ENBRIDGE INC
Form 6-K
May 06, 2015

UNITED STATES 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

Dated May 6, 2015

Commission file number 001-15254

ENBRIDGE INC.

(Exact name of Registrant as specified in its charter)

Canada	**None**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3000, 425 1st Street S.W.

Calgary, Alberta, Canada T2P 3L8

(Address of principal executive offices and postal code)

(403) 231-3900

(Registrants telephone number, including area code)

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

Form 20-F	Form 40-F	P

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes	No	P

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by regulation S-T Rule 101(b)(7):

Yes	No	P

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 **P**

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):

N/A

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM S-8 (FILE NO. 333-145236, 333-127265, 333-13456, 333-97305 AND 333-6436), FORM F-3 (FILE NO. 333-185591 AND 33-77022) AND FORM F-10 (FILE NO. 333-198566) OF ENBRIDGE INC. AND TO BE PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

The following documents are being submitted herewith:

- Press Release dated May 6, 2015.

- Interim Report to Shareholders for the three months ended March 31, 2015.

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 INC.
(Registrant)

Date: May 6, 2015

By: /s/ Tyler W. Robinson
Tyler W. Robinson

Vice President & Corporate Secretary

NEWS RELEASE

Enbridge reports first quarter adjusted earnings of $468 million or $0.56 per common share

HIGHLIGHTS

(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

- First quarter loss was $383 million, including the impact of net unrealized non-cash mark-to-market losses
- First quarter adjusted earnings were $468 million or $0.56 per common share
- Expansion of the Canadian Mainline system between Edmonton and Hardisty placed into service in April
- Enbridge delivered a formal proposal to transfer the majority of its Canadian Liquids Pipelines business and certain renewable energy assets to Enbridge Income Fund
- Enbridge announced a plan to optimize previously announced expansions of its Regional Oil Sands System
- Enbridge announced it will build, own and operate the Stampede Oil Pipeline to the planned Stampede development in the Gulf of Mexico
- Effective March 1,2015, Enbridge quarterly common share dividend increased by 33% over the last year to an annual rate of $1.86 per share

CALGARY, ALBERTA May 6, 2015 Enbridge Inc. (Enbridge or the Company) (TSX:ENB) (NYSE:ENB) Enbridge delivered a solid first quarter of 2015, reflecting a combination of strong asset performance and the ongoing successful execution of our growth capital program, said Al Monaco, President and Chief Executive Officer. Adjusted earnings for the first quarter of 2015 were $468 million or $0.56 per common share.

Our results were in line with our expectations, and we remain on track to deliver full year adjusted earnings per share within our guidance range of $2.05 to $2.35, Mr. Monaco said. Our resilient business model continues in the current business environment to deliver reliable and predictable earnings and cash flows to our investors.

Throughput on Enbridge s liquids mainline remained strong. Over the first quarter our systems were very highly utilized, shipping an average 2.2 million barrels per day across the Canada/United States border, Mr. Monaco added. We are now seeing the benefit of our system optimization through record volumes on our mainline. The full benefits of those efforts will be seen over the course of 2015.

Enbridge continues to deliver solid earnings and strong returns to our shareholders. However, low commodity prices are challenging for our customers, so we are keenly focused on providing low cost, reliable transportation to the best markets for them, Mr. Monaco said. We are pleased that stable tolls and our capacity optimization and market access initiatives that took place through 2014 are helping producers to maximize their netbacks and provide reliable feedstock for refiners.

Forward-Looking Information and Non-GAAP Measures

This news release contains forward-looking information and references to non-GAAP measures. Significant related assumptions and risk factors, and reconciliations are described under the Forward-Looking Information and Non-GAAP Measures sections of this news release, respectively.

Enbridge achieved key milestones on two of its liquids pipelines growth projects since reporting its year end results in February. During April, the Company brought into service on schedule and under budget a new 36-inch, 181-kilometre (112-mile) pipeline connecting its Edmonton and Hardisty Terminals. The $1.8 billion pipeline is a significant addition to the Company s mainline system and will initially have capacity to transport up to 570,000 barrels per day (bpd), but can be readily expanded to 800,000 bpd.

On April 13, 2015, a Minnesota Administrative Law Judge (ALJ) recommended that the Minnesota Public Utility Commission grant a Certificate of Need permit for the Company s proposed Sandpiper Pipeline Project (Sandpiper). The 965-kilometre (600-mile), US$2.6 billion project will transport Bakken crude from Enbridge s Beaver Lodge Station, south of Tioga, North Dakota, to Clearbrook, Minnesota through a 24-inch diameter pipeline. A 30-inch diameter pipeline will connect Clearbrook to Superior, Wisconsin. Subject to regulatory approval, the pipeline is expected to begin service in 2017. A review of the proposed pipeline route will follow a decision on the Certificate of Need.

As we have said, our primary goal with this project is to ensure public safety and environmental protection. The ALJ recommendation is a positive step forward, and a reflection of the hard work our team did engaging communities, listening to people and addressing their concerns. We also thank the numerous stakeholders for their support of the project and helping us to make this an even better project, said Mr. Monaco. Sandpiper is an important project for Bakken shippers and will add much needed pipeline capacity to enable them to reach key markets and improve netbacks.

Looking ahead, our commercially secured portfolio of growth projects remains secure and is on track for execution, Mr. Monaco said. We are positive on the longer-term fundamentals supporting our businesses and the development of infrastructure that our customers require and believe we are well positioned to continue to deliver industry leading earnings and dividend growth through 2018 and beyond. Our growth will continue to be supported by a disciplined approach to investment and project execution and attention to our number one priority the safety and reliability of our systems.

In February, the National Energy Board (NEB) approved Conditions 16 and 18 of Enbridge s application for the reversal and expansion of Line 9B. The Company subsequently applied to the NEB for a Leave to Open to commence operation of the project. The pipeline is mechanically complete and awaiting the NEB s final approval.

Line 9B is critical to ensuring that eastern Canadian refiners have access to reliable and cost effective feedstock and assuring the competitiveness of eastern Canada s petrochemical industry, said Mr. Monaco.

On March 31, 2015, Enbridge delivered a formal proposal (the Canadian Restructuring Plan) to a committee of independent members of the boards of Enbridge Commercial Trust (ECT) and Enbridge Income Fund Holdings Inc. (ENF) to transfer Enbridge s Canadian Liquids Pipelines business and certain renewable energy assets to Enbridge Income Fund (the Fund). The transaction is anticipated to provide Enbridge with low-cost funding to support the enterprise-wide $44 billion growth capital program and is expected to be accretive to adjusted earnings per share by approximately 10% per year on average from 2015 to 2018.

The transaction is also expected to transform the Fund and ENF through the acquisition of high quality assets that come with embedded growth. ENF s dividend is expected to increase by approximately 10% on closing, and by a further 10% at the beginning of 2016 and each year thereafter through to 2019. In conjunction with the Canadian Restructuring Plan, the Company also increased its quarterly common share dividend by 33% effective March 1, 2015 and introduced a new dividend payout policy range of 75% to 85% of adjusted earnings.

This transaction is expected to deliver significant value to investors of both Enbridge and Enbridge Income Fund Holdings and it will even better position us to extend our industry-leading growth beyond 2018, added Mr. Monaco. We expect the transaction to close mid-2015.

Operations

Adjusted earnings for the first quarter of 2015 were $468 million, or $0.56 per common share, compared with adjusted earnings of $492 million, or $0.60 per common share, for the first quarter of 2014.

In Liquids Pipelines, the throughput trends experienced in 2014 continued into the first quarter of 2015 and resulted in record throughput on Canadian Mainline. Furthermore, the impact of a strong United States dollar, which had a hedged and an unhedged component, compared with the Canadian dollar had a positive impact on Canadian Mainline earnings as the International Joint Tariff Benchmark (IJT) Toll and its components are set in United States dollars. However, these factors were more than offset by a lower quarter-over-quarter Canadian Mainline IJT Residual Benchmark Toll. Changes in the Canadian Mainline IJT Residual Benchmark Toll are inversely related to the Lakehead System Toll, which was higher due to the recovery of incremental costs associated with EEP s growth projects. Growing volumes on the system, together with the impact of an increase to the Canadian Mainline IJT Residual Benchmark Toll and applicable surcharges for system expansions are expected to drive strong revenue and earnings growth over the balance of 2015.

Within Sponsored Investments, Enbridge Energy Partners, L.P. (EEP) and the Fund both had strong first quarters of 2015, with each reflecting the favourable impact of drop downs from Enbridge. EEP adjusted earnings reflected higher volumes and tolls in its liquids business, as well as new assets placed into service. EEP earnings also reflected the incremental earnings from the acquisition of the 66.7% interest in Alberta Clipper previously held by Enbridge. The earnings increase from the Fund was attributable to the transfer of natural gas and diluent pipeline interests from Enbridge and higher preferred unit distributions received from the Fund.

Enbridge Gas Distribution Inc. (EGD) continued to deliver reliable results in the first quarter, although earnings were lower than the comparative period in 2014 due to the application of lower interim distribution rates in the first quarter of 2015. Any shortfall in revenues arising from the difference between interim and final 2015 rates will be recovered during 2015 and will not have an impact on full year results which are expected to be higher than the prior year.

Adjusted earnings were also impacted by higher preference share dividends in the Corporate segment, as well as higher interest expense across various business segments reflecting incremental preference share and debt issued to fund the Company s growth capital program.

The adjusted earnings discussed above exclude the impact of unusual, non-recurring or non-operating factors, the most significant of which are changes in unrealized derivative fair value gains and losses from the Company s long-term hedging program. See *Non-GAAP Measures.*

FIRST QUARTER 2015 OVERVIEW

For more information on Enbridge s growth projects and operating results, please see the Management s Discussion and Analysis (MD&A) which is filed on SEDAR and EDGAR and also available on the Company s website at www.enbridge.com/InvestorRelations.aspx.

• Loss attributable to common shareholders were $383 million in the first quarter of 2015 compared with earnings of $390 million in the first quarter of 2014. The Company delivered solid results from operations in the first quarter of 2015; however, the visibility and comparability of the operating results are impacted by a number of unusual, non-recurring or non-operating factors, the most significant of which is changes in unrealized derivative fair value gains and losses. The Company has a comprehensive long-term economic hedging program to mitigate interest rate, foreign exchange and commodity price exposures. The changes in unrealized mark-to-market accounting impacts from this program create volatility in short-term earnings, but the Company believes that over the long-term it supports the reliable cash flows and dividend growth upon which the Company s investor value proposition is based. Other factors impacting the comparability of period-over-period earnings included an out-of-period adjustment of $71 million recognized in the first quarter of 2015 in respect of an overstatement of deferred income tax expense in 2013 and 2014, as well as insurance recoveries of $9 million after-tax related to the Line 37 crude oil release which occurred in June 2013.

• Enbridge s adjusted earnings for the first quarter of 2015 and 2014 were $468 million and $492 million, respectively. Liquids Pipelines adjusted earnings decreased as the positive effects of higher throughput, higher terminalling revenues, a favourable United States/Canada foreign exchange rate and lower income taxes on Canadian Mainline were more than offset by a lower quarter-over-quarter Canadian Mainline IJT Residual Benchmark Toll and higher operating and administrative expense. On April 1, 2015, the Canadian Mainline IJT Residual Benchmark Toll increased from US$1.53 per barrel to US$1.63 per barrel. Growing volumes on the system, together with the impact of a higher Canadian Mainline IJT Residual Benchmark Toll and applicable surcharges for system expansions as they come into service, including surcharges for the recently completed Edmonton to Hardisty Expansion, are expected to drive strong revenues and earnings growth over the balance of 2015. In Gas Distribution, EGD adjusted earnings decreased in the first quarter of 2015 due to lower interim distribution rates applicable in the first quarter of 2015 compared with the interim rates applicable in the corresponding 2014 period. EGD expects to collect and record the difference between the interim rates and applicable 2015 rates during 2015. Positively impacting adjusted earnings in Gas Distribution was the absence of a loss that Enbridge Gas New Brunswick Inc. incurred in 2014 under a contract to sell natural gas to the province of New Brunswick. Due to an abnormally cold winter in the first quarter of 2014, costs associated with the fulfilment of the contract were higher than the revenues received. Within Sponsored Investments, EEP adjusted earnings reflected higher throughput and tolls on its liquids business, as well as the impact of new assets placed into service in 2014. EEP adjusted earnings also reflected the incremental earnings from the acquisition of the remaining 66.7% interest of Alberta Clipper previously held by Enbridge. Higher contribution from EEP also reflected distributions from Class D units which were issued to Enbridge in July 2014 under an equity restructuring transaction and from Class E units which were issued in January 2015 in connection with the transfer of Alberta Clipper. The Fund benefitted from the transfer of natural gas and diluent pipeline interests from Enbridge. Higher preferred unit distributions received by Enbridge from the Fund also provided an increase to adjusted earnings. Finally, within the Corporate segment, higher preference share dividends arising from an increase in the number of preference shares in 2014 to fund the Company s growth capital program negatively impacted adjusted earnings.

• On March 31, 2015, Enbridge announced it had delivered a formal proposal to a committee of independent members of the boards of ECT and ENF to transfer Enbridge s Canadian Liquids Pipelines business, comprised of Enbridge Pipelines Inc. and Enbridge Pipelines (Athabasca) Inc., along with certain renewable energy assets, with a combined carrying value of approximately $17 billion and an associated secured growth capital program of approximately $15 billion, to the Fund. The formal proposal follows the Company s December 3, 2014 announcement of the proposed Canadian Restructuring Plan. The general terms and projected financial outcomes of the proposed transfer are substantially consistent with those originally described in that announcement. The transfer also remains subject to approval by the boards of ECT and ENF, following a recommendation by a joint special committee.

• Effective, March 15, 2015, the Enbridge Board of Directors appointed Rebecca B. Roberts as a director. Ms. Roberts is the former President of Chevron Pipe Line Company and Chevron Global Power Generation and is currently a director of MSA Safety Incorporated and Black Hills Corporation. Ms. Roberts was previously also a director of Enbridge Energy Management, L.L.C. and Enbridge Energy Company, Inc., the general partner of EEP.

• On March 5, 2015, the Company announced a plan to optimize previously announced expansions of its Regional Oil Sands System currently in execution. The optimization plan, which has been agreed to with the affected shippers, including Suncor Energy Inc., Total E&P Canada Ltd. and Teck Resources Limited (the Fort Hills Partners), will enable deferral of the southern segment of the Wood Buffalo Extension by connecting it to the Athabasca Pipeline Twin. The optimization involves the upsize of a 100-kilometre (60-mile) segment of the Wood Buffalo Extension between Cheecham, Alberta and Kirby Lake, Alberta from a 30-inch diameter pipeline to a 36-inch diameter pipeline, which

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will now connect to the origin of the Athabasca Pipeline Twin at Kirby Lake, Alberta. The capacity of the Athabasca Pipeline Twin would be expanded from 450,000 bpd to 800,000 bpd through additional horsepower.

The definitive cost estimate of the Wood Buffalo Extension was finalized at approximately $1.8 billion before optimization. As a result of the optimization, the cost estimate to complete the integrated Wood Buffalo Extension and Athabasca Pipeline Twin projects is expected to decrease from approximately $3.0 billion to approximately $2.6 billion. Along with the Company s Norlite Pipeline System, the Wood Buffalo Extension and the Athabasca Pipeline Twin will be the conduit to ship diluent to, and blended bitumen from, the proposed Fort Hills Partners oil sands project which has an expected 2017 in-service date.

- On January 12, 2015, Enbridge announced that it will build, own and operate a crude oil pipeline in the Gulf of Mexico to connect the planned Stampede development, which is operated by Hess Corporation, to an existing third-party pipeline system. Stampede Oil Pipeline (Stampede Pipeline), a 26-kilometre (16-mile), 18-inch diameter pipeline with capacity of approximately 100,000 bpd will originate in Green Canyon Block 468, approximately 350 kilometres (220 miles) southwest of New Orleans, Louisiana, at an estimated depth of 1,200 metres (3,500 feet). After finalization of scope and a definitive cost estimate, Stampede Pipeline is expected to be completed at an approximate cost of US$0.2 billion and is expected to be placed into service in 2018.

DIVIDEND DECLARATION

On May 5, 2015, the Enbridge Board of Directors declared the following quarterly dividends. All dividends are payable on June 1, 2015 to shareholders of record on May 15, 2015.

Common Shares	$0.46500
Preference Shares, Series A	$0.34375
Preference Shares, Series B	$0.25000
Preference Shares, Series D	$0.25000
Preference Shares, Series F	$0.25000
Preference Shares, Series H	$0.25000
Preference Shares, Series J	US$0.25000
Preference Shares, Series L	US$0.25000
Preference Shares, Series N	$0.25000
Preference Shares, Series P	$0.25000
Preference Shares, Series R	$0.25000
Preference Shares, Series 1	US$0.25000
Preference Shares, Series 3	$0.25000
Preference Shares, Series 5	US$0.27500
Preference Shares, Series 7	$0.27500
Preference Shares, Series 9	$0.27500
Preference Shares, Series 11	$0.27500
Preference Shares, Series 13	$0.27500
Preference Shares, Series 15	$0.27500

CONFERENCE CALL

Enbridge will hold a conference call on Wednesday, May 6, 2015 at 9:00 a.m. Eastern Time (7:00 a.m. Mountain Time) to discuss the first quarter 2015 results. Analysts, members of the media and other interested parties can access the call toll-free at 1-800-708-4539 from within North America and outside North America at 1-847-619-6396, using the access code of 39285337#. The call will be audio webcast live at http://edge.media-server.com/m/p/88t4gnim/lan/en. A webcast replay and podcast will be available approximately two hours after the conclusion of the event and a transcript will be posted to the website within 24 hours. The replay will be available toll-free at 1-888-843-7419 within North America and outside North America at 1-630-652-3042 (access code 39285337#) until May 13, 2015.

The conference call will begin with presentations by the Company s President and Chief Executive Officer and the Chief Financial Officer, followed by a question and answer period for investment analysts. A question and answer period for members of the media will then immediately follow.

Enbridge, a Canadian Company, is a North American leader in delivering energy and has been included on the Global 100 Most Sustainable Corporations in the World ranking for the past seven years. As a transporter of energy, Enbridge operates, in Canada and the United States, the World s longest crude oil and liquids transportation system. The Company also has significant and growing involvement in natural gas gathering, transmission and midstream businesses, and an increasing involvement in power transmission. 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. As a generator of energy, Enbridge has interests in more than 2,200 megawatt (MW) (1,600 MW net) of renewable and alternative energy generating capacity and is expanding its interests in wind, solar and geothermal facilities. Enbridge employs more than 11,000 people, primarily in Canada and the United States and is ranked as one of Canada s Top 100 Employers for 2015. Enbridge s common shares trade on the Toronto and New York stock exchanges under the symbol ENB. For more information, visit www.enbridge.com. None of the information contained in, or connected to, Enbridge s website is incorporated in or otherwise part of this news release.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this news release to provide the Company s shareholders and potential investors with information about the Company and its subsidiaries and affiliates, including management s assessment of Enbridge s and its subsidiaries future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as anticipate , expect , project , estimate , forecast , plan , intend , believe and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: expected earnings/(loss) or adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected future cash flows; expected costs related to projects under construction; expected in-service dates for projects under construction; expected capital expenditures; estimated future dividends; the Canadian Restructuring Plan; and expected costs related to leak remediation and potential insurance recoveries.

Although Enbridge believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: the expected supply of and demand for crude oil, natural gas, natural gas liquids (NGL) and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; expected exchange rates; inflation; interest rates; availability and price of labour and pipeline construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for the Company s projects; anticipated *in-service dates; final approval of definitive transfer terms by Enbridge and ENF and the Fund with respect to the Canadian Restructuring Plan; receipt of all necessary shareholder and regulatory approvals that may be required for the Canadian Restructuring Plan; and weather. Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and* *underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Company s services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Company operates and may impact levels of demand for the Company s services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected earnings/(loss) or adjusted earnings/(loss) and associated per share amounts, the impact of the Canadian Restructuring Plan on Enbridge, the adjusted dividend payout policy or estimated future dividends. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated completion dates and expected capital expenditures include the following: the availability and price of labour and pipeline construction materials; the effects of inflation and foreign exchange rates on labour and material costs; the effects of interest rates on borrowing costs; the impact of weather; and customer and regulatory approvals on construction and in-service schedules.*

Enbridge s forward-looking statements are subject to risks and uncertainties pertaining to the Canadian Restructuring Plan, revised dividend policy, adjusted earning guidance, operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, changes in tax law and tax rate increases, exchange rates, interest rates, commodity prices and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this news release and in the Company s other filings with Canadian and United States securities regulators. 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 Enbridge s future course of action depends on management s assessment of all information available at the relevant time. Except to the extent required by applicable law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this news release or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to Enbridge or persons acting on the Company s behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This news release contains references to non-GAAP measures, including adjusted earnings/(loss), which represent earnings or loss attributable to common shareholders adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections for the affected business segments in the Company s MD&A. Adjusting items referred to as changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period. Management believes the presentation of non-GAAP measures such as adjusted earnings/(loss) provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted earnings/(loss) to set targets, including setting the Company s dividend payout target, and to assess the performance of the Company. Adjusted earnings/(loss) and adjusted earnings/(loss) for each of the segments are not measures that have a standardized meaning prescribed by accounting principles generally accepted in the United States of America (U.S. GAAP) and are not considered GAAP measures; therefore, these measures may not be comparable with similar measures presented by other issuers. The table below summarizes the reconciliation of the GAAP and non-GAAP measures.

NON-GAAP RECONCILIATIONS

	Three months ended March 31,	
	2015	2014
(millions of Canadian dollars)		
Earnings/(loss) attributable to common shareholders	**(383)**	390
Adjusting items[1]:		
Changes in unrealized derivative fair value loss[2]	**977**	190
Make-up rights adjustments	**4**	2
Leak insurance recoveries	**(9)**	-
Colder than normal weather	**(33)**	(33)
Project development and transaction costs	**3**	-
Tax related adjustments	**(6)**	-
Out-of-period adjustment	**(71)**	-
Gains on sale of non-core assets and investment	**-**	(57)
Other	**(14)**	-
Adjusted earnings	**468**	492

1 The above table summarizes adjusting items by nature. For a detailed listing of adjusting items by segment, refer to individual segment discussions in the MD&A.

2 Changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period.

HIGHLIGHTS

	Three months ended March 31,	
	2015	2014
(unaudited; millions of Canadian dollars, except per share amounts)		
Earnings attributable to common shareholders		
Liquids Pipelines	**(422)**	44
Gas Distribution	**139**	136
Gas Pipelines, Processing and Energy Services	**16**	191
Sponsored Investments	**131**	84
Corporate	**(247)**	(111)
Earnings/(loss) attributable to common shareholders from continuing operations	**(383)**	344
Discontinued operations - Gas Pipelines, Processing and Energy Services	**-**	46
	(383)	390
Earnings/(loss) per common share	**(0.46)**	0.48
Diluted earnings/(loss) per common share	**(0.46)**	0.47
Adjusted earnings[1]		
Liquids Pipelines	**192**	218
Gas Distribution	**106**	103
Gas Pipelines, Processing and Energy Services	**41**	59
Sponsored Investments	**127**	84
Corporate	**2**	28
	468	492
Adjusted earnings per common share	**0.56**	0.60
Cash flow data		
Cash provided by operating activities	**1,510**	333
Cash used in investing activities	**(1,866)**	(2,743)
Cash provided by financing activities	**225**	2,465
Dividends		
Common share dividends declared	**396**	291
Dividends paid per common share	**0.4650**	0.3500
Shares outstanding *(millions)*		
Weighted average common shares outstanding	**841**	820
Diluted weighted average common shares outstanding	**854**	830
Operating data		
Liquids Pipelines - Average deliveries *(thousands of barrels per day)*		
Canadian Mainline[2]	**2,210**	1,904
Regional Oil Sands System[3]	**815**	671
Spearhead Pipeline	**150**	184
Gas Distribution - Enbridge Gas Distribution (EGD)		
Volumes *(billions of cubic feet)*	**217**	212
Number of active customers *(thousands)*[4]	**2,108**	2,076
Heating degree days[5]		
Actual	**2,232**	2,206
Forecast based on normal weather	**1,784**	1,777
Gas Pipelines, Processing and Energy Services - Average throughput volume *(millions of cubic feet per day)*		
Vector Pipeline	**1,855**	1,783
Enbridge Offshore Pipelines	**1,146**	1,371

1 Adjusted earnings represent earnings attributable to common shareholders adjusted for unusual, non-recurring or non-operating factors. Adjusted earnings and adjusted earnings per common share are non-GAAP measures that do not have any standardized meaning prescribed by GAAP.

2 Canadian Mainline includes deliveries ex-Gretna, Manitoba which is made up of United States and eastern Canada deliveries originating from western Canada.

3 Volumes are for the Athabasca mainline and Waupisoo Pipeline and exclude laterals on the Regional Oil Sands System.

4 Number of active customers is the number of natural gas consuming EGD customers at the end of the period.

5 Heating degree days is a measure of coldness that is indicative of volumetric requirements for natural gas utilized for heating purposes in EGD s franchise area. It is calculated by accumulating, for the fiscal period, the total number of degrees each day by which the daily mean temperature falls below 18 degrees Celsius. The figures given are those accumulated in the Greater Toronto Area.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ENBRIDGE INC.

MANAGEMENT S DISCUSSION AND ANALYSIS

March 31, 2015

MANAGEMENT S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2015

This Management s Discussion and Analysis (MD&A) dated May 5, 2015 should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto of Enbridge Inc. (Enbridge or the Company) as at and for the three months ended March 31, 2015, prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). It should also be read in conjunction with the audited consolidated financial statements and MD&A contained in the Company s Annual Report for the year ended December 31, 2014. All financial measures presented in this MD&A are expressed in Canadian dollars, unless otherwise indicated. Additional information related to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

CONSOLIDATED EARNINGS

	Three months ended March 31,	
	2015	2014
(millions of Canadian dollars, except per share amounts)		
Liquids Pipelines	**(422)**	44
Gas Distribution	**139**	136
Gas Pipelines, Processing and Energy Services	**16**	191
Sponsored Investments	**131**	84
Corporate	**(247)**	(111)
Earnings/(loss) attributable to common shareholders from continuing operations	**(383)**	344
Discontinued operations - Gas Pipelines, Processing and Energy Services	**-**	46
Earnings/(loss) attributable to common shareholders	**(383)**	390
Earnings/(loss) per common share	**(0.46)**	0.48
Diluted earnings/(loss) per common share	**(0.46)**	0.47

Loss attributable to common shareholders was $383 million for the three months ended March 31, 2015, or a loss of $0.46 per common share, compared with earnings of $390 million, or $0.48 per common share, for the three months ended March 31, 2014. The Company delivered solid results from operations in the first quarter of 2015; however, the visibility and comparability of the operating results are impacted by a number of unusual, non-recurring or non-operating factors, the most significant of which is changes in unrealized derivative fair value gains and losses. The Company has a comprehensive long-term economic hedging program to mitigate interest rate, foreign exchange and commodity price exposures. The changes in unrealized mark-to-market accounting impacts from this program create volatility in short-term earnings, but the Company believes that over the long-term it supports the reliable cash flows and dividend growth upon which the Company s investor value proposition is based.

Other factors impacting the comparability of period-over-period earnings included an out-of-period adjustment of $71 million recognized in the first quarter of 2015 in respect of an overstatement of deferred income tax expense in 2013 and 2014, as well as insurance recoveries of $9 million after-tax related to the Line 37 crude oil release, which occurred in June 2013.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this MD&A to provide the Company s shareholders and potential investors with information about the Company and its subsidiaries and affiliates, including management s assessment of Enbridge s and its subsidiaries future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as anticipate , expect , project , estima forecast , plan , intend , target , believe and similar words suggesting future outcomes or statements regarding an ou Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: expected earnings/(loss) or adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected future cash flows; expected costs related to projects under construction; expected in-service dates for projects under construction; expected capital expenditures; estimated future dividends; the Canadian Restructuring Plan; and expected costs related to leak remediation and potential insurance recoveries.

Although Enbridge believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: the expected supply of and demand for crude oil, natural gas, natural gas liquids (NGL) and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; expected exchange rates; inflation; interest rates; availability and price of labour and pipeline construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for the Company s projects; anticipated in-service dates; final approval of definitive transfer terms by Enbridge and Enbridge Income Fund Holdings Inc. (ENF) and Enbridge Income Fund (the Fund) with respect to the Canadian Restructuring Plan; receipt of all necessary shareholder and regulatory approvals that may be required for the Canadian Restructuring Plan; and weather. Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Company s services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Company operates and may impact levels of demand for the Company s services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected earnings/(loss) or adjusted earnings/(loss) and associated per share amounts, the impact of the Canadian Restructuring Plan on Enbridge, the adjusted dividend payout policy or estimated future dividends. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated completion dates and expected capital expenditures include the following: the availability and price of labour and pipeline construction materials; the effects of inflation and foreign exchange rates on labour and material costs; the effects of interest rates on borrowing costs; the impact of weather; and customer and regulatory approvals on construction and in-service schedules.

Enbridge s forward-looking statements are subject to risks and uncertainties pertaining to the Canadian Restructuring Plan, revised dividend policy, adjusted earning guidance, operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, changes in tax law and tax rate increases, exchange rates, interest rates, commodity prices and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this MD&A and in the Company s other filings with Canadian and United States securities regulators. 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 Enbridge s future course of action depends on management s assessment of all information available at the relevant time. Except to the extent required by applicable law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to Enbridge or persons acting on the Company s behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This MD&A contains references to non-GAAP measures, including adjusted earnings/(loss), which represent earnings or loss attributable to common shareholders adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections for the affected business segments. Adjusting items referred to as changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period. Management believes the presentation of non-GAAP measures such as adjusted earnings/(loss) provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted earnings/(loss) to set targets, including setting the Company s dividend payout target, and to assess the performance of the Company. Adjusted earnings/(loss) and adjusted earnings/(loss) for each of the segments are not measures that have a standardized meaning prescribed by U.S. GAAP and are not considered GAAP measures; therefore, these measures may not be comparable with similar measures presented by other issuers. The table below summarizes the reconciliation of the GAAP and non-GAAP measures.

NON-GAAP RECONCILIATIONS

	Three months ended March 31,	
	2015	2014
(millions of Canadian dollars)		
Earnings/(loss) attributable to common shareholders	**(383)**	390
Adjusting items[1]:		
Changes in unrealized derivative fair value loss[2]	**977**	190
Make-up rights adjustments	**4**	2
Leak insurance recoveries	**(9)**	-
Colder than normal weather	**(33)**	(33)
Project development and transaction costs	**3**	-
Tax related adjustments	**(6)**	-
Out-of-period adjustment	**(71)**	-
Gains on sale of non-core assets and investment	**-**	(57)
Other	**(14)**	-
Adjusted earnings	**468**	492

1 The above table summarizes adjusting items by nature. For a detailed listing of adjusting items by segment, refer to individual segment discussions.

2 Changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period.

ADJUSTED EARNINGS

	Three months ended March 31,	
	2015	2014
(millions of Canadian dollars, except per share amounts)		
Liquids Pipelines	**192**	218
Gas Distribution	**106**	103
Gas Pipelines, Processing and Energy Services	**41**	59
Sponsored Investments	**127**	84
Corporate	**2**	28
Adjusted earnings	**468**	492
Adjusted earnings per common share	**0.56**	0.60

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Adjusted earnings were $468 million, or $0.56 per common share, for the three months ended March 31, 2015 compared with $492 million, or $0.60 per common share, for the three months ended March 31, 2014.

The following factors impacted adjusted earnings:

- Within Liquids Pipelines, adjusted earnings decreased quarter-over-quarter due to lower contributions from Canadian Mainline and Southern Lights Pipeline. Canadian Mainline adjusted earnings reflected the positive effects of higher throughput, higher terminalling revenues, a favourable United States/Canada foreign exchange rate and lower income taxes. However, these positive factors were more than offset by a lower quarter-over-quarter Canadian Mainline International Joint Tariff (IJT) Residual Benchmark Toll, higher power costs associated with higher throughput and higher operating and administrative expense. Growing volumes on the system, together with the impact of a higher Canadian Mainline IJT Residual Benchmark Toll and applicable surcharges for system expansions as they come into service, including surcharges for the recently completed Edmonton to Hardisty Expansion, are expected to drive strong revenues and earnings growth over the balance of 2015. The majority of the economic benefit derived from Southern Lights Pipeline is now reflected in earnings from the Fund following the Fund s November 2014 subscription and purchase of Class A units of Enbridge subsidiaries, which provide the Fund a defined cash flow stream from Southern Lights Pipeline.

- Within Gas Distribution, Enbridge Gas Distribution Inc. (EGD) adjusted earnings decreased primarily due to the lower interim distribution rates applicable in the first quarter of 2015 compared with the interim rates applicable in the corresponding 2014 period. Any shortfall in revenues arising from the difference between interim and final 2015 rates will be adjusted during 2015 and will not have an impact on full year results, which are expected to be higher than the prior year. The decrease in EGD adjusted earnings was more than offset by the absence of a loss that Enbridge Gas New Brunswick Inc. (EGNB) incurred in 2014 under a contract to sell natural gas to the province of New Brunswick. Due to an abnormally cold winter in the first quarter of 2014, costs associated with the fulfilment of the contract were higher than the revenues received.

- Within Gas Pipelines, Processing and Energy Services, the decrease in adjusted earnings reflected the absence of earnings from Alliance Pipeline US, which was transferred to the Fund in November 2014, as well as lower earnings from Aux Sable due to lower fractionation margins. Partially offsetting the decrease in adjusted earnings was an increase in take-or-pay fees on the Company s investment in Cabin Gas Plant (Cabin).

- Within Sponsored Investments, adjusted earnings from Enbridge Energy Partners, L.P. (EEP) reflected higher throughput and tolls on EEP s major liquids pipelines, as well as contributions from new assets placed into service in 2014, the most prominent being the replacement and expansion of Line 6B. EEP adjusted earnings also reflected incremental earnings from the January 2, 2015 transfer of the remaining 66.7% interest in Alberta Clipper previously held by Enbridge. Higher contribution from EEP also reflected distributions from Class D units which were issued to Enbridge in July 2014 under an equity restructuring transaction and from Class E units which were issued in January 2015 in connection with the transfer of Alberta Clipper.

- Also within Sponsored Investments, the Fund first quarter adjusted earnings reflected the impact of the transfer of natural gas and diluent pipeline interests from Enbridge, partially offset by higher financing costs associated with the debt issued to partially finance this transfer and higher income taxes. Adjusted earnings were also positively impacted by higher preferred unit distributions received by Enbridge from the Fund.

- Within the Corporate segment, an increase in Other Corporate loss reflected higher preference share dividends from an increase in the number of preference shares in 2014 to fund the Company s growth capital program.

RECENT DEVELOPMENTS

CANADIAN RESTRUCTURING PLAN

On March 31, 2015, Enbridge announced that it had delivered a formal proposal to a committee of independent members of the boards of Enbridge Commercial Trust (ECT) and ENF to transfer Enbridge s Canadian Liquids Pipelines business, comprised of Enbridge Pipelines Inc. and Enbridge Pipelines (Athabasca) Inc., along with certain renewable energy assets, with a combined carrying value of approximately $17 billion and an associated secured growth capital program of approximately $15 billion, to the Fund (collectively, the Canadian Restructuring Plan). The formal proposal follows the Company s December 3, 2014 announcement of the proposed Canadian Restructuring Plan. The general terms and projected financial outcomes of the proposed transfer are substantially consistent with those originally described in that announcement and the MD&A for the year ended December 31, 2014.

Pursuant to the plan, ENF is expected to acquire an increasing interest in the transferred assets through investments in the equity of the Fund over a period of several years in amounts consistent with its equity funding capability. The Canadian Restructuring Plan was approved in principle by Enbridge s Board of Directors in December 2014, but remains subject to finalization of internal reorganization steps and a number of internal and external consents and approvals, including all necessary shareholder and regulatory approvals and final approval of definitive transfer terms by the Enbridge Board of Directors. The transfer also remains subject to approval by the boards of ECT and ENF, following a recommendation by a joint special committee. The joint special committee has been established and is comprised of independent directors of ENF and independent trustees of ECT and has engaged independent financial, technical and legal advisors to support its assessment of the proposed transfer. Assuming all necessary consents and approvals are obtained, the transfer and initial investment by ENF are targeted for completion by mid-2015. However, there can be no assurance that the planned restructuring will be completed in the manner contemplated, or at all, or that the current market conditions and Enbridge s future forecast, based on such market conditions, will not materially change.

Enbridge is also in the process of reviewing a potential United States restructuring plan which would involve the transfer of its United States liquids pipelines assets to EEP. This review has not yet progressed to a conclusion.

DIVIDENDS

In December 2014, the Company announced an increase in its targeted dividend payout range from 60% to 70% of adjusted earnings to 75% to 85% of adjusted earnings. Following that announcement, the Company increased its quarterly common share dividend by approximately 33% to $0.465 per share effective March 1, 2015.

LIQUIDS PIPELINES

Seaway Pipeline Regulatory Matter

Seaway Crude Pipeline System (Seaway Pipeline) filed an application for market-based rates in December 2011. Initially, the Federal Energy Regulatory Commission (FERC) rejected the application in March 2012 and Seaway Pipeline appealed to the District of Columbia Circuit. In response, the FERC set the application for further proceedings and the appeal was stayed. Since the FERC had not issued a ruling on this application, Seaway Pipeline filed for initial rates in order to have rates in effect by the in-service date. The uncommitted rate on Seaway Pipeline was challenged by several shippers. During the evidentiary stage, FERC staff filed evidence stating that the committed and uncommitted rates are subject to review and adjustment. Seaway Pipeline filed a Petition for Declaratory Order (PDO) requesting the FERC confirm that it will honour and uphold existing contracts. The FERC issued a decision denying the PDO on procedural grounds but stated that it will uphold its longstanding policy of honouring contracts.

The FERC hearings concluded with all parties filing their respective briefs. In September 2013, a decision from the Administrative Law Judge (ALJ) was released finding that the committed and uncommitted rates on Seaway Pipeline should be reduced to reflect the ALJ s findings on the various cost of service inputs. Seaway Pipeline filed a brief with the FERC on October 15, 2013, challenging the ALJ s decision and asking for expedited ruling by the FERC on the committed rates. In February 2014, the FERC issued its decision upholding its policy to honour contracts and ordered the ALJ to revise her decision accordingly. On May 9, 2014, the ALJ issued an initial decision on remand reiterating her previous findings and did not change her decision. Briefings have concluded and the full record was sent to the FERC for its final decision, which is still pending.

In relation to the original market-based rate application, the FERC issued its decision rejecting Seaway Pipeline s application for market-based rates in February 2014 and announced a new methodology for determining whether a pipeline has market power and invited Seaway Pipeline to refile its market-based rate application consistent with the new policy. In December 2014, Seaway Pipeline filed a new market-based rate application. The FERC noticed the application in the Federal Register and in response, several parties filed comments in opposition to the application alleging that the application should be denied because Seaway Pipeline has market power in both its receipt and destination markets. No procedural schedule has been set as of this date.

GAS PIPELINES, PROCESSING AND ENERGY SERVICES

Aux Sable Environmental Protection Agency Matter

In September 2014, Aux Sable received a Notice and Finding of Violation (NFOV) from the United States Environmental Protection Agency (EPA) for alleged violations of the Clean Air Act related to the Leak Detection and Repair program, and related provisions of the Clean Air Act permit for Aux Sable s Channahon, Illinois facility. As part of the ongoing process of responding to the September 2014 NFOV, Aux Sable discovered what it believes to be an exceedance of currently permitted limits for Volatile Organic Material. Aux Sable received a second NFOV from the EPA in April 2015 in connection with this potential exceedance. Aux Sable is engaged in discussions with the EPA to evaluate the potential impact and ultimate resolution of these issues. At this time, the Company is unable to reasonably estimate the financial impact, if any, which might result from discussions with the EPA.

SPONSORED INVESTMENTS ENBRIDGE ENERGY PARTNERS, L.P.

Lakehead System Lines 6A and 6B Crude Oil Releases

Line 6B Crude Oil Release

On July 26, 2010, a release of crude oil on Line 6B of EEP s Lakehead System was reported near Marshall, Michigan. EEP estimates that approximately 20,000 barrels of crude oil were leaked at the site, a portion of which reached the Talmadge Creek, a waterway that feeds the Kalamazoo River. The released crude oil affected approximately 61 kilometres (38 miles) of shoreline along the Talmadge Creek and Kalamazoo River waterways, including residential areas, businesses, farmland and marshland between Marshall and downstream of Battle Creek, Michigan.

EEP continues to perform necessary remediation, restoration and monitoring of the areas affected by the Line 6B crude oil release. All the initiatives EEP is undertaking in the monitoring and restoration phase are intended to restore the crude oil release area to the satisfaction of the appropriate regulatory authorities. On March 14, 2013, EEP received an order from the EPA (the Order) which required additional containment and active recovery of submerged oil relating to the Line 6B crude oil release. On February 12, 2015, the EPA approved the Submerged Oil Recovery and Assessment (SORA) work plan with modifications and acknowledged that EEP had completed the dredging requirements of the Order. At this time, EEP has completed all of the SORA.

Regulatory authority was transferred from the EPA to the Michigan Department of Environmental Quality (MDEQ). EEP is now working with the MDEQ who has oversight over the submerged oil reassessment, sheen management and sediment trap monitoring and maintenance activities through a Kalamazoo River Residual Oil Monitoring and Maintenance Work Plan.

As at March 31, 2015, EEP s total cost estimate for the Line 6B crude oil release remains at US$1.2 billion ($193 million after-tax attributable to Enbridge).

Expected losses associated with the Line 6B crude oil release included those costs that were considered probable and that could be reasonably estimated at March 31, 2015. Despite the efforts EEP has made to ensure the reasonableness of its estimates, there continues to be the potential for EEP to incur additional costs in connection with this crude oil release due to variations in any or all of the cost categories, including modified or revised requirements from regulatory agencies, in addition to fines and penalties and expenditures associated with litigation and settlement of claims.

Line 6A Crude Oil Release

A release of crude oil from Line 6A of EEP s Lakehead System was reported in an industrial area of Romeoville, Illinois on September 9, 2010. One claim related to the Line 6A crude oil release has been filed against Enbridge, EEP or their affiliates by the State of Illinois in the Illinois state court in connection with this crude oil release. On February 20, 2015, Enbridge, EEP and their affiliates agreed to a consent order releasing the parties from any claims, liability or penalties.

Insurance Recoveries

EEP is included in the comprehensive insurance program that is maintained by Enbridge for its subsidiaries and affiliates which renews throughout the year. On May 1 of each year, the insurance program is up for renewal and includes commercial liability insurance coverage that is consistent with coverage considered customary for its industry and includes coverage for environmental incidents excluding costs for fines and penalties.

A majority of the costs incurred in connection with the crude oil release for Line 6B are covered by Enbridge s comprehensive insurance policy that expired on April 30, 2011, which had an aggregate limit of US$650 million for pollution liability for Enbridge and its affiliates. Including EEP s remediation spending through March 31, 2015, costs related to Line 6B exceeded the limits of the coverage available under this insurance policy. Additionally, fines and penalties would not be covered under the existing insurance policy. As at March 31, 2015, EEP has recorded total insurance recoveries of US$547 million ($80 million after-tax attributable to Enbridge) for the Line 6B crude oil release out of the US$650 million aggregate limit. EEP will record receivables for additional amounts it claims for recovery pursuant to its insurance policies during the period it deems recovery to be probable.

In March 2013, EEP and Enbridge filed a lawsuit against the insurers of US$145 million of coverage, as one particular insurer is disputing the recovery eligibility for costs related to EEP s claim on the Line 6B crude oil release and the other remaining insurers assert that their payment is predicated on the outcome of the recovery from that insurer. EEP received a partial recovery of US$42 million from the other remaining insurers and amended its lawsuit such that it included only one insurer.

Of the remaining US$103 million coverage limit, US$85 million was the subject matter of a lawsuit Enbridge filed against one particular insurer. In March 2015, Enbridge reached an agreement with that insurer to submit the US$85 million claim to binding arbitration. The recovery of the remaining US$18 million is awaiting resolution of that arbitration. While EEP believes that those costs are eligible for recovery, there can be no assurance that EEP will prevail in the arbitration.

Enbridge has renewed its comprehensive property and liability insurance programs, which are effective May 1, 2015 through April 30, 2016 with a liability program aggregate limit of US$860 million, which includes sudden and accidental pollution liability. In the unlikely event that multiple insurable incidents which in aggregate exceed coverage limits occur within the same insurance period, the total insurance coverage will be allocated among Enbridge entities on an equitable basis based on an insurance allocation agreement among Enbridge and its subsidiaries.

Legal and Regulatory Proceedings

A number of United States governmental agencies and regulators have initiated investigations into the Line 6B crude oil release. Approximately six actions or claims are pending against Enbridge, EEP or their affiliates in United States federal and state courts in connection with the Line 6B crude oil release, including direct actions and actions seeking class status. Based on the current status of these cases, the Company does not expect the outcome of these actions to be material to the Company s results of operations or financial condition.

As at March 31, 2015, included in EEP s estimated costs related to the Line 6B crude oil release is US$48 million in fines and penalties. Of this amount, US$40 million related to civil penalties under the Clean Water Act of the United States. While no final fine or penalty has been assessed or agreed to date, EEP believes that, based on the best information available at this time, the US$40 million represents an estimate of the minimum amount which may be assessed, excluding costs of injunctive relief that may be agreed to with the relevant governmental agencies. Given the complexity of settlement negotiations, which EEP expects will continue, and the limited information available to assess the matter, EEP is unable to reasonably estimate the final penalty which might be incurred or to reasonably estimate a range of outcomes at this time. Injunctive relief is likely to include further measures directed toward enhancing spill prevention, leak detection and emergency response to environmental events. The cost of compliance with such measures, when combined with any fine or penalty, could be material. Discussions with governmental agencies regarding fines, penalties and injunctive relief are ongoing.

EEP Common Unit Issuance

In March 2015, EEP completed the issuance of eight million Class A Common Units for gross proceeds of approximately US$294 million before underwriting discounts and commissions and offering expenses. Enbridge did not participate in the issuance; however, the Company made a capital contribution of US$6 million to maintain its 2% general partner interest in EEP. EEP expects to use the proceeds from the offering to fund a portion of its capital expansion projects, for general partnership purposes or any combination of such purposes.

GROWTH PROJECTS COMMERCIALLY SECURED PROJECTS

The following table summarizes the current status of the Company s commercially secured projects, organized by business segment.

		Estimated Capital Cost1	Expenditures to Date2	Expected In-Service Date	Status
(Canadian dollars, unless stated otherwise)					
LIQUIDS PIPELINES					
1.	Eastern Access Line 9 Reversal and Expansion	$0.7 billion	$0.7 billion	2013-2015 (in phases)	Substantially Complete
2.	Canadian Mainline Expansion	$0.7 billion	$0.5 billion	2015	Under construction
3.	Surmont Phase 2 Expansion	$0.3 billion	$0.3 billion	2014-2015 (in phases)	Complete
4.	Canadian Mainline System Terminal Flexibility and Connectivity	$0.7 billion	$0.5 billion	2013-2015 (in phases)	Under construction
5.	Sunday Creek Terminal Expansion	$0.2 billion	$0.2 billion	2015	Under construction
6.	Woodland Pipeline Extension	$0.7 billion	$0.6 billion	2015	Under construction
7.	Edmonton to Hardisty Expansion	$1.8 billion	$1.2 billion	2015 (in phases)	Under construction
8.	Southern Access Extension	US$0.6 billion	US$0.2 billion	2015	Under construction
9.	AOC Hangingstone Lateral	$0.2 billion	$0.1 billion	2015	Under construction
10.	JACOS Hangingstone Project	$0.2 billion	No significant expenditures to date	2016	Pre-construction
11.	Regional Oil Sands Optimization Project	$2.6 billion	$1.3 billion	2017	Under construction
12.	Norlite Pipeline System3	$1.3 billion	No significant expenditures to date	2017	Pre-construction
13.	Canadian Line 3 Replacement Program	$4.9 billion	$0.5 billion	2017	Pre-construction

GAS DISTRIBUTION										
14.	Greater Toronto Area Project		$0.8 billion		$0.3 billion		2015		Under construction

GAS PIPELINES, PROCESSING AND ENERGY SERVICES					
15.	Keechi Wind Project	US$0.2 billion	US$0.2 billion	2015	Complete
16.	Walker Ridge Gas Gathering System	US$0.4 billion	US$0.3 billion	2014-2015 (in phases)	Under construction
17.	Big Foot Oil Pipeline	US$0.2 billion	US$0.2 billion	2015	Under construction
18.	Aux Sable Extraction Plant Expansion	US$0.1 billion	No significant expenditures to date	2016	Pre-construction
19.	Heidelberg Oil Pipeline	US$0.1 billion	US$0.1 billion	2016	Under construction
20.	Stampede Oil Pipeline	US$0.2 billion	No significant expenditures to date	2018	Pre-construction
SPONSORED INVESTMENTS					
21.	EEP - Eastern Access4	US$2.7 billion	US$2.2 billion	2013-2016 (in phases)	Under construction