



Media Release

## **Alliance Pipeline unveils new services and tolls**

Cornerstone of company's plan to fully re-contract the pipeline by 2015

**Calgary, Alberta** – October 10, 2012 – Alliance Pipeline (“Alliance”) today proposed a new suite of flexible services and competitive toll structures that it presented at a special meeting of shippers and potential customers in Calgary. Over the coming months, Alliance, in consultation with Canadian and U.S. natural gas shipping communities, will seek to finalize its tariff structure and obtain the required regulatory approvals.

The initial 15 year term of Alliance's original transportation agreements ends December 1, 2015. Early next year, Alliance plans to hold an open season for post-2015 contracts.

Unlike most natural gas pipelines, Alliance is a high-pressure pipeline capable of transporting methane and entrained natural gas liquids (NGL) in a dense phase stream. Alliance has a capacity of 1.6 bcf/day and is in proximity to more than 6 bcf/d of natural gas looking for attractive markets. In addition, its design allows producers to forgo costly investments in gas plant processing infrastructure. The Aux Sable Liquid Products plant at the southern end of the Alliance System extracts the methane and fractionates the various NGL components into specification products.

“We are committed to providing the choice and market responsiveness our customers need and delivering transportation services that add value to Alliance”, said Terrance Kutryk, Alliance President and CEO. “Our new services model builds on our rich gas advantage and provides shippers with choices that include new zonal services, fixed or index-based tolls, and varying contract lengths”.

The Alliance toll structure is designed to offer producers increased flexibility, and cost-effective and certain tolls. Under the proposal, the Canadian pipeline would be split into two receipt zones and one transmission zone. Shippers would pay a fixed toll on the receipt zones and be offered the choice of a fixed transmission zone toll or one that varies with market basis. Shippers may also sell their natural gas out of the receipt zones into a to-be-created Alliance Transfer Pool. Alliance will continue to offer a full path service from Canadian receipt points to Chicago. The U.S. transmission service from the Canada / U.S. border to the terminus of the Alliance system would remain relatively unchanged. Toll rates may vary based on volume and length of term.

Alliance is committed to engaging producers, marketers and local distribution companies in finalizing its suite of customer-focused services to meet the demands of the market well into the future.

A description of the proposed services and indicative toll structure is posted on Alliance's website. Confidential consultations with prospective shippers will take place through the Alliance Canadian Shipper Task Force (CSTF). Those seeking additional information should contact Brian Troicuk (email: [brian.troicuk@alliancepipeline.com](mailto:brian.troicuk@alliancepipeline.com) or telephone: 403-517-6354) about becoming a member of the CSTF.

For more information visit: [www.alliancepipeline.com](http://www.alliancepipeline.com).

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**Invitation to informational webcast:**

Interested parties are invited to view a corporate webcast to learn more about the new tolling structure.

**When**            October 10, 2012  
                         1 - 1:30 p.m. Mountain Daylight Time

**Speakers**        • Terrance Kutryk, President and CEO  
                         • Keith Palmer, Senior Vice President & CFO

**Webcast**        <http://event.on24.com/r.htm?e=527372&s=1&k=FE9F19ABFFA9E249FBC499670A957434>

**\*Please note:** Questions will not be accepted during the webcast. Alliance would be pleased to schedule individual briefings following the webcast.

**About the Alliance Pipeline system:**

The Alliance Pipeline system consists of an approximately 2,311-mile integrated Canadian and U.S. high-pressure natural gas transmission pipeline system, delivering rich natural gas from the Western Canadian Sedimentary Basin and the Williston Basin to the Chicago market hub. The United States portion of the system consists of approximately 900 miles of mainline and related infrastructure. The system has been in commercial service since December 2000 and delivers, on average, about 1.6 billion standard cubic feet (or 45.3 million standard cubic metres) of natural gas per day. More information about the company is available at [www.alliancepipeline.com](http://www.alliancepipeline.com).

Alliance Pipeline Limited Partnership ("Alliance Canada") owns the Canadian portion of the Alliance Pipeline system. Alliance Canada is owned 50 percent each by affiliates of Enbridge Income Fund Holdings Inc. (TSX:ENF) and Veresen Inc. (TSX:VSN).

Alliance Pipeline L.P. ("Alliance U.S.A.") owns the U.S. portion of the Alliance Pipeline system. Alliance U.S.A. is owned 50 percent each by affiliates of Enbridge Inc. (TSX:ENB) (NYSE:ENB) and Veresen Inc. (TSX:VSN).

**FORWARD LOOKING INFORMATION**

*This publication contains certain information that is forward-looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as "anticipate", "expect", "would", "should" or other similar words). Forward-looking statements in this document are intended to provide Alliance security holders and potential investors with information regarding Alliance and its affiliates and related companies. All forward-looking statements reflect Alliance's beliefs and assumptions based on information available at the time the*



*statements were made. Readers are cautioned not to place undue reliance on this forward-looking information. Alliance undertakes no obligation to update or revise any forward-looking information except as required by law. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to Alliance's Management's Discussion and Analysis dated July 27, 2012 under Alliance's profile on SEDAR at <http://www.sedar.com/> and other reports filed by Alliance with Canadian securities regulators.*