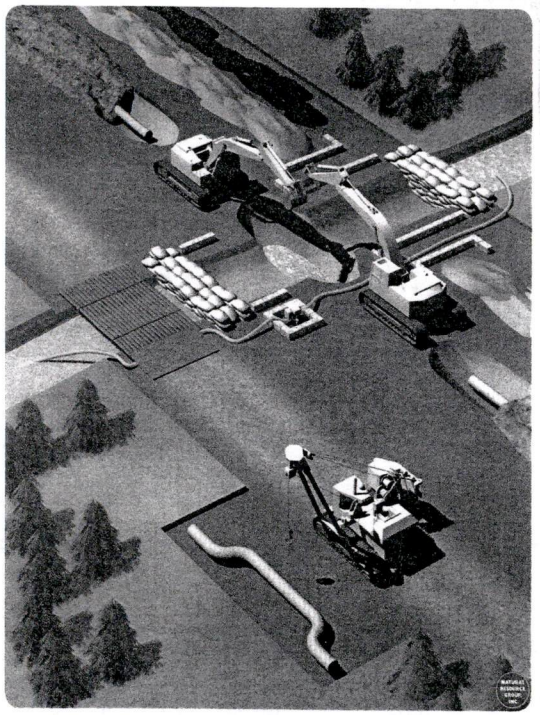
9

Lowering pipe into ditch

12

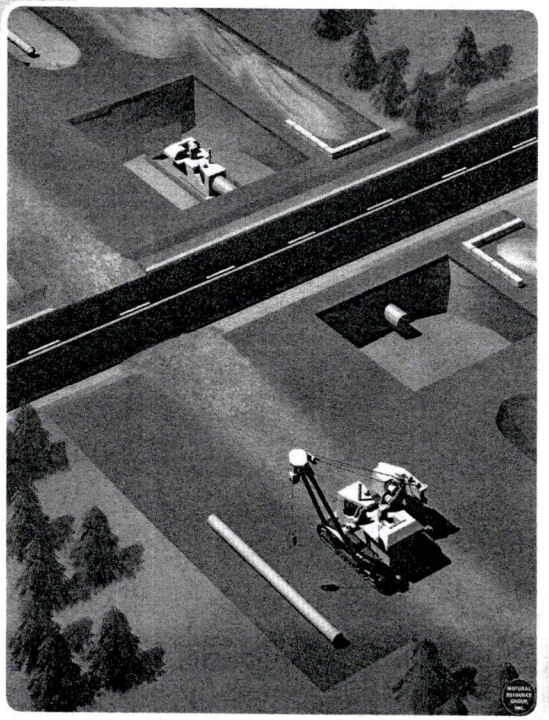
Restoration

SPECIAL CONSTRUCTION TECHNIQUES



One of several river crossing methods selected in collaboration with regulatory agencies to avoid long-term impact

Typical road bore crossing method



QUESTIONS AND ANSWERS ABOUT PIPELINE CONSTRUCTION

Planning for any pipeline project begins months and even years in advance of actual construction. Initial steps in the planning process include determination of the market need, pipeline design, route alternatives and selection, environmental assessments, public consultation, landowner negotiations and permitting. Once these steps are complete, the construction process begins.

Q. IS THERE A PIPELINE BEING PROPOSED NEAR ME?

A. Landowners with property along a proposed pipeline route will be individually contacted by an Enbridge representative via mail and in person. Obtaining input and addressing questions early in the process is a priority for Enbridge.

Q: WHAT IS A RIGHT-OF-WAY OR EASEMENT?

A: A pipeline right-of-way is a strip of land that is usually between 30 to 120 feet wide (depending on the proposed project) and that may contain one or more pipelines. Right-of-way is acquired from landowners, other utilities or government entities by obtaining an easement, permit or license.

For easements, the landowner retains ownership of the right-of-way and grants the right for Enbridge to construct, operate and maintain the pipeline along this strip of land in return for compensation. An easement agreement restricts the building of structures and planting of trees within the permanent right-of-way to protect the safety of landowners/residents, their families and neighbors, and the Enbridge facility or pipeline. Underground energy pipeline routes exist in many kinds of ecosystems and under rivers, roads, parks, farmland, neighborhoods and urban areas. There are no restrictions against operating normal farming equipment on the easement. We will make every effort to accomodate your request to cross the pipeline easement, dig post holes or excavate, and to do so in a safe manner.

Q: WHY IS IT NECESSARY THAT THE RIGHT-OF-WAY BE SO WIDE?

A: The pipeline construction area consists of both temporary work space needed for equipment during pipeline construction and the permanent right-of-way required to operate and maintain the pipeline safely. During construction, additional temporary work space is required beyond the width of permanent right-of-way to provide room for soil, pipe welding and two lanes of construction equipment traffic. Landowners are compensated for the use of temporary work space in addition to the permanent right-of-way.

The amount of temporary work space and permanent right-of-way will vary depending on the size and type of pipeline, location, community development plans, soil conditions and regulatory requirements. An Enbridge right-of-way representative will provide more specific information during discussions with the landowner.

Q: HOW WILL CONSTRUCTION CREWS GAIN ACCESS TO THE TEMPORARY WORK SPACE AND RIGHT-OF-WAY?

A: Construction crews will use existing access roads as much as possible. If additional routes are needed, Enbridge right-of-way representatives will negotiate access options with landowners and regulatory agencies as necessary.

Q: WHAT ENVIRONMENTAL AND SAFETY MEASURES DOES ENBRIDGE TAKE DURING PIPELINE DESIGN, CONSTRUCTION AND OPERATION?

A: Enbridge is committed to protecting the public and the environment, and we build safety into every step of pipeline construction and operation. The design of the pipeline meets or exceeds industry standards and federal pipeline safety regulations. Enbridge conducts studies and assessments, and seeks permits from numerous state and federal agencies. We use modern construction and land restoration techniques to prevent soil erosion, protect agricultural topsoil, repair agricultural drain tiles and irrigation systems and alleviate soil erosion.

Q: WILL MY LAND BE RESTORED TO ITS ORIGINAL CONDITION?

A: Enbridge's objective following construction will be to restore the land as close to its pre-construction condition as feasible and follow the agreements entered into with the landowners and regulatory agencies. To permit pipeline surveillance and maintenance, the permanent right-of-way is kept clear of trees. Some areas are unique and may require special restoration methods. In farmed areas with drain tile, Enbridge will have a plan to restore the drain tile system to its pre-construction function. An Enbridge right-of-way representative will contact you to confirm that the restoration was completed and/or that you were compensated according to your agreement with Enbridge.

Q: WILL I BE COMPENSATED FOR CROP OR TIMBER DAMAGES?

A: Enbridge will compensate landowners for damage to crops along the right-of-way. Compensation is determined by inspecting the type of crop, area of right-of-way affected, yield and value based on current market value of the crop. Landowners will be compensated for crop losses using a formula that assumes 100 percent loss during the year of construction and a gradual improvement of yields over a specified period of time. The Enbridge right-of-way representative will negotiate with the landowner for market-based compensation for timber.

Q: WHAT HAPPENS AFTER CONSTRUCTION IS COMPLETE?

A: After the pipeline is tested, we begin transporting petroleum or natural gas. Enbridge has a comprehensive pipeline integrity management program that includes regular inspection and preventive maintenance on our pipelines. To allow for regular patrol and maintenance access, rights-of-way will be kept clear of structures, trees and brush. Enbridge will also send periodic mailings to those who live and work along the pipeline route regarding the "call before you dig" telephone number and the number to call in the event of a pipeline emergency.

LEARN MORE

www.enbridgeUS.com

www.pipeline101.com