

ENBRIDGE INCOME FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011

This management's discussion and analysis (MD&A) dated November 7, 2011 should be read in conjunction with the unaudited interim consolidated financial statements of Enbridge Income Fund (the Fund) as at and for the three and nine months ended September 30, 2011, which are prepared in accordance with Part V – Pre-changeover Accounting Standards of the Canadian Institute of Chartered Accountants (CICA) Handbook (Canadian GAAP or Part V). It should be read in conjunction with the audited financial statements and MD&A contained in the Fund's Annual Report for the year ended December 31, 2010. Unless otherwise noted, all financial information is presented in Canadian dollars and financial information pertaining to Alliance Canada and Green Power reflects the Fund's proportionate share of the entities within these segments. Additional information related to the Fund, including the Fund's Annual Information Form, is filed on SEDAR at www.sedar.com.

FUND DESCRIPTION AND OBJECTIVE

The Fund is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta. Enbridge Management Services Inc. (EMSI or the Manager), a wholly owned subsidiary of Enbridge Inc. (Enbridge), administers the Fund. EMSI also serves as the manager of Enbridge Commercial Trust (ECT), a subsidiary of the Fund, and Enbridge Income Fund Holdings Inc. (ENF), a unitholder of the Fund.

The Fund has investments in businesses that own and operate crude oil and natural gas pipelines as well as waste heat recovery and renewable power generation facilities. 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 (collectively referred to as "Green Power"). Subsequent to the period ended September 30, 2011, the Fund acquired three renewable power generation facilities from Enbridge: the 190-MW Ontario Wind Project, the 80-MW Sarnia Solar Project and the 99-MW Talbot Wind Project (the Renewable Assets) for an aggregate price of \$1.23 billion (the Transaction).

The Fund's objectives are to provide a predictable flow of distributable cash and to increase, where prudent, cash distributions per trust unit. During 2010, the Fund completed a restructuring whereby all of the publicly held trust units of the Fund, as well as 5,000,000 trust units then held by Enbridge, were exchanged on a one-for-one basis for shares of ENF. The restructuring has not altered the Fund's objective to distribute a high proportion of available cash flow to its unitholders.

FINANCIAL OVERVIEW

	Three months ended		Nine months ended	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Earnings				
Alliance Canada	13.7	14.4	40.4	43.2
Saskatchewan System	11.1	6.0	31.4	16.0
Green Power	-	0.3	1.8	1.8
Corporate	(17.1)	(17.3)	(42.3)	(52.5)
	7.7	3.4	31.3	8.5
Cash available for distribution				
Alliance Canada	17.3	18.5	54.4	55.1
Saskatchewan System	21.1	10.6	58.0	30.1
Green Power	0.6	1.3	3.3	4.2
Corporate	(12.1)	(3.3)	(31.8)	(14.6)
	26.9	27.1	83.9	74.8

Earnings for the three and nine months ended September 30, 2011 were \$7.7 million and \$31.3 million, respectively, and included contributions from the Saskatchewan System Phase II Expansion project which was placed in service in December 2010. The Phase II Expansion project increased crude oil capacity across the gathering systems by approximately 125,000 barrels per day (bpd), providing a competitive transportation solution for growing production volumes from the Bakken region in southeastern Saskatchewan. Partially offsetting earnings growth from the Saskatchewan System were increased interest and tax expenses in the Corporate segment combined with acquisition costs incurred in connection with the Transaction. While performing as expected and delivering stable financial results, Alliance Canada earnings were lower in the first nine months of 2011 due to a reduced equity return on its depreciating investment base.

The Fund's cash available for distribution (CAFD) totaled \$83.9 million for the nine months ended September 30, 2011 compared with \$74.8 million for the same period of 2010, an increase of 12%. The most significant contributor to the increase in cash flow was higher toll revenue on the Fund's crude oil transportation system resulting from the Phase II Expansion project. Corporate costs included increased interest expense on higher debt balances used to finance the project and higher current taxes, as well as acquisition-related advisory and professional fees incurred in connection with the Transaction. CAFD for the third quarter of 2011 of \$26.9 million decreased slightly from the third quarter of 2010 primarily as a result of the non-recurring acquisition-related advisory and professional fees.

Following a modification to the terms of the ECT preferred units in December 2010, distributions on ECT preferred units are charged to equity and are no longer reflected as a corporate cost. ECT preferred unit distributions of \$11.0 million and \$32.9 million, respectively, were included as an expense in the Corporate segment for the three and nine months ended September 30, 2010.

FORWARD-LOOKING INFORMATION

In the interest of providing the Fund's unitholders and potential investors with information about the Fund, its subsidiaries and joint ventures, including management's assessment of the Fund, its subsidiaries' and joint ventures' future plans and operations, certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). 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", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. In particular, forward-looking statements included or incorporated by reference in this document include, but are not limited to, statements with respect to:

- *expected costs related to projects under construction;*
- *expected scope and in-service dates for projects under construction;*
- *expected timing and amount of recovery of capital costs of assets;*
- *expected capital expenditures;*
- *expected future levels of demand for the Fund's services;*
- *expected future earnings and cash flows;*
- *expected future actions of regulators;*
- *expected future distributions to unit holders and the taxability thereof; and*
- *expected cash available for distribution.*

Although the Fund believes that 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 expected supply and demand for crude oil, natural gas and natural gas liquids; prices of crude oil, natural gas and natural gas liquids; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approval for the Fund's projects; anticipated in-service dates and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas and natural gas liquids, and the prices of these commodities, are material to and underlay 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 Fund's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Fund operates, may impact levels of demand for the Fund'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 and associated per unit amounts, or estimated future distributions. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated in-service dates, and expected capital expenditures include: the availability and price of labour and pipeline construction materials; the effects of inflation on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather and customer and regulatory approvals on construction schedules.

The Fund's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, exchange rates, interest rates, commodity prices and supply and demand for commodities, including but not limited to those risks and uncertainties discussed in this MD&A and in the Fund's other filings with Canadian 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 the Fund's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, the Fund 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 the Fund or persons acting on the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This MD&A contains references to cash available for distribution. Cash available for distribution represents cash available to fund distributions on trust units and ECT preferred units, as well as for debt repayments and reserves. This measure is important to unit holders as the Fund's objective is to provide a predictable flow of distributable cash to unit holders. Please refer to the Cash Available for Distribution reconciliation on page 9. Cash available for distribution is not a measure that has standardized meaning prescribed by Canadian GAAP and is not considered a GAAP measure. Therefore, this measure may not be comparable with similar measures presented by other issuers.

ALLIANCE CANADA

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Revenues	56.6	57.1	164.4	170.0
Earnings	13.7	14.4	40.4	43.2

The Alliance System is a 3,000 kilometre (km) pipeline system designed to transport 1,325 million cubic feet per day (mmcf/d) of natural gas from Northeastern British Columbia and Northwestern Alberta to the Chicago, Illinois area. The Fund owns 50% of Alliance Canada, which is the Canadian portion of the Alliance System and consists of approximately 1,560 km of the Alliance System's mainline beginning near Gordondale, Alberta and connecting to Alliance US at the Canada/United States border at Carnduff, Saskatchewan. Alliance Canada also includes the Alliance System's lateral pipelines in Alberta and British Columbia and related facilities.

Alliance Canada has transportation service agreements (TSAs) with its shippers for 100% of its available firm transportation capacity. Alliance Canada's TSAs are designed to provide toll revenues sufficient to recover prudently incurred costs of service, including operating and maintenance, depreciation, an allowance for income tax, costs of indebtedness and an allowed return on equity of 11.26% after tax, based on a deemed 70/30 debt/equity ratio. The initial term of these agreements expires in 2015, except for 1.5% of capacity which has been re-contracted on a short-term basis.

In December 2010, shippers representing approximately 8% of the original firm transportation capacity elected to extend their existing contracts to December 1, 2016 and also retained the option to continue to extend their capacity commitments on an annual basis. Remaining shippers, representing the balance of originally contracted capacity, elected not to extend their commitments beyond 2015 under the terms of the original contracts. Alliance Canada expects to continue to be competitive with other export pipelines beyond 2015 given its geographic positioning and its capability to efficiently move liquids-rich gas to

market, and is seeking to secure new long-term contracts for capacity for periods beyond 2016.

Alliance Canada revenues for the three and nine months ended September 30, 2011 decreased compared with the same periods of 2010 due to lower cost of service expenses.

Alliance Canada earnings for the nine months ended September 30, 2011 decreased \$2.8 million to \$40.4 million compared with the same period of 2010. Third quarter 2011 earnings decreased \$0.7 million to \$13.7 million compared with the third quarter of 2010. These decreases resulted from the depreciation of Alliance Canada's investment base. The rate used to calculate the equity return is not expected to change; however, the investment base upon which the return is calculated will change over time with depreciation and capital enhancements.

SASKATCHEWAN SYSTEM

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Revenues	33.7	22.0	92.6	61.6
Earnings	11.1	6.0	31.4	16.0

The Saskatchewan System is comprised of the Saskatchewan Gathering, Westspur, Weyburn and Virden pipeline systems. Collectively referred to as the "Saskatchewan System", these crude oil and liquids pipeline systems include approximately 388 kilometres of trunk line, 1,941 kilometres of gathering pipeline and related terminals and tankage facilities. The capacity of each of the Saskatchewan Gathering and the Westspur Systems is 255,000 barrels per day (bpd) and the capacity of the Weyburn and Virden Systems is approximately 47,000 bpd and 37,000 bpd, respectively. The Saskatchewan System Phase II expansion, which included three separate projects and served to reduce capacity constraints at a variety of locations, was substantially completed and declared in-service in December 2010. Collectively, the expansion increased capacity across the gathering systems by approximately 125,000 bpd.

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, a return on rate base and an administrative expense allowance. 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 and expansions. Tolls on the Weyburn and Virden systems are based on historical precedent and agreements with customers, and are updated to reflect changes in market conditions when warranted. As a result, earnings from the Weyburn and Virden systems reflect toll revenue less costs incurred.

Revenue for the nine months ended September 30, 2011 increased \$31.0 million compared with the same period of 2010 and increased \$11.7 million in the third quarter of 2011 over the third quarter of 2010. Higher revenues were primarily the result of the Phase II expansion that was substantially completed and declared in-service in December 2010 and the resultant toll increase which took effect in February 2011. As well, the increase in revenue realized in the first nine months of 2011 reflected toll increases on the Weyburn and Virden Systems which took effect in June 2010 and April 2010, respectively.

Saskatchewan System earnings for the nine months ended September 30, 2011 of \$31.4 million increased \$15.4 million compared with the same period of 2010. Earnings for the third quarter of 2011 of \$11.1 million increased \$5.1 million compared with the third quarter of 2010. The earnings growth achieved in 2011 was primarily attributable to the Saskatchewan Gathering and Westspur pipeline systems, both of which have a higher rate base compared with the prior period as a result of the Phase II expansion.

GREEN POWER

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Revenues	2.1	2.0	7.4	7.1
Earnings/(loss)	-	0.3	1.8	1.8

At September 30, 2011, Green Power includes the Fund's interest in three wind power projects including a 50% interest in the Sunbridge project at Gull Lake, Saskatchewan and a 33% interest in each of the Magrath and Chin Chute projects in southern Alberta. Collectively referred to as Wind Power, the Sunbridge, Magrath and Chin Chute wind power projects have a combined power generation capacity of 71 megawatts (MW). Green Power also includes the Fund's 50% interest in NRGreen, which operates four non-regulated waste heat recovery facilities along the Alliance Pipeline. These facilities harness waste heat produced by gas turbines at Alliance Canada's compressor stations that is converted to electrical energy and sold under long-term power purchase arrangements.

Revenues in the Green Power segment for the three and nine months ended September 30, 2011 were favourably impacted by higher wind power production, partially offset by lower contributions from NRGreen. NRGreen realized lower operating margins and increased interest expense compared with 2010 levels. Positively impacting earnings for the nine months ended September 30, 2011 was the receipt of insurance proceeds relating to prior year equipment performance issues at NRGreen.

Effective October 21, 2011, Green Power revenues and earnings will include the results of the Renewable Assets; therefore, Green Power financial results for the three and nine months ended September 30, 2011 may not be indicative of results achieved in future periods.

CORPORATE

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Corporate costs	(17.1)	(17.3)	(42.3)	(52.5)

Corporate costs include corporate financing costs, incentive fees, current and future income taxes and management and administrative costs.

Corporate costs for the three and nine months ended September 30, 2011 reflected \$3.6 million of professional and advisory fees incurred in connection with the Transaction and higher interest expense due to a greater proportion of debt outstanding at higher term rates compared with the three and nine months ended September 30, 2010. The Fund issued \$200.0 million of fixed-rate unsecured medium-term notes in separate issuances of \$100.0 million each in June and November of 2010, the proceeds of which were used primarily to refinance floating rate bank debt incurred to fund the expansion of the Saskatchewan System. In addition, income tax expense increased for the three and nine months ended September 30, 2011 compared with the comparable periods of 2010, owing to increased taxable income generated from recent growth projects.

Following a modification to the terms of the ECT preferred units in December 2010, distributions on such units are now recorded as a charge to equity whereas previously ECT preferred unit distributions were presented as interest expense. For the first three quarters of 2011, ECT preferred unit distributions declared and charged to equity totaled \$39.5 million, compared with interest expense of \$32.9 million in the comparable period of 2010. Effective December 2010, the liability component of the ECT preferred units is accreted over time to its ultimate redemption value. Accretion for the three and nine months ended September 30, 2011 totaled \$1.5 million and \$4.1 million, respectively, and was included as interest expense within Corporate costs, compared with nil in the prior period.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2011, the Fund had \$296.0 million of available standby credit capacity. Cash from operations in combination with available committed standby credit capacity is expected to be sufficient to meet currently forecast liquidity and capital resource requirements of the Fund. In addition, the Fund maintains a current shelf prospectus with Canadian securities regulators, which enables ready access to Canadian public capital markets, subject to market conditions. The Fund's cash balance at September 30, 2011 of \$55.3 million included \$39.1 million held in trust pursuant to debt financing arrangements within Alliance Canada.

During the nine months ended September 30, 2011, the Fund amended its existing unsecured revolving standby credit facility, increasing the amount available from \$300.0 million to \$500.0 million and extending the revolving term to June 7, 2012. The Fund has the option to extend the maturity date of the outstanding amounts drawn under the facility by an additional year from the end of the applicable revolving term. In addition, the working capital portion of the facility was increased from \$10.0 million to \$30.0 million.

In October 2011, the Fund acquired the Renewable Assets from Enbridge for an aggregate value of \$1.23 billion. The Transaction was financed through a combination of debt and equity. Enbridge provided the Fund with a \$655.0 million unsecured, subordinated 10-year loan at a fixed interest rate of 6% per annum. This loan is pre-payable in whole or in part at any time at the Fund's option. Equity financing was provided through the issuance of Fund trust units to ENF and preferred units of ECT, a wholly-owned subsidiary of the Fund, to Enbridge. A summary of the sources of financing is provided in the following table:

(millions of Canadian dollars)

Fund trust units issued to ENF (14,616,000 units at \$18.75 per unit)	274.0
Preferred units of ECT issued to Enbridge (16,051,000 units at \$18.75 per unit)	301.0
Long-term debt provided by Enbridge	655.0
	<u>1,230.0</u>

OPERATING ACTIVITIES

Cash provided by operating activities was \$134.8 million for the nine months ended September 30, 2011, an increase of \$63.5 million over the same period of 2010. For the three months ended September 30, 2011, cash provided by operating activities of \$52.9 million represented a \$16.8 million increase over the prior year comparable period. Of these increases, \$11.0 million and \$32.9 million, respectively, related to the modification to the ECT preferred units which resulted in distributions being recorded as a charge to equity and presented within financing activities in 2011, whereas distributions were previously recorded as an expense and included within operating activities. The remaining increase in cash provided by operating activities was due to higher earnings from the Saskatchewan System and contributions from expansion assets declared in service in the fourth quarter of 2010, net of variations in working capital requirements. The increase in cash provided by operating activities was partially offset by increased interest expense on higher debt balances used to finance the Phase II expansion project and increased current income tax expense.

INVESTING ACTIVITIES

Cash used in investing activities of \$80.2 million for the nine months ended September 30, 2011 increased \$18.9 million over the first nine months of 2010. Cash used in investing activities of \$12.3 million for the third quarter of 2011 decreased \$17.6 million from the third quarter of 2010. Year to date capital expenditures were primarily directed to the completion of remaining seasonal and restorative work on the Saskatchewan System Phase II expansion and development costs associated with the Bakken Expansion Program. Investing activities for both the three and nine months ended September 30, 2011 also include maintenance capital expenditures within the Saskatchewan system.

FINANCING ACTIVITIES

Financing activities for the three and nine months ended September 30, 2011 included an increase in outstanding indebtedness under credit facilities, payments on non-recourse credit facilities and payment

of distributions on ECT preferred units and trust units. In each of the first and second quarters of 2011, the Fund declared a quarterly distribution of \$0.346 per unit to ECT preferred unit and trust unit holders and paid such distributions on April 15, 2011 and July 15, 2011, respectively. In May 2011, the Fund announced an amendment to its distribution payment frequency from quarterly to monthly effective with the July 2011 monthly distribution. Accordingly, monthly distributions of \$0.115 per unit were declared for each of the months of July, August and September.

Subsequent to the third quarter of 2011, the Fund increased its monthly distribution to \$0.121 per unit. The distribution increase is effective for the month of November 2011 and will be paid on December 15, 2011 to unitholders of record on November 30, 2011.

CASH AVAILABLE FOR DISTRIBUTION¹

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Cash provided by operating activities	52.9	36.1	134.8	71.3
Add/(deduct):				
ECT preferred unit distributions ²	-	11.0	-	32.9
Alliance Canada maintenance capital expenditures ³	(1.2)	-	(1.7)	-
Alliance Canada debt repayments ⁴	-	-	(18.1)	(17.0)
Alliance Canada other cash retained ⁵	(10.7)	(10.7)	(12.1)	(15.9)
Green Power cash retained ⁵	(0.4)	-	(1.4)	(0.8)
Saskatchewan System maintenance capital expenditures ³	(1.1)	(1.1)	(3.1)	(2.5)
Change in operating assets and liabilities in the period ⁶	(12.6)	(8.2)	(14.5)	6.8
Cash available for distribution	26.9	27.1	83.9	74.8
Cash available for distribution is comprised of the following:				
Alliance Canada distributions	17.3	18.5	54.4	55.1
Saskatchewan System operating income before depreciation and amortization	22.2	11.7	61.1	32.6
Saskatchewan System maintenance capital expenditures	(1.1)	(1.1)	(3.1)	(2.5)
Green Power distributions	0.6	1.3	3.3	4.2
Corporate management and administrative expense	(6.3)	(2.6)	(12.7)	(8.7)
Corporate interest expense	(5.4)	(2.5)	(15.1)	(7.0)
Corporate current income taxes	(0.4)	1.8	(4.0)	1.1
Cash available for distribution	26.9	27.1	83.9	74.8
ECT preferred unit distributions declared	13.15	10.95	39.45	32.85
Trust unit distributions declared	11.98	9.97	35.94	29.91
Cash distributions declared	25.13	20.92	75.39	62.76

¹ See Non-GAAP measures on page 4.

² The cash available for distribution above is compared with total distributions, including the ECT preferred unit distributions. Since ECT preferred units were previously treated as debt in 2010 under Canadian GAAP, with distributions deducted from earnings, the ECT preferred unit distributions have been added back to cash provided from operating activities for the three and nine months ended September 30, 2010.

³ Maintenance capital expenditures reduce cash available for distribution since these expenditures are funded through cash from operations.

⁴ Debt repayments in Alliance Canada are deducted from cash from operations in deriving cash available for distribution because they are funded from cash from Alliance Canada's operations.

⁵ The cash retained or distributed by Alliance Canada and Green Power reflects the cash from operations of these segments that has not been distributed to the Fund or distributions in excess of cash earnings in the period. While this cash from operations is proportionately consolidated and included in the Fund's cash provided by operating activities, it is not available for distribution by the Fund until it has been received from Alliance Canada and the Green Power segment. Cash retained by Alliance Canada and Green Power includes debt service reserves, capital expenditures and other cash needed to fund working capital or other requirements of these segments.

⁶ Change in operating assets and liabilities in the period reflect changes in non-cash working capital related to operating activities. The change has been added back to cash available for distribution since fluctuations in working capital are expected each period and are not indicative of changes in cash available to be distributed.

As set out in the above table, cash available for distribution consists of operating cash flow from the Fund's underlying businesses less deductions for maintenance capital expenditures, the Fund's administrative and operating expenses, corporate segment interest expense, applicable taxes and other reserves determined by the Manager. CAFD represents cash available to fund distributions on trust units and ECT preferred units, as well as for debt repayments and reserves.

For the three and nine months ended September 30, 2011, cash distributions declared represented 93.4% and 89.9%, respectively, of cash available for distribution compared with 77.2% and 83.9% for the three and nine months ended September 30, 2010.

ANALYSIS OF CASH DISTRIBUTIONS DECLARED

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars)</i>				
Cash provided by operating activities	52.9	36.1	134.8	71.3
Earnings	7.7	3.4	31.3	8.5
Cash distributions declared ¹	25.2	10.0	75.5	29.9
Excess of cash provided by operating activities over cash distributions declared	27.7	26.1	59.3	41.4
Shortfall of earnings over cash distributions declared	(17.5)	(6.6)	(44.2)	(21.4)

¹ In 2010, ECT preferred unit distributions were excluded from this reconciliation since these distributions were reductions in determining earnings and cash provided by operating activities.

For the nine months ended September 30, 2011, cash provided by operating activities in the period exceeded cash distributions declared by \$59.3 million (2010: \$41.4 million). Cash provided by operating activities for the three months ended September 30, 2011 was \$27.7 million higher than cash distributions of \$25.2 million. Excess cash was reserved for debt repayments, working capital requirements and maintenance capital expenditures, as well as cash retained by joint ventures.

Earnings were \$17.5 million and \$44.2 million lower than cash distributions for the three and nine months ended September 30, 2011 (2010: \$6.6 million and \$21.4 million, respectively). Earnings reflect non-cash items such as amortization of deferred financing costs, depreciation and future income taxes, all of which do not impact cash flow. Depreciation does not necessarily represent the cost of maintaining productive capacity; therefore, cash required for maintenance is generally lower than depreciation expense.

RECENT DEVELOPMENTS AND OUTLOOK

Renewable Assets Transaction

In October 2011, the Fund acquired three renewable power generation facilities owned by direct and indirect wholly-owned subsidiaries of Enbridge for an aggregate price of \$1.23 billion. The assets acquired were the 190-MW Ontario Wind Project, the 80-MW Sarnia Solar Project and the 99-MW Talbot Wind Project. The Renewable Assets are long-life assets with future power sales contracted under separate long-term power purchase agreements with the Ontario Power Authority with remaining terms of not less than 17 years. The Renewable Assets also have long-term maintenance and operating contracts that mitigate operational risks and provide operating cost certainty. Enbridge and its affiliates will continue to manage the Renewable Assets pursuant to a five-year renewable management and administration agreement.

Bakken Expansion Program

A joint project to further expand crude oil pipeline capacity to accommodate growing production from the Bakken and Three Forks formations located in Montana, North Dakota, Saskatchewan and Manitoba is being undertaken by the Fund and Enbridge Energy Partners L.P. (EEP), a party related to the Fund. The Bakken Expansion Program will increase takeaway capacity from the Bakken area by an initial 145,000 bpd, which can be readily expanded to 325,000 bpd. The Bakken Expansion Program will involve

construction of facilities in the United States undertaken by EEP at a cost of approximately US\$0.4 billion and construction of facilities in Canada undertaken by the Fund at a cost of approximately \$0.2 billion. Regulatory approvals were received for the United States program and construction activities commenced on schedule in July. In Canada, the National Energy Board (“NEB”) oral public hearing concluded on October 5, 2011 with a response expected by January 2012. Construction on the Canadian portion of the project is scheduled to commence in the spring of 2012.

As a first step to providing immediate capacity to growing Bakken production in Montana and North Dakota, the Fund completed the reactivation and reversal of Line Ex-02 during the second quarter of 2011, which has provided capacity to transport, through the Saskatchewan System, an initial 25,000 bpd of North Dakota production. The Bakken Expansion Program is expected to be completed in the first quarter of 2013.

Regulatory Matters

On December 17, 2010, the Saskatchewan System filed amended Westspur tariffs with the NEB with an effective date of February 1, 2011. In January 2011, a shipper on the Westspur system requested the NEB make the tolls “interim” effective February 1, 2011 pending discussions between the shipper and the Saskatchewan System on information requests put forward by the shipper. Subsequently, the shipper filed a complaint with the NEB on the basis that the information provided by the Fund was not adequate to allow an assessment to be made of the reasonableness of the tolls. Six parties have filed letters with the NEB supporting the shipper’s complaint. The NEB directed additional discussion among the parties and, as of November 7, 2011, the Fund continues to discuss the reasonableness of its Westspur tolls with shippers.

Whitecourt Recovered Energy Project

The Whitecourt Recovered Energy Project is a waste heat recovery facility which will be built by NRGreen along the Alliance Pipeline near Whitecourt, Alberta. The total cost to NRGreen of the Whitecourt Recovered Energy Project is expected to be \$63.8 million; of which \$7.0 million will be funded with a grant from the Climate Change and Emissions Management Corporation under its Energy Efficiency Projects grant program. The Whitecourt Recovered Energy Project is expected to be in service during the third quarter of 2013.

RELATED PARTY TRANSACTION

In September 2011, the Fund entered into an agreement with ENF whereby the Fund would make assistance payments to ENF for share issue costs incurred in connection with ENF’s subscription receipt offering. Under this agreement, the Fund made an assistance payment to ENF of \$4.4 million during the third quarter of 2011. An additional \$4.9 million of share issue costs are expected to be incurred by ENF and related assistance payment made by the Fund in the fourth quarter of 2011.

CRITICAL ACCOUNTING ESTIMATES

Asset Retirement Obligations

In May 2009, the NEB released a report on the financial issues associated with pipeline abandonment and established a goal for pipelines regulated under the NEB Act to begin setting aside funds for abandonment no later than January 1, 2015. Since then, the NEB has issued several revised “base case assumptions” based on feedback from member companies. Companies have the option to follow the base case assumptions or to submit pipeline specific applications.

The NEB is requiring both Group 1 and Group 2 companies to file for approval estimates of abandonment costs by November 30, 2011. The NEB is also requiring large pipeline companies to file a proposed process for collecting and setting aside the funds for abandonment by November 30, 2012 for Group 1 companies (including Alliance Canada).

Both of the required submissions will require NEB approval and will result in increases to transportation tolls, the amount of which is uncertain at this time. Currently, for certain of the Fund’s assets, it is not practical to make a reasonable estimate of asset retirement obligations for accounting purposes due to

the indeterminate timing and the scope of the asset retirements.

CHANGE IN ACCOUNTING POLICIES

Business Combinations

Effective January 1, 2011, the Fund adopted Part V Section 1582, *Business Combinations*, which replaces Section 1581. The new standard requires assets and liabilities acquired in a business combination to be measured at fair value at the acquisition date and if applicable, any original equity interest in the investee to be re-measured to fair value through earnings on the date control is obtained. The standard also requires that acquisition-related costs, such as advisory or legal fees, incurred to effect a business combination be expensed in the period in which they are incurred. In accordance with the transitional provisions of this standard, Section 1582 was adopted prospectively and, accordingly, assets and liabilities that arose from business combinations occurring before January 1, 2011 were not restated. The adoption of this standard resulted in the recognition of \$3.6 million of transaction costs for the three and nine month ended September 30, 2011.

Future Accounting Policies

First-time adoption of Part I – International Financial Reporting Standards (Part I or IFRS) of the CICA Handbook is mandatory for Canadian publicly accountable enterprises on January 1, 2011, with the exception of certain qualifying entities. Part I applies to qualifying entities, including those with operations subject to rate regulation, for periods beginning on or after January 1, 2012. The Fund is a qualifying entity for purposes of this deferral and will continue to present its financial statements in accordance with pre-changeover accounting standards, Part V of the CICA Handbook, during the 2011 deferral period.

There continues to be uncertainty with respect to the application of IFRS to the rate regulated operations of the Fund, which are pervasive and central to its business model and performance measurement. The Fund does not expect a rate regulated accounting standard to be finalized by the International Accounting Standards Board in advance of 2012. The Fund is permitted to prepare its financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for purposes of meeting its Canadian continuous disclosure obligations under a three-year exemption granted by securities regulators in Canada and will adopt U.S. GAAP for interim and annual financial statements beginning on January 1, 2012. Alliance Canada, a significant investee of the Fund, is also permitted to prepare its financial statements in accordance with U.S. GAAP under a similar order and will adopt U.S. GAAP effective January 1, 2012.

In preparation for the U.S. GAAP conversion, Enbridge, whose U.S. GAAP conversion project includes the Fund, has formed a U.S. GAAP project team and developed a transition plan and governance structure to monitor the progress of the transition. Enbridge has engaged a public accounting firm to assist with the project and to provide technical accounting advice on the interpretation and application of U.S. GAAP. Management will report regularly to the Audit Committee of the Board of Trustees on the progress of the conversion to U.S. GAAP.

Accounting and Reporting

The Fund has commenced identifying known U.S. GAAP differences. The most significant differences identified to date are expected to impact the following areas:

- Equity accounting treatment of joint ventures;
- Measurement and presentation of ECT preferred units and trust units;
- Accounting for transfers of assets between entities under common control;
- Hedge accounting as it applies to hedged risks within joint ventures; and
- Presentation of deferred financing costs.

The Fund has also substantially completed the preparation of model U.S. GAAP financial statements to identify the type of information and level of detail required to be disclosed under U.S. GAAP and has commenced restatement of comparative periods.

Training

The owner of the Fund's manager, Enbridge, has experience reporting under U.S. GAAP and has reconciled its financial statements to U.S. GAAP for many years as a SEC registrant. Enbridge has a detailed plan to provide supplemental U.S. GAAP training to internal personnel impacted by the conversion. Training initiatives have commenced and will continue throughout 2011.

Information Systems and Business Processes

Enbridge is currently evaluating whether systems solutions are necessary to support the conversion to U.S. GAAP and to sustain U.S. GAAP reporting in 2012 and beyond. Testing and implementation of certain systems changes have occurred in the third quarter and are expected to continue to occur throughout the fourth quarter of 2011. Related impacts to internal controls over financial reporting and disclosure controls and procedures will be identified and addressed over the course of 2011.

The detailed project plan and the expected timing of key activities identified above may change prior to the U.S. GAAP conversion date due to the issuance of new accounting standards or amendments to existing accounting standards, changes in regulation or economic conditions or other factors.

SELECTED QUARTERLY FINANCIAL INFORMATION

	2011				2010		2009	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<i>(millions of Canadian dollars, except per unit amounts)</i>								
Revenue	92.4	86.2	85.8	89.4	81.1	80.3	77.3	83.4
Earnings	7.7	11.1	12.5	4.1	3.4	1.5	3.6	3.6
Cash distributions declared ¹	25.2	25.1	25.2	20.9	20.9	20.9	20.9	20.9

¹ Cash distributions declared on trust units and ECT preferred units.

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

- Earnings in the third quarter of 2011 reflected acquisition-related costs of \$3.6 million incurred in connection with the Transaction.
- Following a modification to the terms of the ECT preferred units in December 2010, distributions on these units are recorded as a charge to equity; previously, they were presented as interest expense and were deducted from earnings. ECT preferred unit distributions charged to earnings totaled \$10.9 million per quarter from the fourth quarter of 2009 through to the fourth quarter of 2010.
- Increased cash distributions declared in the first three quarters of 2011 compared with the same periods in 2010 reflected an increase in the distribution from \$0.288 per unit to \$0.346 per unit.
- Phase II of the Saskatchewan System expansion was substantially completed and placed in service in December 2010.
- Earnings in the second quarter of 2010 were negatively impacted by higher operating costs related to one-time occurrences, including the Virden crude oil release and costs associated with restructuring the Fund.
- Fourth quarter revenues from the Fund's regulated entities, including Alliance Canada, the Westspur System and the Saskatchewan Gathering System, are typically higher than other quarters due to higher cost of service recoveries. The maintenance schedules of both Alliance Canada and the Saskatchewan System have some seasonal variance which generally results in more maintenance projects being undertaken in the latter half of the year.

SUPPLEMENTARY INFORMATION

Outstanding Unit Data	Number of Units Outstanding
Trust units	49,241,000
ECT preferred units	54,074,750

Outstanding unit information is provided as at November 7, 2011 and reflects equity issued in connection with the Transaction which closed in October 2011.

SELECTED OPERATING AND FINANCIAL HIGHLIGHTS¹

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
<i>(millions of Canadian dollars, except where otherwise noted)</i>				
Average daily throughput volume				
Alliance Canada ² (millions of cubic feet per day)	1,495	1,551	1,562	1,604
Saskatchewan System ³ (thousands of barrels per day)				
Westspur System	201.9	200.5	191.7	196.9
Saskatchewan Gathering System	132.4	136.1	131.5	134.1
Weyburn System	30.4	33.3	30.5	34.2
Virden System	19.6	15.9	18.4	16.4
Green Power ² (thousands of megawatt hours produced)	76.3	71.2	272.5	257.1
Earnings				
Alliance Canada	13.7	14.4	40.4	43.2
Saskatchewan System	11.1	6.0	31.4	16.0
Green Power	-	0.3	1.8	1.8
Corporate	(17.1)	(17.3)	(42.3)	(52.5)
	7.7	3.4	31.3	8.5
Cash provided by operating activities	52.9	36.1	134.8	71.3
Cash distributions declared	25.2	20.9	75.5	62.8
Cash available for distribution ⁴				
Alliance Canada	17.3	18.5	54.4	55.1
Saskatchewan System	21.1	10.6	58.0	30.1
Green Power	0.6	1.3	3.3	4.2
Corporate	(12.1)	(3.3)	(31.8)	(14.6)
	26.9	27.1	83.9	74.8
Cash distributions declared per unit (dollars per unit)				
Trust units	0.346	0.288	1.038	0.864
ECT preferred units	0.346	0.288	1.038	0.864
ECT preferred units (number of units)			38,023,750	38,023,750
Trust units (number of units)			34,625,000	34,625,000

¹ Financial Highlights have been extracted from financial statements prepared in accordance with GAAP.

² Reflects 100% of the respective entities production volumes, not the Fund's proportionate share.

³ Totals are not presented as the same volumes can be transported through a combination of the pipelines comprising the Saskatchewan System.

⁴ See Non-GAAP Measures.

ENBRIDGE INCOME FUND
CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2011

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(unaudited; millions of Canadian dollars)</i>				
Revenues	92.4	81.1	264.4	238.7
Expenses				
Operating and maintenance	28.7	27.2	78.5	77.7
Management and administrative	6.2	2.6	12.7	8.7
Depreciation and amortization	28.8	23.5	84.5	69.9
	63.7	53.3	175.7	156.3
Other income/(expense)	28.7	27.8	88.7	82.4
Interest expense	(0.5)	0.3	1.4	0.6
ECT preferred unit distributions	(18.2)	(13.8)	(54.2)	(41.3)
	-	(11.0)	-	(32.9)
	10.0	3.3	35.9	8.8
Income taxes	(2.3)	0.1	(4.6)	(0.3)
Earnings	7.7	3.4	31.3	8.5

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

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(unaudited; millions of Canadian dollars)</i>				
Earnings	7.7	3.4	31.3	8.5
Other comprehensive income/(loss)				
Change in unrealized loss on cash flow hedges, net of tax	(3.4)	(5.4)	(8.8)	(15.2)
Reclassification of cash flow hedges to earnings, net of tax	1.1	-	3.3	0.1
Other comprehensive loss	(2.3)	(5.4)	(5.5)	(15.1)
Comprehensive income/(loss)	5.4	(2.0)	25.8	(6.6)

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

ENBRIDGE INCOME FUND CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

	Nine months ended September 30,	
	2011	2010
<i>(unaudited; millions of Canadian dollars)</i>		
Trust units	333.4	333.4
ECT preferred units	583.7	-
Deficit, beginning of period	(407.4)	(88.8)
Earnings	31.3	8.5
Distributions to unitholders	(36.0)	(29.9)
ECT preferred unit distributions	(39.5)	-
Deficit, end of period	(451.6)	(110.2)
Accumulated other comprehensive loss, beginning of period	(20.3)	(4.1)
Other comprehensive loss, net of tax	(5.5)	(15.1)
Accumulated other comprehensive loss, end of period	(25.8)	(19.2)
Total unitholders' equity	439.7	204.0

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

ENBRIDGE INCOME FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	2011	2010	2011	2010
<i>(unaudited; millions of Canadian dollars)</i>				
Cash provided by operating activities				
Earnings	7.7	3.4	31.3	8.5
Charges/(credits) not affecting cash				
Depreciation and amortization	28.8	23.5	84.5	69.9
Amortization of deferred financing charges	0.6	0.4	1.4	1.4
Amortization of fair value increment on debt	(1.0)	(1.1)	(3.0)	(3.3)
Future income taxes	2.0	1.6	0.7	1.3
Accretion on ECT preferred unit liability	1.5	-	4.1	-
Other	0.7	0.1	1.3	0.3
Changes in operating assets and liabilities				
Change in accounts receivable and other	(5.4)	(3.3)	(7.3)	(6.5)
Change in accounts payable and accrued liabilities	16.2	16.8	15.0	7.8
Change in deferred amounts and other assets	(1.3)	(6.6)	(2.3)	(14.1)
Change in long-term liabilities	3.1	1.3	9.1	6.0
	52.9	36.1	134.8	71.3
Investing activities				
Additions to property, plant and equipment	(16.1)	(44.9)	(55.2)	(80.7)
Additions to intangible assets	(0.1)	(0.2)	(0.6)	(0.8)
Change in construction payable	3.9	15.2	(24.4)	20.2
	(12.3)	(29.9)	(80.2)	(61.3)
Financing activities				
Net change in long-term credit facility	34.7	29.0	73.4	(36.7)
Long-term debt issues	-	-	-	97.9
Net change in non-recourse long-term credit facility	-	(0.2)	-	(0.7)
Repayment of non-recourse long-term debt	(0.5)	-	(19.3)	(17.0)
ECT preferred unit distributions declared	(13.2)	-	(39.5)	-
Trust unit distributions declared	(12.0)	(10.0)	(36.0)	(29.9)
Change in distributions payable	(16.7)	-	5.1	-
Deferred financing costs	(4.4)	-	(4.4)	-
	(12.1)	18.8	(20.7)	13.6
Increase in cash and cash equivalents	28.5	25.0	33.9	23.6
Cash and cash equivalents at beginning of period	26.8	16.2	21.4	17.6
Cash and cash equivalents at end of period	55.3	41.2	55.3	41.2
Cash and cash equivalents			16.2	3.9
Cash and cash equivalents in trust			39.1	37.3
			55.3	41.2
Supplementary cash flow information				
Income taxes paid/(recovered)	(1.1)	(2.2)	0.3	0.1
Interest paid	1.8	1.4	33.8	29.2

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

ENBRIDGE INCOME FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2011	December 31, 2010
<i>(unaudited; millions of Canadian dollars)</i>		
Assets		
Current assets		
Cash and cash equivalents	55.3	21.4
Accounts receivable and other	67.5	55.0
	122.8	76.4
Property, plant and equipment, net	1,283.9	1,305.1
Intangible assets	78.8	83.4
Goodwill	308.1	308.1
Deferred amounts and other assets	191.9	198.4
Future income taxes	2.1	4.1
	1,987.6	1,975.5
Liabilities and unitholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	66.4	72.9
Distributions payable	8.4	3.3
Current portion of non-recourse long-term debt	38.6	36.3
	113.4	112.5
Long-term debt	490.0	415.7
Non-recourse long-term debt	663.8	687.9
ECT preferred units	92.2	88.1
Long-term liabilities	27.2	10.4
Asset retirement obligations	14.8	15.1
Future income taxes	146.5	156.4
	1,547.9	1,486.1
Unitholders' equity		
Trust units	333.4	333.4
ECT preferred units	583.7	583.7
Deficit	(451.6)	(407.4)
Accumulated other comprehensive loss	(25.8)	(20.3)
	439.7	489.4
	1,987.6	1,975.5

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

ENBRIDGE INCOME FUND

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of Enbridge Income Fund (the Fund) have been prepared in accordance with Part V – Pre-changeover Accounting Standards of the Canadian Institute of Chartered Accountants (CICA) Handbook (Canadian GAAP or Part V). These interim consolidated financial statements do not include all disclosures required for annual financial statements and therefore should be read in conjunction with the consolidated financial statements and notes thereto included in the Fund's 2010 Annual Report.

1. CHANGE IN ACCOUNTING POLICIES

Business Combinations

Effective January 1, 2011, the Fund adopted Part V Section 1582, *Business Combinations*, which replaces Section 1581. The new standard requires assets and liabilities acquired in a business combination to be measured at fair value at the acquisition date and if applicable, any original equity interest in the investee to be re-measured to fair value through earnings on the date control is obtained. The standard also requires that acquisition-related costs, such as advisory or legal fees, incurred to effect a business combination be expensed in the period in which they are incurred. In accordance with the transitional provisions of this standard, Section 1582 was adopted prospectively and accordingly, assets and liabilities that arose from business combinations occurring before January 1, 2011 were not restated. In accordance with this standard, \$3.6 million of transaction costs incurred in the three and nine months ended September 30, 2011 were expensed.

Future Accounting Policy Changes

United States GAAP

First-time adoption of Part I – International Financial Reporting Standards (IFRS or Part I) of the CICA Handbook was mandatory for Canadian publicly accountable enterprises on January 1, 2011, with the exception of certain qualifying entities. Part I is mandatory for qualifying entities, including those with operations subject to rate regulation, for periods beginning on or after January 1, 2012. The Fund is a qualifying entity for purposes of this deferral and will continue to present its financial statements in accordance with pre-changeover accounting standards, Part V during the 2011 deferral period.

There continues to be uncertainty with respect to the application of IFRS to the rate regulated operations of the Fund, which are pervasive and central to its business model and performance measurement. The Fund does not expect a rate regulated accounting standard to be finalized by the International Accounting Standards Board in advance of 2012. The Fund will be permitted to prepare its financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for purposes of meeting its Canadian continuous disclosure obligations under a three-year exemption granted by securities regulators in Canada and will adopt U.S. GAAP for interim and annual financial statements beginning on January 1, 2012. Alliance Canada, a significant investee of the Fund, will also be permitted to prepare its financial statements in accordance with U.S. GAAP under a similar order and will adopt U.S. GAAP effective January 1, 2012.

2. SEGMENTED INFORMATION

Three months ended September 30, 2011	Alliance Canada	Saskatchewan System	Green Power	Corporate	Consolidated
<i>(unaudited; millions of Canadian dollars)</i>					
Revenues	56.6	33.7	2.1	-	92.4
Operating and maintenance	(16.3)	(11.5)	(0.9)	-	(28.7)
Management and administrative	-	-	-	(6.2)	(6.2)
Depreciation and amortization	(16.3)	(11.5)	(1.0)	-	(28.8)
	24.0	10.7	0.2	(6.2)	28.7
Other income/(expense)	(0.3)	(0.2)	-	-	(0.5)
Interest expense	(10.2)	-	(0.3)	(7.7)	(18.2)
Income taxes	0.2	0.6	0.1	(3.2)	(2.3)
Earnings/(loss)	13.7	11.1	-	(17.1)	7.7
Additions to property, plant and equipment	1.3	13.8	1.0	-	16.1
Total assets	1,465.5	440.5	73.5	8.1	1,987.6
Three months ended September 30, 2010	Alliance Canada	Saskatchewan System	Green Power	Corporate	Consolidated
<i>(unaudited; millions of Canadian dollars)</i>					
Revenues	57.1	22.0	2.0	-	81.1
Operating and maintenance	(16.2)	(10.3)	(0.7)	-	(27.2)
Management and administrative	-	-	-	(2.6)	(2.6)
Depreciation and amortization	(15.9)	(6.5)	(1.1)	-	(23.5)
	25.0	5.2	0.2	(2.6)	27.8
Other income	0.1	0.1	0.1	-	0.3
Interest expense	(10.7)	-	(0.1)	(3.0)	(13.8)
ECT preferred unit distributions	-	-	-	(11.0)	(11.0)
Income taxes	-	0.7	0.1	(0.7)	0.1
Earnings/(loss)	14.4	6.0	0.3	(17.3)	3.4
Additions to property, plant and equipment	(3.0)	47.9	-	-	44.9
Total assets	1,527.1	360.3	74.9	9.8	1,972.1
Nine months ended September 30, 2011	Alliance Canada	Saskatchewan System	Green Power	Corporate	Consolidated
<i>(unaudited; millions of Canadian dollars)</i>					
Revenues	164.4	92.6	7.4	-	264.4
Operating and maintenance	(44.3)	(31.5)	(2.7)	-	(78.5)
Management and administrative	-	-	-	(12.7)	(12.7)
Depreciation and amortization	(49.0)	(32.5)	(3.0)	-	(84.5)
	71.1	28.6	1.7	(12.7)	88.7
Other income	-	0.8	0.6	-	1.4
Interest expense	(31.0)	-	(0.6)	(22.6)	(54.2)
Income taxes	0.3	2.0	0.1	(7.0)	(4.6)
Earnings/(loss)	40.4	31.4	1.8	(42.3)	31.3
Additions to property, plant and equipment	2.5	51.7	1.0	-	55.2
Total assets	1,465.5	440.5	73.5	8.1	1,987.6

Nine months ended September 30, 2010 <i>(unaudited; millions of Canadian dollars)</i>	Alliance Canada	Saskatchewan System	Green Power	Corporate	Consolidated
Revenues	170.0	61.6	7.1	-	238.7
Operating and maintenance	(46.5)	(29.0)	(2.2)	-	(77.7)
Management and administrative	-	-	-	(8.7)	(8.7)
Depreciation and amortization	(47.9)	(18.8)	(3.2)	-	(69.9)
	75.6	13.8	1.7	(8.7)	82.4
Other income	0.2	0.1	0.3	-	0.6
Interest expense	(32.7)	-	(0.3)	(8.3)	(41.3)
ECT preferred unit distributions	-	-	-	(32.9)	(32.9)
Income taxes	0.1	2.1	0.1	(2.6)	(0.3)
Earnings/(loss)	43.2	16.0	1.8	(52.5)	8.5
Additions to property, plant and equipment	(0.2)	80.6	0.3	-	80.7
Total assets	1,527.1	360.3	74.9	9.8	1,972.1

3. LONG TERM DEBT

During the nine months ended September 30, 2011, the Fund amended its existing unsecured revolving standby credit facility, increasing the amount available from \$300.0 million to \$500.0 million and extending the revolving term to June 7, 2012. The Fund has the option to extend the maturity date of the outstanding amounts drawn under the facility by an additional year from the end of the applicable revolving term. In addition, the working capital portion of the facility was increased from \$10.0 million to \$30.0 million.

4. RELATED PARTY TRANSACTION

In September 2011, the Fund entered into an agreement with Enbridge Income Fund Holdings Inc. (ENF) whereby the Fund would make assistance payments to ENF for any share issue costs incurred in connection with ENF's offering of 11,707,000 subscription receipts. The Fund made an assistance payment of \$4.4 million to ENF during the third quarter of 2011.

5. SUBSEQUENT EVENTS

In October 2011, the Fund acquired three renewable power generation facilities owned by direct and indirect wholly-owned subsidiaries of Enbridge Inc. (Enbridge), a related party, for an aggregate value of \$1.23 billion (the Transaction). The assets acquired consist of 100% interests in the 190-megawatt (MW) Ontario Wind Project, the 99-MW Talbot Wind Project and the 80-MW Sarnia Solar Project. The Transaction was financed through a combination of debt and equity. Enbridge provided the Fund with a \$655.0 million unsecured, subordinated 10-year loan at a fixed interest rate of 6% per annum. Equity financing was provided through the issuance of Fund trust units to ENF and preferred units of Enbridge Commercial Trust (ECT), a wholly-owned subsidiary of the Fund to Enbridge. The Fund is assessing the purchase price allocation.

A summary of the sources of financing is provided in the following table:

<i>(millions of Canadian dollars)</i>	
Fund trust units issued to ENF (14,616,000 units at \$18.75 per unit)	274.0
Preferred units of ECT issued to Enbridge (16,051,000 units at \$18.75 per unit)	301.0
Long-term debt provided by Enbridge	655.0
	1,230.0