



VIA HAND DELIVERY

September 3, 2010

The Honorable James L. Oberstar
Chairman
Committee on Transportation and Infrastructure
590 Ford House Office Building
Washington, DC 20515

The Honorable Mark H. Schauer
Member of Congress
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Oberstar and Representative Schauer:

I am writing in response to your September 1, 2010 letter to address your concerns about the processes we have implemented to keep our commitment that people in the affected area of the Marshall, Michigan crude oil release are not financially harmed as a result of this incident. We trust you understand that we mobilized a team as quickly as we could so that anyone affected would have housing and the medical care they deserved as promptly as possible. I appreciate having the opportunity to clarify our processes, including the commonplace use of release forms and requests for documentation to support claims.

I want to first assure you, as I have also communicated frequently to the affected communities, that Enbridge Energy, Limited Partnership (Enbridge) takes full responsibility for addressing the impacts of the leak on the environment and on those living and working in the affected area.

While our priority has been to focus first and foremost on the cleanup and addressing the needs of the affected communities, Enbridge Management is committed to making itself available to provide you with updates and responses to your questions. I have spent most of my time since the incident on the ground in the affected communities in Michigan. I thus am disappointed that you did not first provide me with an opportunity to discuss these concerns directly.

We are proud that our quick response has allowed us to establish contact with more than 3,000 community members. We have interacted with numerous community members at the Enbridge Community Centers in Battle Creek and Marshall, Michigan, during town-hall and neighborhood meetings, and in personal face-to-face discussions. Throughout those interactions, and as reinforced in our community communications, my Management team and I have assured these affected communities that we will make things right.

Our first priority has been to create accessible and fair procedures to ensure that people in the affected area are not financially harmed by the incident. Considering the number of people who have filed claims, over 2,000 to-date, procedures to process these claims were essential.

Unfortunately, in situations such as this, there are people who try to take advantage of the situation and file claims that are unfounded. Our procedures were intended to balance the competing needs to get money into the hands of any impacted person versus encouraging false claims. However, there appears to be a misunderstanding of these procedures. To clarify that, I can tell you that we have established processes that provide:

- direct assistance for pre-paid hotels, equipment or services;
- reimbursement for costs of living expenses or other qualified expenses incurred directly as a result of the leak, voluntary evacuation or clean-up activities;
- a home purchase program in a prescribed area in response to the actual and perceived impacts on home values;
- procedures for processing claims for property and personal damages (such as business interruption, nuisance and inconvenience, and temporary land access and use), and;
- payment of medical expenses for those without insurance or a primary care physician.

Our procedures were developed to allow us to reimburse documented expenses and prevent duplicative payments and fraud without the necessity for a release. If releases were obtained in situations where only documented expenses were reimbursed or the claimant received something other than a cash payment, that was not our intention and we will correct those situations. In cases where claimants have not been able to substantiate their entitlement to recovery of expenses or other claimed damages such as perceived health conditions or inconvenience resulting from the release, we reasonably could have denied such claims. However, I understand that in almost all such cases we instead offered a cash payment for such claims in return for a release, which we believe was a practice that was fair to all parties.

We are prepared to discuss our procedures with you further and to hear your thoughts on improvements to our response to the incident. I assure you that we are not seeking to take advantage of anyone and our only intent was to establish a fair, reasonable and efficient process, with as little bureaucracy as possible, that was consistent with the commonly followed practice of requiring substantiation of damages or support for medical related claims and final resolution of claims. I can also assure you that we have been and will continue to be fair and forthright in our administration of the claims program and will see to it that any documented non-fraudulent and non-duplicative claim is paid.

We have frequently emphasized that our reimbursement and claims processes were established so that no one has to sue Enbridge and wait to be paid for costs or damages caused by this incident. Many individuals have chosen to settle their claims now rather than later, as should be their prerogative. Should a resident or business not be satisfied with our approach, they have the option to seek legal recourse.

We understand that your primary concern is that Enbridge is seeking releases that might foreclose claims for long term health effects of the leak. Hence, I have instructed our team to immediately implement the following measures:

1. Settlement Releases: We will discontinue using releases that preclude the claimant from bringing future claims for physical injuries or medical conditions that result from the leak until we have an opportunity to meet with you, and will address any such claims that are presented.
2. Medical Records Authorizations: The referral process that included the medical record authorizations, which I understand was only recently implemented in coordination with the Calhoun County Health Department under the oversight of the Unified Command, has been discontinued. I understand that Enbridge provided 17 referrals with accompanying authorizations for medical records release and only one set of records was received by Enbridge through that process. The authorization and records that were received were held in confidence and have been returned to the medical provider that provided these records.

In response to your request for certain documents regarding our settlement of claims and use of medical authorization forms, we will provide materials that are responsive to the request to your offices next week. We will, of course, respect the privacy of these individuals and redact the personal and confidential information from those materials.

We are doing our very best to swiftly address the needs that arose due to the leak, reimburse residents for expenses directly related to the spill or temporary evacuation, and maintain an auditable and fair process for handling claims.

I look forward to discussing any additional issues you have. I also look forward to sharing with you and the other Committee Members at the September 15 hearing the extent of our efforts to respond swiftly and effectively to this incident and satisfy our commitment to make whole those impacted by the leak.

Sincerely yours,



Patrick D. Daniel