

# FINAL TRANSCRIPT

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## **ENF.TO - Enbridge Income Fund Holdings Inc. Special Meeting of Shareholders**

**Event Date/Time: Oct. 17. 2011 / 7:00PM GMT**



Oct. 17. 2011 / 7:00PM, ENF.TO - Enbridge Income Fund Holdings Inc. Special Meeting of Shareholders

## CORPORATE PARTICIPANTS

**Gordon Tallman**

*Enbridge Income Fund Holdings - Chairman*

**Debra Poon**

*Enbridge Income Fund Holdings - Corporate Secretary*

**John Whelen**

*Enbridge Income Fund Holdings - President*

## CONFERENCE CALL PARTICIPANTS

**Alison Love**

*Enbridge Income Fund Holdings - Shareholder*

**Teri Majer**

*Enbridge Income Fund Holdings - Shareholder*

**Wanda Opheim**

*Enbridge Income Fund Holdings - Shareholder*

## PRESENTATION

**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Ladies and gentlemen, as it is now 1 p.m., the meeting will come to order. Welcome to the special Meeting of Shareholders of Enbridge Income Fund Holdings, Inc. I would also like to welcome those shareholders listening in on the webcast of this meeting. My name is Gordon Tallman. I am Chairman of the Board of Directors, and I will act as Chairman of the meeting.

Debra Poon, Corporate Secretary of Enbridge Management Services, Inc., seated to my right, will act as Secretary of the meeting. I would also like to introduce John Whelen, President of the corporation, who is seated with me. We have an important item of business to consider today, and we sincerely appreciate your interest and attendance.

In order to ensure that the business of the meeting proceeds in a timely manner, certain proxy holders have volunteered to move or second the proposals relating to the business identified in the Notice of Meeting. Any shareholder or proxy holder with a question pertaining to an item of business is welcome to ask it at the time that item of business is being considered. If you wish to make a general comment, or to ask a question not directly related to the business under discussion, I would appreciate if you could raise it during the general question period after the close of the formal part of the meeting.

There are non shareholders present at this meeting. And I trust that there's no objection on the part of shareholders to their presence. I remind you that only shareholders or proxy holders are entitled to vote, ask questions, or take part in this meeting. When asking a question or making or seconding a motion, please state your full name and confirm your status as a shareholder or proxy holder. This will assist in correctly recording of proceedings. Please use the microphone that has been placed in the aisle for this purpose.

This is a special meeting of the holders of common shares of Enbridge Income Fund Holdings, Inc., called to consider and if deemed advisable, approve the renewables transactions, which is described in the information circular of the corporation dated September 13, 2011, which accompanied the Notice of Meeting.

Assuming no other business is properly brought before the meeting, the formal portion of the meeting will be terminated. And if the resolution is approved, John Whelen will review the benefits of the renewable transaction. A general question period will follow, during which you may ask questions concerning the corporation. We invite you to join us for light refreshments at the end of the proceedings.

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We will now move to the business of the meeting. Sandra Evans and Simon Law of CIBC Mellon Trust Company, the corporation's transfer agent, are in attendance today. And I appoint them to act as scrutineers for the meeting.

I will now ask Ms. Poon to confirm that proper notice of the meeting was given, and that a quorum is present.

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**Debra Poon** - *Enbridge Income Fund Holdings - Corporate Secretary*

Mr. Chairman, notice of this meeting was mailed on September 19, 2011 to all shareholders of record on September 16, 2011. A copy of the Notice of Meeting and confirmation of mailing to registered shareholders will be filed with the records of this meeting.

The scrutineer's report on attendance at the meeting shows six shareholders in attendance in person and 35 shareholders represented by proxy, holding a total of 8,293,831 common shares, representing 33% of the issued and outstanding common shares. Based on the scrutineer's report on attendance, I confirm that a quorum is present.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Thank you, Debra. I declare this meeting to be properly constituted for the transaction of business. We will now proceed with the business of the meeting. Shareholders have been asked to consider and, if deemed advisable, pass the ordinary resolution to approve the renewables transaction as described on page 38 of the information circular.

May I have a motion, be it resolved that the acquisition by indirect wholly owned subsidiaries of the fund of interest and entities that own the renewable assets currently owned either directly by Enbridge or indirectly by wholly owned subsidiaries of Enbridge, pursuant to the purchase -- subscription and purchase for cancellation agreement dated September 8, 2011 and the completion of all of the transactions contemplated thereby are necessary and necessary or advisable in connection therewith, including the subscription and purchase by the corporation of fund units and the issuance and sale by the corporation of common shares of Enbridge, be and is hereby approved ratified and confirmed.

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**Alison Love** - *Enbridge Income Fund Holdings - Shareholder*

Mr. Chairman, my name's Alison Love. I'm a shareholder and I so move.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Thank you, Alison.

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**Teri Majer** - *Enbridge Income Fund Holdings - Shareholder*

[Teri Majer]. I am a shareholder and I second the motion.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Thank you, Teri. The resolution must be passed by a majority of the shareholders present in person or represented by proxy, excluding those votes held by Enbridge, Inc. and the individuals specified on page 38 of the circular. Voting on the resolution will be conducted by ballot.

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And each shareholder or proxy holder in attendance will have received a ballot from the scrutineers for completion on their way into the meeting. The scrutineers will present their report and the results of the ballots at the appropriate point in the meeting.

Ms. Poon, will you please explain the voting procedure?

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**Debra Poon** - *Enbridge Income Fund Holdings - Corporate Secretary*

I would ask each registered shareholder, who has not previously filed a proxy, to please take a moment to locate the ballots given to you when you registered for the meeting. When you examine the ballot, you will see that you are to vote for the approval of the ordinary resolution by marking an X either for or against.

When you have completed your ballot, please sign up with your usual name and hand the completed ballot to the scrutineer. Many registered shareholders present will have already filed their proxy with the corporation. If you have done so, you will not have to complete the ballot since your shares will be voted in accordance with your preference expressed in the proxy.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

I have received confirmation from the scrutineers that the resolution has passed. Accordingly, I declare the resolution carried. 97% of the votes were in favor of the transaction. The exact number of votes for and against the resolution will be filed on SEDAR, as well available on the corporation's website.

We have concluded the scheduled business of the meeting. Thank you for your show of support by attending and expressing your voting preferences. There being no further business, I will ask for a motion that the formal part of the meeting now terminate.

Wanda Opheim: Mr. Chairman, my name is Wanda Opheim. I am a shareholder, and I so move.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Thank you, Wanda.

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**Alison Love** - *Enbridge Income Fund Holdings - Shareholder*

Mr. Chairman, my name's Alison Love and I'm a shareholder. And I second the motion.

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**Gordon Tallman** - *Enbridge Income Fund Holdings - Chairman*

Thank you, Alison. For those in favor, please indicate your approval by raising your right hand. I declare the formal portion of the meeting to be concluded. I am now pleased to proceed to the president's remarks and general question period. I call upon John Whelen, President of the corporation, to provide comments on the renewables transaction. Please hold your questions until the conclusion of Mr. Whelen's presentation.

John, over to you.

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**John Whelen** - Enbridge Income Fund Holdings - President

Thank you very much, Mr. Chairman. My name is John Whelen, President of Enbridge Income Fund Holdings, Inc. And I am very pleased to hear our Chairman confirm today that our shareholders have voted in favor of the acquisition of three large renewable power generation facilities in Ontario.

With shareholder approval behind us, we expect that the transaction will close shortly, and that the integration of these assets into our existing portfolio of businesses will be quick and relatively seamless. The management team is particularly excited to see this acquisition come to fruition. And I'd like to take just a few minutes of your time before closing the meeting to tell you why, and to answer any questions you might have at this time.

Before doing so, I am obliged, as always, to point out that my remarks may contain forward-looking information. And we've included our usual caution with respect to forward-looking information in the material that I will present today.

Today's shareholder approval marks the culmination of a long process that began back in May of this year when Enbridge, Inc., our major shareholder and sponsor, originally proposed the sale of certain of its renewable power assets to the fund. Since then, the transaction has received extensive review from an independent committee of our Board of Directors, who engaged external financial, legal, and technical advisors for their due diligence process, which wrapped up in September.

The independent committee recommended unanimously that shareholders vote in favor of the transaction, which they've done so today. Our management team believes that the facilities being acquired are an excellent fit with our existing portfolio of low risk energy infrastructure assets.

They include the Ontario Wind Project, 188 megawatt facility in Bruce County on the shores of Lake Huron, which has been operating since January 2009; the Talbot Wind Project, a 99 megawatt facility on the shores of Lake Erie that went into service in December of last year; and, the Sarnia Solar Project, located near Sarnia, Ontario, which is currently the world's largest operating thin film, photovoltaic solar power generation facility.

The final phase of the Sarnia Solar Project was completed in September 2010, and it has the capacity to generate 80 megawatts of clean power for delivery into the Ontario grid. Each of these facilities benefits from long term power purchase agreements with the Ontario Power Authority, a Crown Corp. with very solid A high and double AA ratings from DBRS and Moody's respectively.

Under these agreements, which have remained in terms of not less than 17 years, the price received for power is fixed by contract. The cash flow of the company is not exposed to the risks of fluctuating power prices in Ontario.

The facilities will continue to be run by experienced operators; Vestas and [Siemens] and First Solar, who have been retained under multiyear contracts. And Enbridge, Inc. will continue to oversee the management and operation of these facilities as it does for all of our other assets.

This acquisition makes a lot of sense for us. As all the facilities are currently in operation, the newly acquired assets will start generating incremental earnings and cash flow on closing. The acquisition will substantially scale up the fund's asset base. The book value of our balance sheet will increase by over 60%.

It will also substantially diversify our business mix. With the acquisition of these assets, our renewable power generation capacity will grow from 91 megawatts to more than 400 megawatts, making it a significant player within the renewable energy center in Canada.

On a pro forma basis, Green Power will now generate earnings and cash flow comparable to that provided by our liquids transportation and natural gas transmission segments. Also, as a result of the incremental equity to be issued to the public in connection with the acquisition, the company's market capitalization will grow by close to 60%, which we believe will enhance



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trading liquidity and access to capital, better positioning the company to take advantage of other investment opportunities like this in the future.

The total purchase price for these assets negotiated by the Special Committee was just over \$1.2 billion. Importantly, financing for the purchase is already in place. On September 8, the company issued \$274 million of subscription receipts to the public and to Enbridge, Inc. at a price of \$18.75 per share.

On closing, these subscription receipts will automatically convert on a one for one basis to common shares of the company. The balance of the funding at closing will be provided by Enbridge, Inc. in the form of preferred units and a 10 year term loan. Importantly, the term loan may be repaid at any time without penalty, which provides significant flexibility and will allow for refinancing when term debt market windows are attractive.

This is an exciting time for the company. The successful acquisition of these renewable power generation assets will certainly provide scale, diversification, and a new growth platform for the fund. It also clearly demonstrates our capacity to provide new sources of reliable and predictable cash flow for our shareholders.

Since the creation of the fund in 2003, we have sought to build a portfolio of businesses and an investment structure that would appeal to investors seeking a high payout of available cash from the low risk energy infrastructure. We think that this acquisition is a great fit, and will provide a new platform through which we can deliver value to our shareholders in the years to come.

Thank you for your participation in today's special meeting of shareholders and for your support of this transaction. If you have any questions, I'd be very happy to take them now. And given that the -- we're webcasting this particular call, I want to ensure that everybody in attendance and listening to the webcast can hear the question.

So please do use the microphone, which has been placed in the aisle for this purpose, and state your name and state if it's a shareholder or proxy holder prior to proceeding with your question.

Well, hearing no questions, I guess that will conclude the general question period. And we hope that you will join your directors and management for light refreshments after the meeting. Thank you very much.

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**Gordon Tallman** - Enbridge Income Fund Holdings - Chairman

Thank you, John.

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