



SUBMITTED ELECTRONICALLY

To: Michigan Pipeline Safety Advisory Board

From: Susan Ginsberg, Vice President, Crude Oil & Natural Gas Regulatory Affairs, IPAA

Date: Friday, August 4, 2017

RE: Comments on June 2017 Independent Alternatives Analysis of Enbridge's Line 5 Pipelines

The Independent Petroleum Association of America (IPAA) submits the following comments on the June 2017 Independent Alternatives Analysis of Enbridge's Line 5 Pipelines, conducted by Dynamic Risk Assessment Systems (Analysis) for the State of Michigan. IPAA represents the companies that drill 90 percent of the nation's oil and natural gas wells. These companies produce 82 percent of American natural gas and 68 percent of American oil. IPAA members represent the full range of producers, from small family-owned businesses, to the large independent companies that are some of the largest domestic natural gas producers.

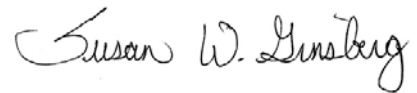
IPAA supports the technical comments submitted by the Michigan Oil & Gas Association (MOGA). As MOGA notes, the most significant take-away from the Analysis is that the Straits Pipeline is in excellent working condition. In conjunction with the market distortions and cost impacts of the other scenarios considered in the Analysis, the Analysis makes a strong case for continued safe operation of the Line 5 pipelines. Also, as noted in MOGA's comments, alternatives to pipeline transport, such as truck or rail, are either not feasible or would present increased costs for Michigan consumers and loss of markets for Michigan producers. As noted in the Analysis (MS-3), under the "remote alternatives" scenario, "Lower Peninsula producers would face an additional cost of \$2.40/barrel to get their oil to market." These additional costs would result in projected increases in the price of gasoline to Michigan consumers "by about 2 [cents]/gallon for stand-alone abandonment, and possibly by almost 4 [cents]/gallon if rail became a dominant delivery source." And such additional costs—to Michigan's producers and consumers—would come without a concomitant improvement to safely transporting crude oil.

For the Analysis to help inform the various Michigan state agencies and the public, it is critical for the assumptions in the Analysis to be accurate and founded on industry practices. Therefore, IPAA supports MOGA's statement that the Analysis worst-case scenario is most likely overstated because of unrealistically lengthy delays in corrective action and remediation.

IPAA members have a vested interest in ensuring that their product safely reaches their customers. Pipelines operating in conformance with federal and state regulations can achieve this safe delivery. IPAA supports efforts to ensure that facilities are operated according to risk-based safety regulation, with proper oversight a critical component. Like MOGA, IPAA strongly encourages Michigan to weigh

the facts of the Analysis, rather than the emotion of those who would use constraints on pipeline infrastructure to inhibit development of America's oil and natural gas resources.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susan W. Ginsberg".

Susan Ginsberg
Vice President
Crude Oil & Natural Gas Regulatory Affairs
Independent Petroleum Association of America