

## **The True Impact of Line 5 on the Supply of Propane Michigan**

By: Gary Street, M.S., P.E.

Presented by: Joanne Cromley, Straits Area Concerned Citizens

In January 2016, Brad Shamlala, Vice President of U.S Operations for Enbridge, claimed that Enbridge supplies 85% of the propane needs of the Upper Peninsula. Later, he decided they supply 65% of the propane for the U.P.

The latest Enbridge number of 65% is still too high. Projections made by Lakehead Pipe Line Company through 2010, which preceded Enbridge in the ownership of Line 5, put the capacity of the Rapid River propane facility at 47% of the U.P. propane needs.

Regardless of how much propane Enbridge supplies to the Upper Peninsula, **it is imperative that U.P. residents have a reliable, uninterrupted supply of propane.** They must never be concerned about “freezing in the dark”.

However ---- Line 5 could cease to transmit NGLs, which are partly made up of propane, for a number of reasons, including a State mandate, the failure of pumps or instrumentation, or a spill.

Attorney General Schuette has again stated that Line 5’s days are “numbered”. We agree.

To claim there is no alternative means of supplying propane to the U.P. other than Line 5 is to claim that Line 5 can never be shut down -- for any reason. It puts the residents of the U.P. in a very precarious position.

Why is Enbridge so adamant about keeping Line 5 in service? We hear a lot of reasons --- it provides propane to the U.P., it creates a large number of jobs for Michigan residents, it provides significant tax revenue for Michigan communities, it supplies 30% of the gasoline used in Michigan.

Close examination of these statements shows none of them to be correct. The real reason is to move crude oil and NGLs from Alberta to the huge petrochemical complex at Sarnia, Ontario, and to transport crude oil to Montreal for overseas shipment.

How much of the propane in Line 5 is used by residents in the U.P.? Only a tiny fraction! There are 22,420 households in the U.P. that use propane. Assuming that 50% of these households obtain propane via Line 5, that amounts to over 23,000 gallons per day. Sounds like a large number but it is not. It is only about 2% of the propane in Line 5. The rest goes "south", primarily to Sarnia.

Alternatives exist. The U.P. does not – and should not – depend solely on Line 5 for propane. Propane is a commodity and can be obtained from many sources besides Line 5.

For example, a large propane purification facility exists at Superior, WI. Three tank trucks a day, departing from Superior, could replace the amount of propane now coming from Line 5 for the U.P. Or, just over 1 rail car per day, using an existing rail connection between Superior and a point near Rapid River, Mi.

Likewise --- other propane suppliers would almost certainly be eager to fill the void should Line 5 be shut down. They are already supplying roughly 50% of the needed propane.

Lastly, it is in the long term interest of propane customers to have the choice of switching to natural gas or pipeline gas, which is less costly and more reliable.

In summary, we must not accept that Line 5 is the only means of supplying propane to a large number of customers in the Upper Peninsula.

**The State must assume the leadership role to evaluate and develop alternatives to the current situation.**

**We must not continue to allow Enbridge to claim that Line 5 is the only means of providing propane to the U.P. We cannot accept this as justification for exposing the waters of the Great Lakes to an unthinkable environmental disaster.**