

For the nine months ended September 30, 2006

Enbridge Income Fund Announces Quarterly Results and 4.5% Distribution Increase

On October 30, 2006, Enbridge Income Fund (the Fund) announced earnings of \$32.1 million, or \$0.93 per unit, for the nine months ended September 30, 2006 compared with \$12.7 million, or \$0.37 per unit, during the same period in the prior year. The increase in earnings of \$19.4 million is due primarily to future tax recoveries in Alliance Canada and the Saskatchewan System resulting from a reduction in future tax rates substantively enacted during the period.

Earnings for the three months ended September 30, 2006 of \$5.8 million are higher than the prior year comparative period by \$0.8 million. The increase is mainly attributable to a higher income tax allowance in Alliance Canada due to loss carry forwards used in the prior year quarter. The effect of the higher income tax allowance is partially offset by the reduction in the equity return as a result of a depreciating investment base.

Jim Schultz, President of Enbridge Management Services Inc., the Administrator of the Fund, commented, "During the third quarter, the Fund's operating assets, Alliance Canada and the Saskatchewan System, continued to generate stable and sustainable distributions to unitholders. In addition, the Fund took its first step in initiating the acquisition-based component of its growth strategy by acquiring wind power assets from Enbridge Inc., in a transaction that closed October 1, 2006. I'm pleased to announce that our Board of Trustees has approved a 4.5% increase in the unit distribution. This increase can be readily supported given the steady performance of our existing pipeline businesses and the additional contribution from our wind power investments."

The increase in the monthly distribution to unitholders from \$0.0765916 per unit to \$0.08 per unit will be effective with the distribution payable December 15, 2006 to unitholders of record as at November 30, 2006. A cash distribution of \$0.08 per unit is also declared on the subordinated trust units of the Fund and the preferred units of Enbridge Commercial Trust.

Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2006 will be included in the income of unitholders for tax purposes. The remaining 20% of cash distributed to unitholders represents non-taxable return of capital.

On June 21, 2004, the Fund announced the commencement of a Distribution Reinvestment and Unit Purchase Plan (the "Plan"). Participants may elect, without brokerage fees, to automatically reinvest monthly distributions in additional units of the Fund, and may make optional cash payments of up to \$1,000 per month (subject to a minimum of \$100 per month) to purchase additional units of the Fund. Details of the Plan are available on the Fund's website. Investors should contact their respective investment dealer to enroll.

Enbridge Income Fund Management's Discussion & Analysis For the three and nine months ended September 30, 2006

This management's discussion and analysis (MD&A), dated October 30, 2006, is a review of the results of operations and the liquidity and capital resources of Enbridge Income Fund (the Fund) for the three and nine months ended September 30, 2006. The MD&A should be read in conjunction with the unaudited interim consolidated financial statements of the Fund as at and for the three and nine months ended September 30, 2006 and the audited financial statements and MD&A contained in the Fund's Annual Report for the year ended December 31, 2005. The unaudited interim consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. Unless otherwise noted, all financial information is in Canadian dollars and financial information pertaining to Alliance Canada reflects the Fund's proportionate share. Additional information related to the Fund, including the Fund's Annual Information Form, is filed on SEDAR at www.sedar.com.

CONSOLIDATED EARNINGS

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Alliance Canada	15.2	13.8	45.8	40.9
Saskatchewan System	3.2	3.4	23.2	8.9
Corporate	(12.6)	(12.2)	(36.9)	(37.1)
Earnings	5.8	5.0	32.1	12.7

Earnings for the nine months ended September 30, 2006 are \$32.1 million, an increase of \$19.4 million over the same period in 2005. The primary reason for the increase is a reduction in future tax rates substantively enacted during the second quarter. Future tax balances within the Fund are primarily a result of temporary differences between the accounting and tax basis of assets and liabilities purchased by the Fund upon inception. Over time, as these assets or liabilities are amortized, the temporary differences reverse. The rate used to calculate future taxes is the rate enacted when the temporary differences are expected to reverse. A reduction

in future income tax rates causes a revaluation of future tax balances which results in future income tax recoveries within the Fund. Future tax rates were reduced by approximately 7% for the Saskatchewan System resulting in future tax recoveries of \$14.0 million. The reduction in future tax rates for Alliance Canada was approximately 5% resulting in future tax recoveries of \$2.7 million.

The increase in earnings for the three months ended September 30, 2006 of \$0.8 million is due primarily to Alliance Canada whose income tax allowance is higher due to loss carry forwards used in the prior year quarter. This increase is partially offset by the reduction in the equity return as a result of a depreciating investment base.

FORWARD-LOOKING STATEMENTS

Certain information provided in this document constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although the Fund believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties pertaining to operating performance, regulatory parameters, economic conditions and commodity prices. You can find a discussion of those risks and uncertainties in our Canadian securities filings. While the Fund makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Except to the extent required by applicable securities law and regulations, the Fund assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

FUND OBJECTIVE AND BUSINESS STRATEGY

The Fund is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta and commenced operations on June 30, 2003. The Fund is managed by Enbridge Management Services Inc. (EMSI), a wholly owned subsidiary of Enbridge Inc. The Fund owns the Saskatchewan System, a 50% interest in Alliance Pipeline Limited Partnership (Alliance Canada), a 50% interest in NRGreen Power Limited Partnership (NRGreen) and interests in three wind power projects in Western Canada.

The Fund's objectives are to provide a stable and sustainable flow of distributable cash and to increase, where prudent, distributions of distributable cash on a per trust unit basis. To achieve the Fund's objectives, EMSI utilizes a business strategy that involves maximizing the efficiency and profitability of its pipeline interests and pursues growth and expansion opportunities through organic growth, as well as through the acquisition of energy infrastructure and other related businesses.

FINANCIAL RESULTS BY SEGMENT

ALLIANCE CANADA				
<i>(millions of dollars)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Transportation revenue	48.3	51.2	149.8	152.0
Operating and maintenance	(5.7)	(8.5)	(23.9)	(24.0)
Capital taxes	(0.2)	(0.3)	(0.7)	(1.0)
Depreciation and amortization	(15.3)	(15.6)	(46.0)	(46.4)
Other income and expense	0.2	0.1	0.7	0.5
Interest expense	(12.0)	(12.5)	(36.7)	(38.2)
Current and future taxes	(0.1)	(0.6)	2.6	(2.0)
Earnings	15.2	13.8	45.8	40.9

Alliance Canada earnings are \$45.8 million for the nine months ended September 30, 2006, an increase of \$4.9 million over the prior year comparable period. Earnings increased primarily due to the reduction in future tax rates resulting in future tax recoveries of \$2.7 million. Future taxes in Alliance Canada result from temporary differences between the accounting values of the transportation contracts, included in intangibles, and long-term debt, versus their tax basis. The remaining increase in earnings is due to the recovery of notional taxes in tolls for the full nine months of 2006 and the elimination of large corporation tax to the extent not recovered through tolls in the prior year. These changes are partially offset by the reduction in the equity return as a result of a depreciating investment base and a reduction in the recovery of notional taxes due to tax rate changes substantively enacted during the second quarter. Earnings for the three months ended September 30, 2006 reflect similar factors as for the nine-month results, with the exception of the \$2.7 million future tax adjustment recorded in the second quarter.

Earnings reflect a return on equity applied to investment base accounts, as well as an allowance for income, large corporation and provincial capital taxes on regulated activities. The rate used to calculate the equity return is not expected to change; however, related annual earnings will decline over time as the investment base is depreciated.

Transportation revenue for the nine months ended September 30, 2006 is lower than the prior year comparable periods as a result of lower financing costs due to semi-annual debt repayments and lower equity return due to the depreciating investment base. For the three months ended September 30, 2006, transportation revenue was lower as a result of a property tax refund received in the amount of \$3.3 million relating to its 2001 Alberta property tax assessment. The refund resulted in a credit to operating and maintenance costs with a corresponding debit to revenue. This impact more than offset the increase in operating and maintenance costs in the period. Operating and maintenance costs were higher due to higher personnel costs, current year property taxes and compressor maintenance expenditures.

Alliance Canada's transportation service agreements are designed to provide toll revenues sufficient to recover prudently incurred costs of service, including operating and maintenance, depreciation, an allowance for income, large corporation and provincial capital taxes, costs of indebtedness and an allowed return on equity of 11.3% after tax, based on a deemed 70/30 debt/equity ratio.

SASKATCHEWAN SYSTEM

<i>(millions of dollars)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Transportation revenue	12.5	12.1	36.4	33.3
Operating and maintenance	(6.0)	(5.5)	(17.2)	(14.9)
Capital taxes	-	(0.2)	(0.3)	(0.5)
Depreciation and amortization	(3.9)	(3.8)	(11.9)	(11.4)
Accretion on asset retirement obligations	(0.2)	(0.1)	(0.4)	(0.3)
Other income and expense	(0.1)	-	(0.1)	-
Current and future taxes	0.9	0.9	16.7	2.7
Earnings	3.2	3.4	23.2	8.9

Saskatchewan System earnings are \$23.2 million for the nine months ended September 30, 2006, an increase of \$14.3 million over the same period in 2005. Earnings are higher primarily due to the reduction in future tax rates substantively enacted during the quarter resulting in an increase to earnings of \$14.0 million. Future taxes in the Saskatchewan System result from temporary differences between the accounting value of the property, plant and equipment versus the tax basis. For the three months ended September 30, 2006, earnings are consistent with the prior year quarter.

The Saskatchewan Gathering System and the Westspur System tolling agreements are designed to provide toll revenues sufficient to recover operating costs, depreciation, deemed interest expense, deemed income tax and to provide an administrative expense allowance as well as a return on rate base. The rate used to calculate the equity return is not expected to change. However, the rate base upon which the equity return is calculated will change over time due to depreciation as well as maintenance and enhancement capital additions. Earnings from both the Weyburn System and the Virden System reflect toll revenues less costs incurred.

CORPORATE

<i>(millions of dollars)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Management and administrative	(1.4)	(0.7)	(3.5)	(2.6)
Interest expense	(2.7)	(2.7)	(8.0)	(8.3)
ECT preferred unit distributions	(8.7)	(8.7)	(26.2)	(26.0)
Other	0.2	(0.1)	0.8	(0.2)
Total costs	(12.6)	(12.2)	(36.9)	(37.1)

Corporate costs are \$36.9 million for the nine months ended September 30, 2006, consistent with the prior year period. However, there are a few offsetting factors to note. 'Other' includes tax recoveries in the period due to tax losses from interest deductions on inter-corporate debt. These losses will be carried back to offset taxes paid in 2005. Management and administrative costs increased primarily due to a \$0.5 million expense for GST recorded in the third quarter as a result of the determination that the Fund is not entitled to claim certain input tax credits. In addition, corporate costs have increased from the prior year due to a 1% increase in unitholder distributions beginning in January 2006 resulting in higher incentive fees as well as higher ECT preferred unit distributions.

NRGREEN

NRGreen is proceeding with a non-regulated project to construct a waste heat recovery and electrical power generation system. Electricity will be produced by harnessing the waste heat produced by Alliance Canada's gas turbine at the Kerrobert compressor station and converting this waste heat to electrical energy. The power generated from the 5.0 megawatt Kerrobert facility will be purchased by Saskatchewan Power Corporation, pursuant to a 10-year Power Purchase Agreement (PPA), commencing upon the in-service date. NRGreen may elect to issue two successive renewal notices, each extending the PPA for an additional five-year period. For the nine months ended September 30, 2006, \$3.4 million, representing the Fund's 50% interest, was spent on the project. The Fund's 50% share of the cost of the project is estimated at \$8.5 million and it is expected that construction will be completed in the fourth quarter of 2006.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2006, the Fund had \$96.0 million in an undrawn credit facility for liquidity requirements. This facility, combined with cash generated by operating activities, is expected to be sufficient to meet the forecast liquidity and capital resource requirements of the Fund. Forecasted liquidity requirements include monthly cash distributions to unitholders, including ordinary and subordinated unitholders of the Fund as well as preferred unitholders of Enbridge Commercial Trust (ECT). Anticipated capital resource requirements include budgeted maintenance and enhancement capital expenditures described in the Fund's 2005 Annual Report.

The Fund's cash balance at September 30, 2006 of \$31.5 million includes \$22.4 million held in trust by Alliance Canada, pursuant to finance agreements within Alliance Canada.

Operating Activities

Cash provided by operating activities is \$73.0 million for the nine months ended September 30, 2006, a decrease of \$6.0 million from prior year period. The decrease from prior year is primarily due to an increase in deferred transportation revenue of Alliance Canada since the depreciation recovered through cash tolls in the period is less than the depreciation for accounting purposes.

Investing Activities

Cash used for investing activities for the nine months ended September 30, 2006 is \$12.2 million, which is \$4.1 million higher than prior year period primarily due to construction of the Kerrobert facility in NRGreen. Maintenance capital expenditures for both Alliance Canada and the Saskatchewan System are funded through cash from operations and debt; significant enhancement capital expenditures would be funded through the issuance of debt and equity. NRGreen capital expenditures are funded through the use of the general-purpose credit facility.

Financing Activities

Financing activities for the nine months ended September 30, 2006 primarily relate to monthly distributions to ordinary and subordinated unitholders, changes in credit facilities and semi-annual debt repayments of Alliance Canada.

On June 28, 2006, Alliance Canada executed a new credit facility arrangement in the amount of \$200.0 million with an expansion provision to facilitate an increase to \$300.0 million, if required. Interest is based upon bankers' acceptance rates, plus applicable margins and the initial term of

the facility is five years with a provision for additional one year terms on each anniversary of the closing. This facility replaces the former \$190.0 million facility that expired during the quarter ended June 30, 2006.

On June 30, 2006, the Fund amended the existing three-year credit facility to increase its size from \$70.0 million to \$105.0 million and to reduce the applicable margin on bankers acceptance advances.

Cash flow activities for the three-month period ended September 30, 2006 reflect similar factors as those described for the nine-month results.

There has not been a significant change in the Fund's financial position from December 31, 2005.

RECENT DEVELOPMENTS

Acquisition of Wind Power Joint Venture Interests

Effective October 1, 2006, the Fund purchased Enbridge Inc.'s (Enbridge) interests in three wind power projects including a 50% interest in the SunBridge project at Gull Lake, Saskatchewan, and a 33.3% interest in each of the Magrath and Chin Chute projects in Southern Alberta for approximately \$42 million plus post-closing purchase price adjustments. The acquisition was initially financed through the existing credit facility.

The three wind power projects will collectively have the capacity to generate 71 megawatts (MW) of power. The SunBridge, Magrath and Chin Chute projects contribute 11MW, 30MW and 30MW, respectively and consist of 17 wind turbines at SunBridge and 20 wind turbines at each of Magrath and Chin Chute. The Chin Chute project has recently been constructed and will begin commercial operations in the fourth quarter of 2006.

Enbridge is a related party to the Fund by virtue of its 41.9% equity interest in the Fund as well as its ownership of the Fund's ECT preferred units. The transaction has been recorded at fair value which was approved by the Fund's Independent Trustees who were supported by independent financial, legal and technical advisors.

In conjunction with the purchase transaction, the Fund entered into a contract with Enbridge whereby Enbridge agrees to purchase all available emissions credits generated by the Fund's interest in the Chin Chute and Magrath projects over an initial 20-year term ending October 1, 2026 for a fixed price of \$5 per tonne, based on a negotiated rate of converting megawatts generated to tonnes of emissions reduced, plus applicable taxes.

Also in conjunction with the purchase transaction, since it is uncertain as to whether or not the federal government Wind Power Production Incentive (WPPI) or similar successor incentive program will be reinstated, Enbridge has agreed to pay the Fund \$10 per MWh of power produced by the Fund's interest in Chin Chute for a period ending on the earlier of 10 years or when the WPPI program or similar successor incentive program is reinstated.

Senior Management Changes

On September 1, 2006, Jim Schultz was appointed President of EMSI, the Administrator of the Fund and Manager of ECT. Mr. Schultz is also Senior Vice President, New Ventures for Enbridge Inc., and prior to assuming his new duties with the Fund was President of Enbridge Gas Distribution. He replaced Stephen J. Wuori who will remain as a Trustee of Enbridge

Commercial Trust. In conjunction with this change, John Whelen was appointed Vice President, Business Development and Chief Financial Officer of EMSI, replacing Leigh Cruess. Mr. Whelen is also Senior Vice President, Corporate Development for Enbridge, and prior to September 1 was Vice President and Treasurer for Enbridge.

OUTLOOK

Alliance Canada and the Saskatchewan System will continue to focus on managing system assets and infrastructure and further developing their operational procedures and processes with a view to maximizing available transportation capacity and the competitiveness of their respective tolls.

In addition, continuing strong commodity prices have provided the Fund with additional opportunities for profitable organic investment. Future throughputs at three main points along the Weyburn and Westspur Systems, within the Saskatchewan System, are estimated to exceed current capacity. Therefore, on May 1, 2006, the Board of Trustees approved a capacity expansion that is expected to cost approximately \$17.4 million, increase capacity by approximately 83,000 barrels per day in combination between the two systems and be in service by the end of 2007.

During the first quarter of 2006, Alliance Canada increased its 2006 budget for enhancement capital expenditures by \$3.7 million, representing the Fund's 50% interest, for a number of optimization projects expected to provide fuel efficiency, increase power availability and lengthen component life. The projects include plans to upgrade four gas turbines, to be completed by the first quarter of 2007, in order to extend the maintenance interval as well as to yield fuel savings.

On October 5, 2006, Alliance Canada announced an open season for a B.C. expansion project, increasing capacity for existing shippers with natural gas receipts originating in northeastern B.C. The open season ended on October 26, 2006.

On August 23, 2006, NRGreen announced that it had signed Power Purchase Agreements with Saskatchewan Power Corporation for power generated by the construction of three 5.1 megawatt waste heat recovery facilities at Alliance Canada's Alameda, Estlin and Loreburn compressor stations. Completion of these facilities is expected by the end of 2007 or early 2008, with commercial operation commencing as early as the second quarter of 2008.

The Fund remains confident that it will generate built-in, predictable growth in cash flow from its assets in order to provide modest but regular on-going distribution increases. Based on current operations, the Fund estimates that approximately 80% of cash to be distributed during 2006 will be included in the income of unitholders for tax purposes.

CASH AVAILABLE FOR DISTRIBUTION¹

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Cash Provided by Operating Activities	35.4	37.4	73.0	79.0
Add/(Deduct):				
ECT preferred unit distributions	8.7	8.7	26.2	26.0
Alliance Canada cash retained	(13.5)	(11.2)	(31.4)	(31.2)
NRGreen cash retained	-	-	(4.0)	-
Saskatchewan System maintenance capital expenditures	(0.4)	(0.2)	(0.8)	(0.6)
Change in operating assets and liabilities in the period	(12.3)	(14.8)	(5.0)	(13.7)
Cash Available for Distribution	17.9	19.9	58.0	59.5
Cash Available for Distribution is comprised of the following:				
Alliance Canada distributions	16.1	17.9	51.1	55.6
Alliance Canada capital tax	(0.2)	(0.3)	(0.7)	(1.0)
Alliance Canada large corporations tax	-	(0.6)	-	(1.9)
Saskatchewan System operating income before depreciation, amortization and accretion	6.4	6.4	18.8	17.9
Saskatchewan System maintenance capital expenditures	(0.4)	(0.2)	(0.8)	(0.6)
Saskatchewan System large corporations tax	-	(0.1)	-	(0.2)
Corporate management and administrative expense	(1.4)	(0.7)	(3.5)	(2.6)
Corporate other income	-	0.1	-	0.1
Corporate interest expense	(2.5)	(2.4)	(7.2)	(7.3)
Corporate current taxes	(0.1)	(0.2)	0.3	(0.5)
Cash Available for Distribution	17.9	19.9	58.0	59.5
Cash Distributions Declared	16.7	16.6	50.1	49.6

¹ Cash available for distribution is not a standardized measure under Canadian Generally Accepted Accounting Principles; therefore, it may not be comparable to similarly titled measures used by other issuers.

The above calculations of cash available for distribution represent cash available to fund distributions on ordinary units, subordinated units and ECT preferred units, as well as for debt repayments and reserves. This measure is important to unitholders as the Fund's objective is to provide a stable and sustainable flow of distributable cash to unitholders.

The cash retained by Alliance Canada reflects the cash from operations of Alliance Canada that has not been distributed to the Fund. While the cash from operations is proportionately consolidated and is included in the results of the Fund, it is not available for distribution by the Fund until it has been received from Alliance Canada. The cash available for distribution from Alliance Canada is reduced to reflect debt service reserves, capital expenditures and other cash that is needed to fund working capital or other requirements at Alliance Canada. Cash retained by Alliance Canada is included above under 'Alliance Canada cash retained' except for cash needed to fund working capital which is included in 'Change in operating assets and liabilities in the period'. Distributions from Alliance Canada, which are subject to the approval of the Board of Directors of the General Partner of Alliance Canada, are made on a quarterly basis and paid in the month subsequent to a quarter end.

In the first quarter of 2006, \$4.0 million, representing the Fund's 50% investment in the Kerrobert waste heat project, was returned by Alliance Canada to the Fund. Alliance Canada returned these funds as a result of the sale of the project at carrying value to NRGreen. 'NRGreen cash retained' reflects this return from Alliance Canada and its retention for expenditures related to the Kerrobert waste heat project.

The Saskatchewan System maintenance capital expenditures are determined based on the capital requirements necessary to maintain the service capability of the existing assets and include the replacement of system components and equipment that is worn, obsolete or completing its useful life.

For the three months ended September 30, 2006, cash distributions declared of \$16.7 million (2005 - \$16.6 million) represent 93.3% (2005 - 83.4%) of cash available for distribution, whereas for the nine months ended September 30, 2006, cash distributions declared of \$50.1 million (2005 - \$49.6 million) represent 86.4% (2005 - 83.4%) of cash available for distribution. The Fund's policy is to distribute, on average, approximately 95% of cash available for distribution over a five-year period.

The Fund pays cash distributions on a monthly basis to unitholders of record on the last business day of each month. Distributions are payable on or about the 15th day of the month following the declaration. During the nine months ended September 30, 2006, the Fund declared monthly cash distributions of \$0.0765916 per ordinary unit (2005 - \$0.0758333). Cash distributions of the same amount per unit were also declared on the subordinated units and the ECT preferred units.

The Board of Trustees approves distributions periodically based on cash flow to meet the Fund's distribution policy. The timing of the regular annual review of the distribution rate is during the fourth quarter to align with the Fund's budgeting and reporting cycles.

On September 18, 2006, the Fund declared a monthly cash distribution in the amount of \$0.0765916 per ordinary unit to unitholders of record on September 29, 2006. Cash distributions of \$0.0765916 per unit were also declared on the same date on the subordinated units and the ECT preferred units. These distributions were paid on October 13, 2006.

On October 18, 2006, the Fund declared a monthly cash distribution in the amount of \$0.0765916 per ordinary unit payable to unitholders of record on October 31, 2006. Cash distributions of \$0.0765916 per unit were also declared on the same date on the subordinated units and the ECT preferred units. These distributions are payable on November 15, 2006.

SELECTED QUARTERLY FINANCIAL INFORMATION

(millions of dollars, except per unit amounts)

	2006				2005			2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Transportation Revenue	60.8	63.5	61.9	63.7	63.3	61.7	60.3	59.9
Earnings	5.8	21.0	5.3	2.5	5.0	3.7	4.0	2.4
Earnings Per Unit (basic and diluted)	0.17	0.61	0.15	0.07	0.15	0.10	0.12	0.07
Cash Distributions Declared ¹	16.7	16.7	16.7	16.5	16.6	16.5	16.5	16.2

¹ Cash distributions declared on ordinary, subordinated and ECT preferred units.

Significant items that have impacted quarterly financial information are as follows:

- Second quarter earnings in 2006 reflect future income tax recoveries of \$16.7 million due to the substantive enactment of reductions in future tax rates during the quarter.
- Quarterly revenue and earnings in 2005 and 2006 have increased relative to prior quarters due to the collection of an income tax allowance in the tolls of Alliance Canada.
- Increases in distributions of 6% and 1% on the Fund's ordinary and subordinated units and the ECT preferred units were approved by the Board of Trustees effective with the distributions payable to holders of record on November 30, 2004 and January 31, 2006, respectively.

SUPPLEMENTARY INFORMATION

Outstanding Unit Data

Number of Units Outstanding

Ordinary Units	20,125,000
Subordinated Units	14,500,000
ECT Preferred Units	38,023,750

Outstanding unit data information is provided as at October 30, 2006.

SELECTED OPERATING AND FINANCIAL HIGHLIGHTS

<i>(millions of dollars except where otherwise noted)</i>	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Average Daily Throughput Volume				
Alliance Canada (millions of cubic feet per day)	1,513.0	1,556.0	1,595.0	1,600.0
Saskatchewan System ¹ (thousands of barrels per day)				
Westspur System	155.5	154.6	154.4	147.2
Saskatchewan Gathering System	103.1	102.7	103.1	102.7
Weyburn System	39.1	35.9	38.1	34.1
Virden System	18.4	20.1	20.8	20.5
Transportation Revenues	60.8	63.3	186.2	185.3
Earnings	5.8	5.0	32.1	12.7
Per Trust Unit (dollars per unit)	0.17	0.15	0.93	0.37
Cash Available for Distribution	17.9	19.9	58.0	59.5
Cash Distributions Declared	16.7	16.6	50.1	49.6
Cash Distributions Declared Per Unit (dollars per unit)				
Ordinary Units	0.2298	0.2275	0.6893	0.6825
Subordinated Units	0.2298	0.2275	0.6893	0.6825
ECT Preferred Units	0.2298	0.2275	0.6893	0.6825
Total Long-Term Liabilities			1,450.4	1,495.3
Total Assets			1,820.6	1,872.3
ECT Preferred Units (number of units)			38,023,750	38,023,750
Ordinary Units (number of units)			20,125,000	20,125,000
Subordinated Units (number of units)			14,500,000	14,500,000
Total Number of Trust Units			34,625,000	34,625,000

¹Totals are not presented as the same volumes can be transported through a combination of the pipelines comprising the Saskatchewan System.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF EARNINGS

<i>(unaudited; millions of dollars, except per unit amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Transportation Revenue	60.8	63.3	186.2	185.3
Expenses				
Operating and maintenance	11.7	14.0	41.1	38.9
Management and administrative	1.4	0.7	3.5	2.6
Capital taxes	0.2	0.5	1.0	1.5
Depreciation and amortization	19.2	19.4	57.9	57.8
Accretion on asset retirement obligations	0.2	0.1	0.4	0.3
	32.7	34.7	103.9	101.1
Operating Income	28.1	28.6	82.3	84.2
Other Income and Expense	0.1	0.2	0.6	0.6
Interest Expense and Amortization of Deferred Financing Charges	(14.7)	(15.2)	(44.7)	(46.5)
ECT Preferred Unit Distributions	(8.7)	(8.7)	(26.2)	(26.0)
	4.8	4.9	12.0	12.3
Tax Recovery/(Expense)				
Current	(0.1)	(0.9)	0.3	(2.6)
Future	1.1	1.0	19.8	3.0
	1.0	0.1	20.1	0.4
Earnings	5.8	5.0	32.1	12.7
Earnings per Trust Unit Basic and Diluted	0.17	0.15	0.93	0.37

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

<i>(unaudited; millions of dollars)</i>	Nine months ended September 30,	
	2006	2005
Opening Unitholders' Equity	294.1	310.4
Earnings	32.1	12.7
Distributions to Unitholders	(23.9)	(23.6)
Ending Unitholders' Equity	302.3	299.5

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited; millions of dollars)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Cash Provided by Operating Activities				
Earnings	5.8	5.0	32.1	12.7
Charges/(credits) not affecting cash				
Depreciation and amortization	19.2	19.4	57.9	57.8
Amortization of deferred financing charges	0.3	0.5	1.3	1.6
Accretion on asset retirement obligations	0.2	0.1	0.4	0.3
Amortization of fair value increment on debt	(1.3)	(1.4)	(3.9)	(4.1)
Future income taxes	(1.1)	(1.0)	(19.8)	(3.0)
Changes in operating assets and liabilities				
Change in accounts receivable and other	(1.2)	(0.1)	5.7	(3.0)
Change in accounts payable and accrued liabilities	15.9	16.5	8.8	14.4
Change in deferred amounts and other assets	(2.4)	(1.6)	(9.5)	2.3
	35.4	37.4	73.0	79.0
Investing Activities				
Additions to property, plant and equipment	(9.4)	(6.0)	(12.7)	(8.8)
Change in construction payable	1.3	1.0	0.5	0.7
	(8.1)	(5.0)	(12.2)	(8.1)
Financing Activities				
Net change in long-term credit facility	(4.0)	(7.0)	(2.0)	(12.0)
Net change in non-recourse credit facility	0.4	3.8	-	4.2
Repayment of non-recourse long-term debt	-	-	(14.5)	(20.6)
Ordinary and subordinated trust unit distributions	(8.0)	(7.8)	(23.9)	(23.6)
Financing fees	-	-	-	(0.2)
	(11.6)	(11.0)	(40.4)	(52.2)
Increase in Cash and Cash Equivalents	15.7	21.4	20.4	18.7
Cash and Cash Equivalents at Beginning of Period	15.8	12.1	11.1	14.8
Cash at End of Period	31.5	33.5	31.5	33.5
Cash and Cash Equivalents			9.1	1.6
Cash and Cash Equivalents in Trust			22.4	31.9
			31.5	33.5

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(unaudited; millions of dollars)</i>	September 30, 2006	December 31, 2005
Assets		
Current Assets		
Cash and cash equivalents	31.5	11.1
Accounts receivable and other	27.6	33.3
	59.1	44.4
Property, Plant and Equipment	1,305.9	1,347.2
Intangible Assets	99.2	103.1
Goodwill	308.1	308.1
Deferred Amounts and Other Assets	48.3	40.1
	1,820.6	1,842.9
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	38.7	29.5
Distributions payable	2.7	2.6
Current portion of non-recourse long-term debt	26.5	27.9
	67.9	60.0
Long-Term Debt	199.0	201.0
Non-Recourse Long-Term Debt	794.3	811.3
ECT Preferred Units	380.2	380.2
Asset Retirement Obligations	7.5	7.1
Future Income Taxes	69.4	89.2
	1,518.3	1,548.8
Unitholders' Equity		
Trust units	333.4	333.4
Cumulative earnings	68.4	36.3
Cumulative distributions	(99.5)	(75.6)
	302.3	294.1
	1,820.6	1,842.9

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles and should be read in conjunction with the consolidated financial statements and notes thereto included in Enbridge Income Fund's (the Fund) 2005 Annual Report. These interim financial statements follow the same accounting policies and methods of application as those included in the 2005 Annual Report.

1. SEGMENTED INFORMATION

Three months ended September 30, 2006

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	48.3	12.5	-	60.8
Operating and maintenance	(5.7)	(6.0)	-	(11.7)
Management and administrative	-	-	(1.4)	(1.4)
Capital taxes	(0.2)	-	-	(0.2)
Depreciation and amortization	(15.3)	(3.9)	-	(19.2)
Accretion on asset retirement obligations	-	(0.2)	-	(0.2)
Operating income/(loss)	27.1	2.4	(1.4)	28.1
Other income and expense	0.2	(0.1)	-	0.1
Interest expense and amortization of deferred financing charges	(12.0)	-	(2.7)	(14.7)
ECT preferred unit distributions	-	-	(8.7)	(8.7)
Current taxes	-	-	(0.1)	(0.1)
Future taxes	(0.1)	0.9	0.3	1.1
Earnings	15.2	3.2	(12.6)	5.8

Three months ended September 30, 2005

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	51.2	12.1	-	63.3
Operating and maintenance	(8.5)	(5.5)	-	(14.0)
Management and administrative	-	-	(0.7)	(0.7)
Capital taxes	(0.3)	(0.2)	-	(0.5)
Depreciation and amortization	(15.6)	(3.8)	-	(19.4)
Accretion on asset retirement obligation	-	(0.1)	-	(0.1)
Operating income/(loss)	26.8	2.5	(0.7)	28.6
Other income and expense	0.1	-	0.1	0.2
Interest expense and amortization of deferred financing charges	(12.5)	-	(2.7)	(15.2)
ECT preferred unit distributions	-	-	(8.7)	(8.7)
Current taxes	(0.6)	(0.1)	(0.2)	(0.9)
Future taxes	-	1.0	-	1.0
Earnings	13.8	3.4	(12.2)	5.0

Nine months ended September 30, 2006

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	149.8	36.4	-	186.2
Operating and maintenance	(23.9)	(17.2)	-	(41.1)
Management and administrative	-	-	(3.5)	(3.5)
Capital taxes	(0.7)	(0.3)	-	(1.0)
Depreciation and amortization	(46.0)	(11.9)	-	(57.9)
Accretion on asset retirement obligations	-	(0.4)	-	(0.4)
Operating income/(loss)	79.2	6.6	(3.5)	82.3
Other income and expense	0.7	(0.1)	-	0.6
Interest expense and amortization of deferred financing charges	(36.7)	-	(8.0)	(44.7)
ECT preferred unit distributions	-	-	(26.2)	(26.2)
Current taxes	-	-	0.3	0.3
Future taxes	2.6	16.7	0.5	19.8
Earnings	45.8	23.2	(36.9)	32.1

Nine months ended September 30, 2005

<i>(millions of dollars)</i>	Alliance Canada	Saskatchewan System	Corporate	Consolidated
Transportation revenue	152.0	33.3	-	185.3
Operating and maintenance	(24.0)	(14.9)	-	(38.9)
Management and administrative	-	-	(2.6)	(2.6)
Capital taxes	(1.0)	(0.5)	-	(1.5)
Depreciation and amortization	(46.4)	(11.4)	-	(57.8)
Accretion on asset retirement obligation	-	(0.3)	-	(0.3)
Operating income/(loss)	80.6	6.2	(2.6)	84.2
Other income and expense	0.5	-	0.1	0.6
Interest expense and amortization of deferred financing charges	(38.2)	-	(8.3)	(46.5)
ECT preferred unit distributions	-	-	(26.0)	(26.0)
Current taxes	(1.9)	(0.2)	(0.5)	(2.6)
Future taxes	(0.1)	2.9	0.2	3.0
Earnings	40.9	8.9	(37.1)	12.7

2. SUBSEQUENT EVENTS

Wind Power Acquisition

On October 1, 2006, the Fund purchased Enbridge Inc.'s (Enbridge) interests in three wind power projects including a 50% interest in the SunBridge project at Gull Lake, Saskatchewan, and a 33.3% interest in each of the Magrath and Chin Chute projects in Southern Alberta for approximately \$42 million plus post-closing working capital adjustments. The acquisition was initially financed through the existing credit facility.

Enbridge is a related party to the Fund by virtue of its 41.9% equity interest in the Fund as well as its ownership of the Fund's ECT preferred units. The transaction has been recorded at fair value which was approved by the Fund's Independent Trustees who were supported by independent financial, legal and technical advisors.

In conjunction with the purchase transaction, the Fund entered into a contract with Enbridge whereby Enbridge agrees to purchase all available emissions credits generated by the Fund's interest in the Chin Chute and Magrath projects over an initial 20-year term ending October 1, 2026 for a fixed price of \$5 per tonne, based on a negotiated rate of converting megawatts generated to tonnes of emissions reduced, plus applicable taxes.

Also in conjunction with the purchase transaction, since it is uncertain as to whether or not the federal government Wind Power Production Incentive (WPPI) or similar successor incentive program will be reinstated, Enbridge has agreed to pay the Fund \$10 per MWh of power produced by the Fund's interest in Chin Chute for a period ending on the earlier of 10 years or when the WPPI program or similar successor incentive program is reinstated.

Distribution by the Fund

On October 13, 2006, the Fund paid monthly cash distribution of \$0.0765916 per ordinary trust unit. A cash distribution of \$0.0765916 per unit was also paid on the same date on the subordinated trust units and the ECT preferred units.

On October 18, 2006, the Fund declared a monthly cash distribution of \$0.0765916 per ordinary trust unit to unitholders of record on October 31, 2006, which is payable on November 15, 2006. The Fund also declared a distribution of \$0.0765916 per unit on the same date on the subordinated trust units and the ECT preferred units.

Distribution from Alliance

Alliance Canada declared a distribution of \$15.6 million, representing the Fund's 50% interest, to the Fund, which was received by the Fund on October 27, 2006.