

Subject: RE: Line 3 Pipeline, Asset Owners & collector of Tariffs

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From: Sam.Sele@neb-one.gc.ca

To: water.lulu@yahoo.ca

Date: Tuesday, May 22, 2018, 5:10:27 p.m. EDT

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Ms. Lanteigne,

Please find attached NEB's response to your emails dated 19<sup>th</sup> and 23<sup>rd</sup> 2018.

Best regards,

**Samuel Sele, B.Sc., M.Sc., Q.Med.**

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**From:** Lanteigne [mailto:water.lulu@yahoo.ca]

**Sent:** Monday, April 23, 2018 11:49 AM

**To:** Prime Minister/Premier Ministre <pm@pm.gc.ca>; Elizabeth May <elizabeth.may@parl.gc.ca>; pbellegarde@afn.ca; Bardish Chagger <bardish.chagger@parl.gc.ca>; Catherine Fife - CO <cfife-co@ndp.on.ca>; Jagmeet Singh <jagmeet.singh@ontariondp.emailnb.com>; Andrea Horwath <ahorwath-qp@ndp.on.ca>; Premier of Ontario | Première ministre de l'Ontario <premier@ontario.ca>; MOE Minister Catherine McKenna <catherine.mckenna@parl.gc.ca>; James Carr P.C.M.P. <nrcan.minister-ministre.nrcan@canada.ca>; Sam Sele <Sam.Sele@neb-one.gc.ca>; Minister MOECC (MOECC) <minister.moecc@ontario.ca>; Carolyn Bennett <carolyn.bennett@parl.gc.ca>; NRIC MNR (MNR) <mnr.nric.mnr@ontario.ca>; commissioner@eco.on.ca; jody.wilson-raybould@parl.gc.ca; attorneygeneral@ontario.ca; enforcement@peo.on.ca; kflynn.mpp@liberal.ola.org; marc.garneau@parl.gc.ca

**Subject:** Line 3 Pipeline, Asset Owners & collector of Tariffs

Dear Hon. Prime Minister and Ministers

As a delegate of 3 separate National Energy Board processes in Canada involving Enbridge Pipelines and I found a disturbing trend regarding the transfer of assets without National Energy Board approval and a pattern of creating multiple asset owners while diverting tariffs to a company that no longer owns it. I witnessed this with Enbridge Line 9 and 10 and I'm seeing it again with Enbridge Line 3 currently.

Enbridge Inc. is claiming the Line 3 asset in this report published March 1, 2018:

[https://www.enbridge.com/~media/Enb/Documents/Factsheets/FS\\_EnergyInfrastructureAssets.pdf?la=en](https://www.enbridge.com/~media/Enb/Documents/Factsheets/FS_EnergyInfrastructureAssets.pdf?la=en)

Enbridge Income Fund Holdings is claiming the Line 3 asset in this power point dated Feb. 2017 on slides 5, 8, 23 and 24.

<http://www.enbridgeincomefund.com/~media/Income%20Fund/PDFs/Presentations/Investment-Community-Presentation.pdf>

Enbridge Energy Partners Claims the ownership in this flyer

[http://jobsforminnesotans.org/wp-content/uploads/2017/02/Line-3-Replacement-Project\\_Jun-2015.pdf](http://jobsforminnesotans.org/wp-content/uploads/2017/02/Line-3-Replacement-Project_Jun-2015.pdf)

Enbridge Energy Partners claims the pipeline as an asset to this day on their corporate website. Go here click assets and follow Liquid pipeline to see the Mainline system.

<https://www.enbridgepartners.com/>

The Tariffs are being claimed by yet another company: Enbridge Pipeline Inc.

<http://www.enbridge.com/Projects-and-Infrastructure/For-Shippers/Tariffs/Enbridge-Pipelines-Inc-Canadian-Mainline-Tariffs.aspx>

These documents raise questions.

These are all separate companies legally speaking. In a recent court case in Canada Chevron stated the following under oath:

The judges also asked Chevron Canada lawyer Benjamin Zarnett whether Chevron had any interest in Chevron Canada given that the company owns 100% of the shares of its subsidiary. Zarnett's response: "Corporations are separate legal entities even if they're part of a group. It's not an economic reality, but it's a legal reality."

[http://www.csrwire.com/press\\_releases/40957-In-Canada-Chevron-Faced-Tough-Questions-During-Critical-Court-Hearing-Over-12b-Ecuador-Pollution-Judgment](http://www.csrwire.com/press_releases/40957-In-Canada-Chevron-Faced-Tough-Questions-During-Critical-Court-Hearing-Over-12b-Ecuador-Pollution-Judgment)

So there are questions we need to ask re: Line 3:

1. Who approved the transfer of assets to all these companies?
2. What name is on the Certificate of Public Need and Necessity? (An engineer cannot work on the pipe in Canada without that document at the site with them.)
3. Whose corporate name is bound to the hearings and do they own the asset?
4. Do the hearing documents clearly identify the names of all the asset owners?
5. Should a spill happen, who is liable?
6. Should a spill happen would the number of asset owners impair the timing needed to address the issue?
7. Who is paying for the insurance?

I have witnessed similar issues with Enbridge Line 9 and it was featured in a news report. A passage from that which I would like to share with you is here:

*Lanteigne also contacted the National Energy Board (NEB) to request documents that permitted Enbridge to change ownership of Enbridge Pipeline Inc.'s assets to Enbridge Investment Holdings Ltd, saying that "It is my understanding that is a normal process done to assure compliance with section 74 of the NEB Act."*

*"Enbridge is not required to seek NEB authorization under section 74 of the NEB Act for the change in corporate structure noted below, and has not done so. Hence, there is no documentation to provide in that regard," said the NEB's Andrea Caza in an emailed reply to Lanteigne on Aug. 18.*

*But Lanteigne maintained that if the Enbridge Pipeline Inc. and Enbridge Income Fund were indeed two separate companies, then section 74 of the NEB Act would have been violated.*

*"If Enbridge Pipeline Inc. and Enbridge Income Fund are not actually individual companies because they are both part of Enbridge Inc. as Mr. White suggests, then it is reasonable to state that all NEB documents that refer to Enbridge Pipeline Inc. as a company are null and void due to the simple fact that Enbridge Pipeline Inc. is not a company," said Lanteigne. "The entire process was focused on Enbridge Pipeline Inc. as the applicant."*

*The National Observer tried contacting Enbridge's Graham White several times for more information, but did not receive a response at time of writing.*

The full article can be seen online here:

<https://www.nationalobserver.com/2015/08/20/news/controversial-pipeline-changing-hands>

Back in October the PUC asked Enbridge to provide it's fiscal data for Line 3 but that but I am wondering if their data included this variable?

*FERC announced that master limited partnerships (MLPs) would no longer be able to recover an income tax allowance in certain pipeline service contracts. DBRS said Enbridge Energy Partners (EEP) 2018 revenues could be \$100 million lower than expected while its distributable cash flow would be \$60 million lower as a result of the change*

Source is the Financial Post article here:

<http://business.financialpost.com/commodities/energy/pipeline-selloff-deepens-as-dbrs-warns-enbridge-subsiariys-credit-rating-could-significantly-weaken>

Either way I hope these questions can be answered. We have to do better than this.

If I get a drivers license, I need proof of ID, VPN and Insurance information that is clear and concise. We need the same from industries in Canada. Anything less is discriminatory.

Thank You.

Louissette Lanteigne

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