MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	**July 16, 2026**	**Agenda Item 2 ****
Company	**Enbridge Energy (Southern Lights) LLC**	
Docket No.	**PL-9/CN-07-465**	
	In the Matter of the Application of Enbridge Energy, Limited Partnership and Enbridge Pipelines (Southern Lights) LLC for a Certificate of Need for the Alberta Clipper Pipeline Project and Southern Lights Project	
Issues	Should the Commission grant the request to reconsider its May 6, 2026, Order concerning the need for recertification? Should the Commission grant the request to reconsider its May 6, 2026, Order requiring preparation of an environmental assessment worksheet?	

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✓ **Relevant Documents**	**Date**
PUC – Briefing Papers – April 16, 2026 Agenda	April 9, 2026
PUC – Order Requiring Environmental Assessment Worksheet for Recertification Analysis and Varying Rules	May 6, 2026
Enbridge Energy – Petition for Reconsideration	May 26, 2026
LIUNA – Reply Comments	June 5, 2026

Attachment A

I. Project Background

The Southern Lights Diluent Pipeline (Line 13) is a 16- to 20-inch pipeline running from Chicago, Illinois, to northern Alberta. The Minnesota portion of the project is approximately 182 miles from the Minnesota/Wisconsin border in Carlton County to the Enbridge facility in Clearbrook, Minnesota. The Southern Lights Diluent project carries light hydrocarbon liquids from refineries in the Chicago area to northern Alberta where it is used to dilute heavy crude oil for transport in other pipelines. As permitted, the pipeline has an annual average throughput of 180,000 barrels per day (bpd), and a design capacity of 200,000 bpd with an expansion potential to 330,000 bpd with additional pumping facilities or additional horsepower.

In Minnesota, Line 13 is routed along the Enbridge Mainline Corridor. On April 20, 1994, Enbridge originally received a certificate of need (CN) from the Commission to build a 20-inch pipeline to transport crude oil from the North Dakota/Minnesota border to the Clearbrook Terminal. Following approval, the new 20-inch outside diameter pipeline was placed in service on the existing Line 1 pipeline system, and the existing Line 1 18-inch pipe segment west of Clearbrook became the new Line 13.

II. Rules and Statutes

Under Minn. Stat. § 216B.27 and Minn. R. 7829.3000:

- A party or a person aggrieved and directly affected by a Commission decision or order may file a petition for reconsideration within 20 days of the date the decision or order is issued. Other parties to the proceeding may file answers to the petition within 10 days of filing the petition. Replies to answers are not permitted unless specifically authorized by the Commission.

- A petition for rehearing, amendment, vacation, reconsideration, or reargument must set forth specifically the grounds relied upon, or errors claimed on which the Commission's decision is unlawful or unreasonable.

- The Commission has the authority to decide a petition for reconsideration with or without a hearing or oral argument. The Commission may reverse, change, modify, or suspend its original decision if it finds its decision unlawful or unreasonable.

- Any application for rehearing or reconsideration not granted within 60 days from the date of filing shall be deemed denied.

- A second petition for rehearing of a Commission decision or order by the same party or parties and upon the same grounds as a former petition that has been considered and denied will not be entertained.

Minn. Stat. § 216B.25 provides that:

The Commission may at any time, on its own motion or upon motion of an interested party, and upon notice to the public utility and after opportunity to be heard, rescind, alter, or amend any order fixing rates, tolls, charges, or schedules, or any other order made by the commission, and may reopen any case following the issuance of an order therein, for the taking of further evidence or for any other reason. Any order rescinding, altering, amending, or reopening a prior order shall have the same effect as an original order.

Minn. Stat. § 216B.56 provides that:

In all proceedings before the Commission in which the modification or vacation of any order of the Commission is sought, the burden of proof shall be on the person seeking such modification or vacation.

III. Procedural History

On May 6, 2026, the Minnesota Public Utilities Commission (Commission or PUC) issued an Order requiring an environmental assessment worksheet (EAW) before determining if the proposed change is acceptable without recertification.

On May 25, 2026, Enbridge Pipelines Southern Lights LLC (Southern Lights) filed a petition for reconsideration.

On June 5, 2026, LIUNA Minnesota/North Dakota filed reply comments.

IV. Comments

<u>Southern Lights</u>

Southern Lights contends that the Pipeline Safety Act vests exclusive authority to regulate the safety of hazardous liquid pipelines to the federal government. Additionally, Southern Lights argued that the federal government has exclusive authority to regulate foreign affairs, and state actions that interfere with federal authority are preempted. In this case, Southern Lights argued, state action to prevent an increase in capacity would directly affect US-Canada energy trade relations.

Southern Lights also stated that, because there is no physical construction, the Commission lacks jurisdiction to recertify the project because a rule cannot extend the Commission’s power beyond statutes set by the legislature. The Commission’s authority to require a new CN is connected to Minn. Stat. § 216B.243, which emphasizes that no large energy facility shall be sited or constructed in Minnesota without the issuance of a CN. They argued that the Commission has defined "construction" as a significant physical alteration under Minn. R. 7853.0010, subp. 7. This project does not require any construction.

Southern Lights also stated that the Minnesota Environmental Policy Act (MEPA) requires an environmental review when there is a potential for serious environmental effects from any major government action. Based on the above argument that the Commission lacks statutory authority to require recertification in this case, Southern Lights argued that there are no actions for the government to take relating to the project (approve or reject the project) and, therefore MEPA review is not required.

LIUNA

LIUNA comments noted its agreement with the comments filed by Southern Lights. LIUNA stated that the Commission lacks the authority to require the line be recertified and that an EAW be prepared. LIUNA wrote that once the project is complete, the pipeline is primarily under federal jurisdiction. LIUNA stated that the proposed changes would leverage technological advances to improve efficiency, not change the pipeline's function.

V. Staff Analysis

As with the briefing paper issued for the April 16, 2026, Agenda Meeting, whether the Commission has jurisdiction to require recertification in this case is a legal issue that regulatory staff does not address in these briefing papers.

Additional Information Line 13

On June 25, 2026, the Wisconsin Department of Justice issued a news release (Attachment A) announcing it had reached a $275,000 settlement with Enbridge. The following information was included in the release:

> The State alleged that on or before April 26, 2019, a valve component of Line 13 failed at Fort Atkinson, causing diluent to leak from the pipeline. The State alleged that Enbridge violated the Spills Law from April 26, 2019 until July 31, 2020, by failing to timely report the discharge to the Wisconsin Department of Natural Resources.[1]

To the staff's knowledge, this information was not publicly available when the Commission made its initial decision at the April 16, 2026, Agenda Meeting.

[1] Wisconsin Department of Justice, Wisconsin DOJ Announces $275,000 Settlement with Enbridge (U.S.), Inc. for Alleged Hazardous Substance Spills Law Violation, June 25, 2026.

VI. Commission Decision Options

1. Reconsider the May 6, 2026, order and modify it as follows:
   a. Determine that Enbridge may proceed with the proposed capacity increase without recertification.
   b. Rescind Ordering Paragraphs 1 and 2, and do not require an EAW.

Or

2. Deny Southern Lights' request for reconsideration.

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NEWS FOR IMMEDIATE RELEASE

June 25, 2026

Wisconsin DOJ Announces $275,000 Settlement with Enbridge (U.S.), Inc. for Alleged Hazardous Substance Spills Law Violation

JEFFERSON COUNTY, Wis. – The Wisconsin Department of Justice announced a $275,000 settlement with Enbridge (U.S.), Inc. (Enbridge). The settlement resolves a civil environmental enforcement action against the company for an alleged violation of the State's hazardous substance Spills Law.

"Wisconsin's Spills Law is a critical protection for our environment," said AG Kaul. "Those who are responsible for the discharge of a hazardous substance must comply with its requirements."

Enbridge owns and operates a pipeline known as Line 13, which crosses Wisconsin. Line 13 transports diluent, an extremely flammable light hydrocarbon mixture that is blended with heavy crude petroleum to reduce its viscosity and make it more fluid, thereby increasing its efficiency for transport by pipeline. Line 13 has a valve station in Fort Atkinson, Wisconsin.

The State alleged that on or before April 26, 2019, a valve component of Line 13 failed at Fort Atkinson, causing diluent to leak from the pipeline. The State alleged that Enbridge violated the Spills Law from April 26, 2019 until July 31, 2020, by failing to timely report the discharge to the Wisconsin Department of Natural Resources.

The stipulated judgment requires Enbridge to pay a total of $275,000 in forfeitures, surcharges, court costs, and attorney fees. The Order for Judgment was signed by Jefferson County Circuit Court Judge William V. Gruber on June 22, 2026.

Wisconsin DOJ worked closely with the Wisconsin Department of Natural Resources to obtain this result.

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