

ENBRIDGE ENERGY MANAGEMENT L L C

Form 10-Q

November 01, 2012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission file number 1-31383

**ENBRIDGE ENERGY MANAGEMENT, L.L.C.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of

61-1414604  
(I.R.S. Employer  
Identification No.)

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Incorporation or Organization)

1100 Louisiana, Suite 3300

Houston, Texas 77002

(Address of Principal Executive Offices) (Zip Code)

(713) 821-2000

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer  Accelerated Filer

Non-Accelerated Filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The Registrant had 40,502,824 Listed Shares outstanding as of October 31, 2012.

**DOCUMENTS INCORPORATED BY REFERENCE:**

**Quarterly Report on Form 10-Q of Enbridge Energy Partners, L.P. for the quarterly period ended September 30, 2012.**

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*In this report, unless the context requires otherwise, references to we, us, our, the Company or Enbridge Management are intended to mean Enbridge Energy Management, L.L.C. We are a limited partner of Enbridge Energy Partners, L.P., which we refer to as the Partnership.*

*This Quarterly Report on Form 10-Q includes forward-looking statements, which are statements that frequently use words such as anticipate, believe, continue, could, estimate, expect, forecast, intend, may, plan, position, projection, should, strategy target, will and similar words. Although we believe that such forward-looking statements are reasonable based on currently available information, such statements involve risks, uncertainties and assumptions and are not guarantees of performance. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Our results of operations, financial position and cash flows are dependent on the results of operations, financial position and cash flows of the Partnership. Many of the factors that will determine these results are beyond the Partnership's ability to control or predict. Specific factors that could cause actual results to differ from those in the forward-looking statements include those discussed in this Quarterly Report on Form 10-Q, our other reports filed with the Securities and Exchange Commission, and: (1) changes in the demand for or the supply of, forecast data for, and price trends related to crude oil, liquid petroleum, natural gas and NGLs, including the rate of development of the Alberta Oil Sands; (2) our ability to successfully complete and finance expansion projects; (3) the effects of competition, in particular, by other pipeline systems; (4) shut-downs or cutbacks at our facilities or refineries, petrochemical plants, utilities or other businesses for which we transport products or to whom we sell products; (5) hazards and operating risks that may not be covered fully by insurance, including those related to Lines 6A and 6B; (6) changes in or challenges to our tariff rates; and (7) changes in laws or regulations to which we are subject, including compliance with environmental and operational safety regulations that may increase costs of system integrity testing and maintenance.*

*The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and our future course of action depends on the assessment of all information available at the relevant time by those responsible for the management of our operations. Except to the extent required by law, we assume no obligation to publicly update or revise any forward-looking statements made herein whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements, and, as such, may be updated in our future filings with the Securities and Exchange Commission. For additional discussion of risks, uncertainties and assumptions, see Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2011 and in Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Also see information regarding forward-looking statements and Item 1A. Risk Factors included in the Enbridge Energy Partners, L.P. Annual Report on Form 10-K for the year ended December 31, 2011, which we refer to as the Partnership's 10-K, for a discussion of risks to the Partnership that also may affect us.*

**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****ENBRIDGE ENERGY MANAGEMENT, L.L.C.****STATEMENTS OF INCOME**

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2012	2011	2012	2011
	(unaudited; in millions, except per share amounts)			
Equity income from investment in Enbridge Energy Partners, L.P.	\$ 24.6	\$ 12.6	\$ 47.5	\$ 45.4
Income before income tax expense	24.6	12.6	47.5	45.4
Income tax expense	9.2	4.8	17.6	16.9
Net income	\$ 15.4	\$ 7.8	\$ 29.9	\$ 28.5
Net income per share, (basic and diluted)	\$ 0.38	\$ 0.21	\$ 0.76	\$ 0.79
Weighted average shares outstanding	40.2	36.8	39.5	36.2

The accompanying notes are an integral part of these financial statements.

**Table of Contents****ENBRIDGE ENERGY MANAGEMENT, L.L.C.****STATEMENTS OF COMPREHENSIVE INCOME**

	<b>For the three month period ended September 30,</b>		<b>For the nine month period ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>(unaudited; in millions)</b>			
Net income	\$ 15.4	\$ 7.8	\$ 29.9	\$ 28.5
Equity in other comprehensive loss of Enbridge Energy Partners, L.P., net of tax benefit of \$2.4, \$3.3, \$2.2 and \$6.4, respectively	(3.9)	(5.9)	(3.7)	(11.1)
Comprehensive income	\$ 11.5	\$ 1.9	\$ 26.2	\$ 17.4

The accompanying notes are an integral part of these financial statements.

**Table of Contents****ENBRIDGE ENERGY MANAGEMENT, L.L.C.****STATEMENTS OF CASH FLOWS**

	<b>For the nine month period ended September 30, 2012                      2011 (unaudited; in millions)</b>	
<b>Cash provided by operating activities:</b>		
Net income	\$ 29.9	\$ 28.5
<b>Adjustments to reconcile net income to net cash used in operating activities:</b>		
Equity income from investment in Enbridge Energy Partners, L.P.	(47.5)	(45.4)
<b>Changes in operating assets and liabilities:</b>		
Due from affiliates		(0.1)
Due to affiliates		0.1
Deferred income taxes	17.6	16.9
Other	(0.1)	
Net cash used in operating activities	(0.1)	
<b>Cash used in investing activities:</b>		
Net cash used in investing activities		
<b>Cash provided by financing activities:</b>		
Net cash provided by financing activities		
Net change in cash and cash equivalents	(0.1)	
Cash and cash equivalents at beginning of year	0.2	
Cash and cash equivalents at end of period	\$ 0.1	\$

The accompanying notes are an integral part of these financial statements.

**Table of Contents****ENBRIDGE ENERGY MANAGEMENT, L.L.C.****STATEMENTS OF FINANCIAL POSITION**

	September 30, 2012	December 31, 2011
	(unaudited; in millions)	
<b>ASSETS</b>		
Cash	\$ 0.1	\$ 0.2
Due from affiliates	0.1	0.1
Investment in Enbridge Energy Partners, L.P.	738.8	674.5
	\$ 739.0	\$ 674.8
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Accounts payable and accrued liabilities	\$	\$ 0.2
Due to affiliates	0.1	0.1
Deferred income tax liability	140.8	117.0
	140.9	117.3
Commitments and contingencies		
Shareholders' equity (Notes 2 and 3)		
Voting shares-unlimited authorized; 4.40 and 4.19 issued and outstanding at September 30, 2012 and December 31, 2011, respectively		
Listed shares-unlimited authorized; 40,502,824 and 38,566,330 issued and outstanding at September 30, 2012 and December 31, 2011, respectively	959.7	882.3
Accumulated deficit	(323.8)	(290.7)
Accumulated other comprehensive loss	(37.8)	(34.1)
	598.1	557.5
	\$ 739.0	\$ 674.8

The accompanying notes are an integral part of these financial statements.

**Table of Contents****ENBRIDGE ENERGY MANAGEMENT, L.L.C.****NOTES TO THE FINANCIAL STATEMENTS (unaudited)****1. BASIS OF PRESENTATION**

We are a limited partner of Enbridge Energy Partners, L.P., which we refer to as the Partnership, through our ownership of i-units, a special class of the Partnership's limited partner interests. We have prepared the accompanying unaudited interim financial statements in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, they contain all adjustments, consisting only of normal recurring adjustments, which management considers necessary to present fairly our financial position at September 30, 2012, our results of operations for the three and nine month periods ended September 30, 2012 and 2011 and our cash flows for the nine month periods ended September 30, 2012 and 2011. We derived our statement of financial position as of December 31, 2011 from the audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Our results of operations for the three and nine month periods ended September 30, 2012 should not be taken as indicative of the results to be expected for the full year. The interim financial statements should be read in conjunction with our financial statements and notes thereto presented in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Our results of operations, financial position and cash flows are dependent on the results of operations, financial position and cash flows of the Partnership. As a result, you should also read these interim financial statements in conjunction with the Partnership's consolidated financial statements and notes thereto presented in its Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as the Partnership's interim consolidated financial statements presented in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012.

**2. SHARE DISTRIBUTION**

The following table sets forth the details regarding our share distributions, as approved by our board of directors, for the nine month period ended September 30, 2012.

<b>Distribution Declaration Date</b>	<b>Record Date</b>	<b>Distribution Payment Date</b>	<b>Distribution per Unit of the Partnership</b>	<b>Average Closing Price of the Listed Shares</b>	<b>Additional i-units owned</b>	<b>Listed Shares distributed to Public</b>	<b>Shares distributed to General Partner<sup>(1)</sup></b>
<b>(in millions, except per unit and per share amounts)</b>							
January 30, 2012	February 7, 2012	February 14, 2012	\$ 0.53250	\$ 34.12	601,828	500,493	101,335
April 30, 2012	May 7, 2012	May 15, 2012	\$ 0.53250	\$ 32.28	646,118	537,325	108,793
July 30, 2012	August 7, 2012	August 14, 2012	\$ 0.54350	\$ 31.43	688,548	572,611	115,937

<sup>(1)</sup> Enbridge Energy Company, Inc. is the general partner of the Partnership, which we refer to as the General Partner.

We had non-cash operating activities in the form of i-units distributed to us by the Partnership and corresponding non-cash financing activities in the form of share distributions to our shareholders in the amounts of \$63.0 million and \$55.9 million during the nine month periods ended September 30, 2012 and 2011, respectively.

**3. CAPITAL ACCOUNT ADJUSTMENTS ON ISSUANCES OF COMMON UNITS BY ENBRIDGE ENERGY PARTNERS, L.P.**

The Partnership records an adjustment to the carrying value of its book capital accounts when it issues additional common units and the new issuance price per unit is greater than or less than the average cost per unit for each class of units. We refer to these adjustments as capital account adjustments. We recognize any capital account adjustments recorded by the Partnership to the book capital account it maintains for our i-units by increasing or decreasing our investment in the Partnership and recording a corresponding capital account adjustment directly to Shareholders' equity on our statements of financial position in conjunction with our adoption of the authoritative accounting guidance for noncontrolling interests in consolidated financial statements.





**Table of Contents****Partnership Issuances of Class A Common Units**

The following table presents the issuances of additional Class A common units by the Partnership for the current year, excluding issuances under the Partnership's Equity Distribution Agreement, or EDA, and the Amended and Restated Equity Distribution Agreement, or Amended EDA.

2012 Issuance Date	Number of Class A Common units Issued	Average Offering Price per Class A common unit	Net Proceeds to the Partnership <sup>(1)</sup> (in millions, except units and per unit amount)	Ownership Percentage in the Partnership Prior to the Issuance	Ownership Percentage in the Partnership After the Issuance	Increases in the Book Value of Investment <sup>(2)</sup>
September	16,100,000	\$ 28.64	\$ 446.8	13.9 %	13.1 %	\$ 22.6

(1) Net of underwriters' fees and discounts, commissions and issuance expenses if any.

(2) Before the effect of income taxes.

For the three and nine month periods ended September 30, 2012, we recorded \$22.6 million and \$22.7 million, respectively, of capital account adjustments with respect to all the Partnership's Class A common unit issuances. The after tax effect of these capital account adjustments to our Shareholders' equity at September 30, 2012 was \$14.3 million.

**4. SUMMARIZED FINANCIAL INFORMATION FOR ENBRIDGE ENERGY PARTNERS, L.P.**

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2012	2011 (unaudited; in millions)	2012	2011
Operating revenue	\$ 1,564.3	\$ 2,372.2	\$ 4,934.9	\$ 7,033.1
Operating expenses	1,253.8	2,156.6	4,203.2	6,359.6
Operating income	\$ 310.5	\$ 215.6	\$ 731.7	\$ 673.5
Net income	\$ 229.2	\$ 134.8	\$ 480.9	\$ 437.6
Less: Net income attributable to noncontrolling interest	14.0	12.2	42.1	41.0
Net income attributable to Enbridge Energy Partners, L.P.	\$ 215.2	\$ 122.6	\$ 438.8	\$ 396.6

We owned approximately 13.1% and 13.3% of the Partnership at September 30, 2012 and 2011, respectively.

**5. SUBSEQUENT EVENTS****Share Distribution**

On October 31, 2012, our board of directors declared a share distribution payable on November 14, 2012, to shareholders of record as of November 7, 2012, based on the \$0.5435 per limited partner unit distribution declared by the Partnership. The Partnership's distribution increases the number of i-units we own. The amount of this increase is calculated by dividing the cash amount distributed by the Partnership per common unit by the average closing price of one of our listed shares, which we refer to as Listed Shares, on the New York Stock Exchange for the 10 trading day period immediately preceding the ex-dividend date for our shares, multiplied by the number of shares outstanding on the record date. We distribute additional Listed Shares to our Listed shareholders and additional voting shares to the General Partner in respect of these additional i-units.



**Table of Contents****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**  
**RESULTS OF OPERATIONS**

Our results of operations consist of our share of earnings of Enbridge Energy Partners, L.P., or the Partnership, attributed to the i-units, a special class of the Partnership's limited partner interests, we own. At September 30, 2012 and 2011, through our ownership of i-units, we had an approximate 13.1% and 13.3%, respectively, limited partner interest in the Partnership. Our percentage ownership of the Partnership will change over time as the number of i-units we own becomes a different percentage of the total limited partner interests outstanding due to our ownership of additional i-units and other issuances of limited partner interests by the Partnership.

The information set forth under Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of the Partnership's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, is hereby incorporated by reference, as our results of operations, financial position and cash flows are dependent on the results of operations, financial position and cash flows of the Partnership.

The following table presents the Partnership's allocation of net income and loss to Enbridge Energy Company, Inc., the general partner of the Partnership, referred to as the General Partner, and limited partners for the periods presented.

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2012	2011	2012	2011
	(unaudited; in millions)			
Net income attributable to general and limited partner ownership interests in Enbridge Energy Partners, L.P.	\$ 215.2	\$ 122.6	\$ 438.8	\$ 396.6
Less: Net income allocated to General Partner	38.1	32.1	94.4	75.2
Net income allocated to limited partners	\$ 177.1	\$ 90.5	\$ 344.4	\$ 321.4

Our net income of \$15.4 million and \$29.9 million for the three and nine month periods ended September 30, 2012, respectively, and \$7.8 million and \$28.5 million for the three and nine month periods ended September 30, 2011, respectively, represents equity in earnings attributable to the i-units that we own decreased by deferred income tax expense. Deferred income tax expense is calculated based on the difference between the accounting and tax basis of our investment in the Partnership and the combined federal and state income tax rate of 37.0% for the three and nine month periods ended September 30, 2012 and 37.2% for the three and nine month periods ended September 30, 2011, applied to our share of the earnings of the Partnership for the respective periods.

For the three months ended September 30, 2012, our net income increased by \$7.6 million as compared to the same period in 2011. The increase is primarily attributable to the \$12.0 million increase in equity income from the Partnership resulting from the increase in its net income in relation to the same period in 2011. This increase was slightly offset by a \$4.4 million increase of income tax expense associated with the increase in our net income.

For the nine months ended September 30, 2012, our net income increased by \$1.4 million as compared to the same period in 2011. The components comprising our net income changed during the nine month period ended September 30, 2012 compared with the same period in 2011 for the same reasons as noted above in the three-month analysis.

The Partnership records an adjustment to the carrying value of its book capital accounts when it issues additional common units and the new issuance price per unit is greater than or less than the average cost per unit for each class of units. We refer to these adjustments as capital account adjustments. We recognize any capital account adjustments recorded by the Partnership to the book capital account it maintains for our i-units by increasing or

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decreasing our investment in the Partnership and recording a corresponding capital account adjustment directly to Shareholders' equity on our statements of financial position in conjunction with our adoption of the authoritative accounting guidance for noncontrolling interests in consolidated financial statements.

**Partnership Issuances of Class A Common Units**

The following table presents the issuances of additional Class A common units by the Partnership for the current year, excluding issuances under the Partnership's Equity Distribution Agreement, or EDA, and the Amended and Restated Equity Distribution Agreement, or Amended EDA.

2012 Issuance Date	Number of Class A Common units Issued	Average Offering Price per Class A common unit	Net Proceeds to the Partnership <sup>(1)</sup> (in millions, except units and per unit amount)	Ownership Percentage in the Partnership Prior to the Issuance	Ownership Percentage in the Partnership After the Issuance	Increases in the Book Value of Investment <sup>(2)</sup>
September	16,100,000	\$ 28.64	\$ 446.8	13.9 %	13.1 %	\$ 22.6

(1) Net of underwriters' fees and discounts, commissions and issuance expenses if any.

(2) Before the effect of income taxes.

For the three and nine month periods ended September 30, 2012, we recorded \$22.6 million and \$22.7 million, respectively, of capital account adjustments with respect to all the Partnership's Class A common unit issuances. The after tax effect of these capital account adjustments to our Shareholders' equity at September 30, 2012 was \$14.3 million.

**LIQUIDITY AND CAPITAL RESOURCES**

Our authorized capital structure consists of two classes of membership interests: (1) our listed shares, which we refer to as Listed Shares, are traded on the New York Stock Exchange, or NYSE, and represent limited liability company interests with limited voting rights and (2) our voting shares, which represent limited liability company interests with full voting rights. At September 30, 2012, our issued capitalization consisted of \$959.7 million associated with our 40,502,824 Listed Shares outstanding.

The number of our shares outstanding, including the voting shares owned by the General Partner, will at all times equal the number of i-units we own in the Partnership. Typically, the General Partner and owners of the Partnership's Class A and B common units will receive distributions from the Partnership in cash. Instead of receiving cash distributions on the i-units we own, however, we receive additional i-units under the terms of the Partnership's limited partnership agreement. The amount of additional i-units we receive is calculated by dividing the amount of the cash distribution paid by the Partnership on each of its Class A and B common units by the average closing price of one of our Listed Shares on the NYSE for the 10 trading day period immediately preceding the ex-dividend date for our shares, multiplied by the number of our shares outstanding on the record date. We make share distributions to our shareholders concurrently with the i-unit distributions we receive from the Partnership that increase the number of i-units we own. As a result of our share distributions, the number of shares outstanding is equal to the number of i-units that we own in the Partnership.

**INCOME TAXES**

Our income tax expense of \$9.2 million and \$17.6 million for the three and nine month periods ended September 30, 2012, respectively, is \$4.4 million and \$0.7 million more than the income tax expense we incurred for the corresponding periods in 2011. The increase in income tax expense for the three and nine month periods ended September 30, 2012 as compared to the same periods in 2011 was due to the increase in our net income primarily associated with increased amounts of equity income we recognized from the Partnership.

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We computed our income tax expense for the three and nine month periods ended September 30, 2012 by applying a 37.0% effective income tax rate to our pre-tax income, which represents the federal statutory rate of 35.0% and the effective state income tax rate of 2.0%. For the three and nine month periods ended September 30, 2011, our income tax expense was computed by applying a 37.2% effective income tax rate to our pre-tax income, which represents the federal statutory rate of 35.0% and the effective state income tax rate of 2.2%.

***SUBSEQUENT EVENTS***

***Share Distribution***

On October 31, 2012, our board of directors declared a share distribution payable on November 14, 2012, to shareholders of record as of November 7, 2012, based on the \$0.5435 per limited partner unit distribution declared by the Partnership. The Partnership's distribution increases the number of i-units we own. The amount of this increase is calculated by dividing the cash amount distributed by the Partnership per common unit by the average closing price of one of our Listed Shares on the NYSE for the 10 trading day period immediately preceding the ex-dividend date for our shares, multiplied by the number of shares outstanding on the record date. We distribute additional Listed Shares to our Listed shareholders and additional voting shares to the General Partner in respect of these additional i-units.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

The nature of our business and operations is such that we do not conduct activities or enter into transactions of the type requiring discussion under this item.

For a discussion of these matters as they pertain to the Partnership, please read the information set forth under Part I, Item 3. *Quantitative and Qualitative Disclosures about Market Risk* in the Partnership's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, which is hereby incorporated by reference, as activities of the Partnership have an impact on our results of operations and financial position.

**Item 4. Controls and Procedures**

Enbridge Management and Enbridge Inc., or Enbridge, maintain systems of disclosure controls and procedures designed to provide reasonable assurance that we are able to record, process, summarize and report the information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2012. Based upon that evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures are effective to accomplish their purpose. In conducting this assessment, our management relied on similar evaluations conducted by employees of Enbridge affiliates who provide certain treasury, accounting and other services on our behalf. We have not made any changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the three month period ended September 30, 2012.

**PART II OTHER INFORMATION**

**Item 1. Legal Proceedings**

We are a participant in various legal proceedings arising in the ordinary course of business. Some of these proceedings are covered, in whole or in part, by insurance. We believe that the outcome of all these legal proceedings will not, individually or in the aggregate, have a material adverse effect on our operating results, cash flows or financial position.

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**Item 1A. Risk Factors**

Our risk factors have not materially changed from the disclosures included in Part I, Item 1A. *Risk Factors* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

**Item 6. Exhibits**

Reference is made to the Index of Exhibits following the signature page, which we hereby incorporate into this Item.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ENBRIDGE ENERGY MANAGEMENT, L.L.C.**

**(Registrant)**

Date: October 31, 2012

By: /s/ Mark A. Maki  
Mark A. Maki  
*President*

*(Principal Executive Officer)*

Date: October 31, 2012

By: /s/ Stephen J. Neyland  
Stephen J. Neyland  
*Vice President, Finance*

*(Principal Financial Officer)*



**Table of Contents****Index of Exhibits**

Each exhibit identified below is filed as a part of this Quarterly Report on Form 10-Q. Exhibits included in this filing are designated by an asterisk; all exhibits not so designated are incorporated by reference to a prior filing as indicated.

<b>Exhibit Number</b>	<b>Description</b>
31.1 *	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 *	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 *	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1 *	Enbridge Energy Partners, L.P.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.