

BP PLC
Form 6-K
August 29, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

for the period ended 29 August 2008

BP p.l.c.

(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F	☒	Form 40-F
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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No |X|

Enbridge and BP

**Announce
Agreement to
Develop Delivery System**

**for Canadian crude oil
from Illinois to the
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Gulf Coast**

CALGARY,

Alberta

and WARRENVILLE, Ill.

- August 29, 2008 - Enbridge Inc. (TSX:ENB) (NYSE:ENB) and BP Pipelines (North America) Inc. announced today they have entered into an agreement to develop a new delivery system to transport Canadian heavy crude oil from Flanagan, Illinois, to Houston and Texas City, Texas, using a combination of existing facilities and new pipeline construction where required.

The new delivery system is expected to be in service by late 2012 with an initial total system capacity of 250,000 barrels per day (bpd) into the Gulf Coast. Enbridge and BP intend to use the BP #1 System and other existing pipelines north of the Cushing, Oklahoma, crude oil hub with some new pipeline construction south of Cushing, to connect to markets in Houston and possibly Nederland, Texas. Initial receipts at Flanagan, where the system would interconnect with Enbridge Energy Partners' Southern Access pipeline, would be approximately 140,000 bpd with deliveries to Gulf Coast markets.

The remaining

110,000 bpd would originate from interconnecting pipelines at Cushing.

"This proposed project offers timely and economic access for shippers to the U.S. Gulf Coast market," said Steve Wuori, Executive Vice President, Liquids Pipelines, Enbridge, Inc. "The new system would be a continuation of our phased approach to Gulf Coast market access, which has the objectives of minimizing capital cost and financial commitments required of shippers, maximizing use of existing pipelines and rights-of-way and ensuring attractive producer netbacks."

The project would be timed to coincide with the projected ramp-up of crude oil production in western Canada. It would be complementary to Enbridge's other market initiatives including the Trailbreaker Project, which is planned to offer Gulf Coast access by tanker from Portland, Maine, by mid-2010; the Southern Access Extension, which is expected to facilitate both heavy and synthetic crude access to Patoka, Illinois, by 2011; and the Texas Access Pipeline, which is positioned to move greater crude oil volumes from Patoka to the Gulf

Coast

at the time required by the market.

"These options offer unparalleled flexibility to shippers, and this project reflects our objective to provide our customers with the best transportation solutions available," said Mr. Wuori.

Jim Lamanna, president, BP Pipelines (North America) Inc., said "This proposal is consistent with BP's goals of maximizing value from existing assets and minimizing environmental impacts. Combined with the construction and operating experience of these two companies, the proposed new delivery system will offer shippers the economics, predictability and flexibility that are required in this high-cost environment. Also, timely redeployment of existing facilities significantly reduces the environmental impact associated with alternative proposed cross-country pipelines."

A BP Pipelines affiliate is expected to be a significant committed shipper on the proposed system. Enbridge and BP Pipelines would make capacity available to other potential shippers on terms competitive with other Gulf Coast delivery proposals through commercial arrangements targeted to be concluded this

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all.

Terms will

be

subject to approval by applicable regulatory authorities. The two companies plan to operate the pipeline system by way of a joint venture, subject to completing final agreements and securing other required approvals.

Notes to editors

Enbridge Inc., a Canadian company, is a leader in energy transportation and distribution in North America and internationally. As a transporter of energy, Enbridge operates, in Canada and the U.S., the world's longest crude oil and liquids transportation system. The Company also has international operations and a growing involvement in the natural gas transmission and midstream businesses. As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company, and provides distribution services in Ontario, Quebec, New Brunswick and New York State. Enbridge employs approximately 5,600 people, primarily in Canada, the U.S. and South America. Enbridge's common shares trade on the Toronto Stock Exchange in Canada and

on the New York Stock Exchange in the U.S. under the symbol ENB. Information about Enbridge is available on the Company's web site at www.enbridge.com.

BP Pipelines (North America) Inc. is part of BP plc and one of the largest liquids pipeline companies in the U.S., transporting more than 1.6 million barrels per day of oil, refined products, natural gas liquids and other products.

Altogether, BP Pipelines (North America) Inc. operates about 6,000 miles of pipelines owned and operated by BP or its subsidiaries, affiliates and joint ventures, and holds joint venture interests in another approximately 3,000 miles of pipelines, which are operated by third parties.
www.bp.com

The joint investment in the phased capacity additions is expected to be in the range of US\$1 billion to US\$2 billion.

**FOR FURTHER INFORMATION PLEASE CONTACT:
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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.

BP p.l.c.
(Registrant)

Dated: 29 August 2008

/s/ D. J. PEARL
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D. J. PEARL
Deputy Company Secretary