

NEWS RELEASE

Enbridge Income Fund Holdings Inc. Reports Strong First Quarter Results; Declares Monthly Dividend

HIGHLIGHTS

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

- Enbridge Income Fund Holdings Inc. (the Company) delivered first quarter earnings of \$30.8 million (\$0.44 per common share)
- First quarter earnings for the Company's investee, Enbridge Income Fund (the Fund), were \$69.6 million, including the impact of net unrealized non-cash mark-to-market gains and losses
- The Fund's first quarter adjusted earnings and cash available for distribution (CAFD) were \$52.5 million and \$95.1 million, respectively
- A monthly dividend of \$0.1285 per common share was declared by the Company's Board of Directors to be paid on June 15, 2015
- On March 31, 2015, the Fund and the Company received a formal proposal from Enbridge Inc. (Enbridge) for the transfer of its Canadian liquids pipelines business and certain Canadian renewable energy assets

CALGARY, ALBERTA, May 4, 2015 – Enbridge Income Fund Holdings Inc. (TSX: ENF) announced earnings today of \$30.8 million, or \$0.44 per common share, for the three months ended March 31, 2015, reflecting distributions received from its investment in Enbridge Income Fund.

The Company's financial performance is a direct reflection of the Fund's ability to generate cash for distribution. The Fund's CAFD totaled \$95.1 million for the three months ended March 31, 2015 compared with \$74.0 million in the prior year. On an adjusted basis, the Fund's first quarter earnings were \$52.5 million compared to \$37.1 million in the same period of 2014. The improvements in both CAFD and adjusted earnings were driven by incremental cash flows generated by the November 2014 acquisition of Enbridge's 50 percent interest in the U.S. segment of the Alliance Pipeline (Alliance US) and the subscription for and purchase of Class A Units which provide a defined cash flow stream from the Canadian and U.S. portions of the Southern Lights Pipeline (Southern Lights Class A Units), collectively, the 2014 Transaction.

"The Fund's strong first quarter results reflect continued solid performance from our base business augmented by the first full quarter of contributions from our newly-acquired investments," said Perry Schuldhaus, President of Enbridge Income Fund Holdings Inc. "The assets acquired in 2014 are performing in-line with our expectations and demonstrate the successful execution of our strategy to further diversify our portfolio of high quality energy infrastructure assets through acquisitions from our Sponsor, Enbridge.

"We also see a great opportunity to further enhance the Fund's already strong and diversified asset base through the proposed transfer of Enbridge's Canadian liquids pipelines business and renewable assets which has the potential to transform the Company into one of Canada's premier infrastructure investment vehicles. The evaluation of the proposed transaction by an independent Committee of our Board is progressing well and is currently on track for a mid-2015 closing," added Mr. Schuldhaus.

On May 4, 2015, the Company's Board of Directors declared a monthly cash dividend of \$0.1285 per common share to be paid on June 15, 2015 to shareholders of record at the close of business on June 1, 2015. The dividend is designated an eligible dividend for Canadian tax purposes which qualifies for the enhanced dividend tax credit.

FIRST QUARTER 2015 REVIEW

The unaudited financial statements and Management's Discussion and Analysis (MD&A) of both the Company and the Fund, which contain additional notes and disclosures, are available on the Company's website at www.enbridgeincomefund.com.

- The Company's earnings for the quarter ended March 31, 2015 were \$30.8 million (\$0.44 per common share) compared with \$21.7 million (\$0.38 per common share) for the quarter ended March 31, 2014. First quarter 2015 earnings reflected a 16.3% per unit increase in the Fund's distribution to the Company effective November 2014. The increase also reflected the Company's investment of \$420.7 million in the Fund in connection with financing of the 2014 Transaction, which brought the Company's overall economic interest in the Fund to 42.0% from 40.8%. Earnings for the quarter were impacted by higher income tax expense than the comparable period of 2014 as a greater portion of distributions received from the Fund are expected to be taxable in 2015.
- The Fund's earnings were \$69.6 million for the first quarter of 2015, an increase of \$21.8 million over the comparable quarter of 2014. The Fund's earnings increased quarter over quarter; however, the comparability of the Fund's earnings was impacted by a number of unusual, non-recurring or non-operating factors, including unrealized derivative fair value losses of \$44.5 million, after tax. The Fund has a comprehensive long-term economic hedging program to mitigate foreign exchange exposures arising from U.S. dollar denominated cash flows from Alliance US and the Southern Lights Class A Units. The changes in unrealized mark-to-market accounting impacts from this hedging program create volatility in short-term earnings, but the Fund believes over the long-term it supports reliable cash flows. Another significant non-recurring factor which impacted the first quarter of 2015 included an unrealized, after-tax foreign exchange gain of \$62.3 million on the U.S. dollar denominated intercompany loan between Fund subsidiaries made to partially finance the 2014 Transaction.
- After adjusting for unrealized mark-to-market accounting impacts and other non-recurring factors, the Fund's adjusted earnings for the first quarter of 2015 and 2014 were \$52.5 million and \$37.1 million, respectively. The increase in adjusted earnings was driven by net benefits from the 2014 Transaction which closed in November 2014. Adjusted earnings from the legacy assets decreased slightly quarter over quarter, primarily as a result of an extraordinarily strong first quarter for Green Power in 2014. Within the Natural Gas Transmission segment during the first quarter of 2014, the Fund's investee Sable NGL Services L.P. (Sable NGL), a joint venture that holds capacity on the Alliance Pipeline, benefitted from large differentials between the cost of natural gas in Western Canada and the sales price of natural gas in the Chicago area due to abnormal winter weather conditions.
- The Fund's CAFD totaled \$95.1 million for the three months ended March 31, 2015 compared with \$74.0 million for the same period of the prior year, representing an increase of 28.5%. In addition to the same factors that impacted adjusted earnings, the increase in the Fund's CAFD was attributable to distributions from the Southern Lights Class A Units, partially offset by higher maintenance capital expenditures than the comparable period of 2014.

ABOUT ENBRIDGE INCOME FUND HOLDINGS INC.

Enbridge Income Fund Holdings Inc. is a publicly traded corporation. The Company, through its investment in Enbridge Income Fund, holds high quality, low risk energy infrastructure assets. The Fund's assets include a portfolio of liquids transportation and storage businesses, Class A units entitling the holder to receive defined cash flows from the Southern Lights Pipeline, a 50 percent interest in the Alliance Pipeline and interests in more than 500 megawatts of renewable and alternative power generation capacity. Information about Enbridge Income Fund Holdings Inc. is available on the Company's website at www.enbridgeincomefund.com.

FORWARD-LOOKING INFORMATION

In the interest of providing the Company's shareholders and potential investors with information about the Company and its investee, the Fund, and the Fund's subsidiaries and joint ventures, including management's assessment of future plans and operations of the Company and the Fund, certain information provided in this News Release 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 include:

- *expected earnings or earnings per share;*
- *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 approval, timing and impact of asset purchase and disposition transactions;*
- *expected future dividends, Fund distributions and taxability thereof;*
- *expected cash available by the Fund for distribution; and*
- *expected future actions of regulators.*

Although the Company believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and the 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, demand and prices for crude oil, natural gas, natural gas liquids and green energy; expected exchange rates; inflation; interest rates; the availability and price of labour and construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approval for the Fund's projects and transactions; anticipated in-service dates; and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas, natural gas liquids and green energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Fund's products and services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Company and the Fund operate, may impact levels of demand for the Fund's products, 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 share or per unit amounts, or estimated future distributions or dividends. 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 construction materials; the effects of inflation on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather, customer and regulatory approvals on construction schedules. The Company's forward-looking statements and forward-looking statements with respect to the Fund are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, changes in tax laws and tax rates, exchange rates, interest rates and commodity prices, including but not limited to those risks and uncertainties discussed in this News Release and in the other filings of the Company and the Fund 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 Company's 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 Company and the Fund assume no obligation to publicly update or revise any forward-looking statements made in this News Release or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements whether written or oral, attributable to the Company or the Fund or persons acting on the Company's or the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This News Release contains references to adjusted earnings and cash available for distribution (CAFD). Adjusted earnings represents earnings adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections. CAFD represents the Fund's cash available to fund distributions on trust units and ECT preferred units as well as for debt repayments and reserves. CAFD 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 pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business. CAFD is important to unitholders as the Fund's objective is to provide a predictable flow of distributions to unitholders. Management believes the presentation of adjusted earnings and CAFD provides useful information to investors and unitholders as it provides increased transparency and predictive value. Management uses adjusted earnings and CAFD to set targets, including the Fund's distribution payout target, and to assess the performance of the Company. Adjusted earnings and CAFD are not measures that have standardized meaning prescribed by United States Generally Accepted Accounting Principles (U.S. GAAP) and are not considered U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers. The following table provides a reconciliation of the GAAP and non-GAAP measures.

ENBRIDGE INCOME FUND NON-GAAP RECONCILIATIONS

Adjusted earnings

Three months ended March 31,	2015	2014
<i>(millions of Canadian dollars)</i>		
Earnings	69.6	47.8
Adjusting items: ¹		
Unrealized foreign exchange gain on intercompany loan	(62.3)	-
Changes in unrealized derivative fair value losses	44.5	-
Bakken Expansion make-up rights	(0.7)	0.3
Transaction costs related to the Canadian Liquids Pipelines and Renewable Assets proposal from Enbridge	1.4	-
Retrospective accounting adjustment – Alliance US ²	-	(11.5)
Greenwich Wind Facility transformer outage	-	0.5
Adjusted earnings	52.5	37.1

¹ Adjusting items are shown net of tax in this reconciliation if incurred within a taxable subsidiary corporation of the Fund.

² In accordance with U.S. GAAP, earnings for the three months ended March 31, 2014 have been retrospectively adjusted to furnish comparative information related to Alliance US. The impact of the retrospective adjustments prior to the November 7, 2014 equity interest acquisition has been removed from adjusted earnings to reflect earnings generated under the Fund's ownership.

Cash available for distribution

Three months ended March 31,	2015	2014
<i>(millions of Canadian dollars)</i>		
Cash provided by operating activities	75.5	71.4
Liquids Transportation and Storage maintenance capital expenditures ¹	(3.2)	(0.6)
Southern Lights Class A Units distributions	5.4	-
Retrospective adjustments – Alliance US ²	-	(12.8)
Green Power maintenance capital expenditures ¹	-	(0.3)
Green Power joint ventures cash distributed ³	0.2	0.2
Greenwich Wind Facility transformer outage	-	0.5
Transaction costs related to the Canadian Liquids Pipeline and Renewable Assets proposal from Enbridge	1.4	-
Change in operating assets and liabilities in the period ⁴	15.8	15.6
Cash available for distribution⁵	95.1	74.0

¹ Maintenance capital expenditures reduce CAFD since these expenditures are funded through cash from operations.

² In accordance with U.S. GAAP, cash provided by operating activities for the three months ended March 31, 2014 period have been retrospectively adjusted to furnish comparative information related to Alliance US. The impact of the retrospective adjustments has been eliminated from CAFD as these cash flows were not available to distribute to unitholders.

³ The cash retained or distributed by certain Green Power joint ventures reflects the cash from operations of these joint ventures 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.

⁴ Changes 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 CAFD since fluctuations in working capital are expected each period and are not indicative of changes in cash available to be distributed.

⁵ Cash available for distribution includes reserves pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business.

SELECTED FINANCIAL AND OPERATING HIGHLIGHTS

ENBRIDGE INCOME FUND HOLDINGS INC.	Three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars, except share and per share amounts)</i>		
Earnings	30.8	21.7
Earnings per common share, basic and diluted	\$0.44	\$0.38
Cash provided by operating activities	30.5	18.2
Dividends declared	27.1	19.4
Dividends per common share	\$0.386	\$0.344
Number of common shares outstanding	70,351,000	56,491,000

ENBRIDGE INCOME FUND¹	Three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars, except unit and per unit amounts)</i>		
Earnings¹		
Liquids Transportation and Storage	(7.4)	19.2
Natural Gas Transmission	27.5	20.1
Green Power	28.5	30.7
Corporate	21.0	(33.7)
	69.6	36.3
Retrospective Adjustments ²	-	11.5
	69.6	47.8
Adjusted earnings³		
Liquids Transportation and Storage	39.7	19.5
Natural Gas Transmission	39.5	20.1
Green Power	28.5	31.3
Corporate	(55.2)	(33.8)
	52.5	37.1
Cash available for distribution³		
Liquids Transportation and Storage	60.1	36.1
Natural Gas Transmission	30.6	19.5
Green Power	45.8	46.7
Corporate	(41.4)	(28.3)
	95.1	74.0
Cash provided by operating activities²	75.5	71.4
Distributions		
Cash distributions declared	79.1	56.2
Distributions per trust unit and ECT preferred unit	\$0.472	\$0.406
Units outstanding		
ECT preferred units	87,665,750	72,465,750
Trust units	79,851,000	65,991,000
Operating results		
Liquids Transportation and Storage <i>(thousands of barrels per day)</i>		
Westspur System	187.7	176.2
Saskatchewan Gathering System	150.1	134.2
Weyburn System	31.8	31.5
Virden System	20.6	26.2
Bakken Expansion	64.5	8.9
Natural Gas Transmission <i>(millions of cubic feet per day)</i>		
Alliance Canada	1,636.0	1,652.0
Alliance US	1,791.0	1,728.0
Green Power <i>(thousands of megawatt hours produced)</i>		
Wind Facilities	340.5	360.4
Solar Facilities	32.9	30.4
Waste Heat Facilities	19.7	20.5

¹ Financial Highlights for Enbridge Income Fund have been extracted from financial statements prepared in accordance with U.S. GAAP.

² In accordance with U.S. GAAP, earnings and cash provided by operating activities for the three months ended March 31, 2014 have been retrospectively adjusted to furnish comparative information related to Alliance US. Financing charges have not been retrospectively adjusted. The impact of the retrospective adjustments has been eliminated from CAFD as these cash flows were not available to distribute to unitholders.

³ See Non-GAAP Measures.

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MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2015

This Management's Discussion and Analysis (MD&A) dated May 4, 2015 should be read in conjunction with the unaudited interim financial statements and notes thereto of Enbridge Income Fund Holdings Inc. (ENF or the Company) as at and for the three months ended March 31, 2015 which are prepared in accordance with International Financial Reporting Standards (IFRS). It should also be read in conjunction with the Company's audited financial statements and notes thereto and MD&A for the year ended December 31, 2014. Unless otherwise noted, all financial information is presented in Canadian dollars. Additional information related to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

OVERVIEW

The Company is a publicly traded corporation whose common shares trade on the Toronto Stock Exchange under the symbol ENF. The Company's business is limited to ownership of its interest in Enbridge Income Fund (the Fund) and its objective is to pay out a high proportion of available cash in the form of dividends to shareholders. At March 31, 2015, the Company held 88.1% (2014 – 85.6%) of the issued and outstanding common trust units of the Fund, representing a 42.0% (2014 – 40.8%) overall economic interest in the Fund, with the balance held by Enbridge Inc. (Enbridge), a North American transporter, distributor and generator of energy. The Fund is involved in the transportation, storage and generation of energy through its liquids transportation and storage business (Liquids Transportation and Storage), its 50% interest in the Alliance Pipeline (Natural Gas Transmission) and its interests in 592 (530 net) megawatts (MW) of renewable and alternative power generation capacity (Green Power).

ENF Financial Performance

Three months ended March 31, <i>(thousands of Canadian dollars, except per share amounts)</i>	2015	2014
Distribution and other income	33,569	23,173
Earnings	30,828	21,655
Earnings per common share, basic and diluted	\$0.44	\$0.38
Cash flows from operating activities	30,513	18,206
Dividends declared and paid	27,120	19,422
Dividends per common share	\$0.386	\$0.344
Number of common shares outstanding ¹	70,351,000	56,491,000

¹ As at March 31, 2015 and 2014.

The Company's earnings and cash flows are derived from its investment in the Fund and are dependent on its ownership interest, the level of cash distributions paid by the Fund and income taxes.

Proceeds from equity offerings by the Company in the fourth quarter of 2014 were used to subscribe for an additional 13,860,000 trust units of the Fund, increasing its overall ownership of Fund trust units to 88.1%. The Fund used the proceeds and other funds to acquire a 50% interest in the U.S. segment of Alliance Pipeline (Alliance US) and to subscribe for and purchase Class A units of Enbridge subsidiaries which provide a defined cash flow stream from the Southern Lights Pipeline (Southern Lights Class A Units), collectively, the 2014 Transaction. The contribution of incremental cash flows from the 2014 Transaction enabled the Fund to increase its distribution rate to \$0.157 per unit per month (a 16.3% increase) effective with the November 2014 distribution. As a result of the Fund's increased distribution rate and the Company's increased ownership interest in the Fund, the Company realized additional earnings during the three-month period ended March 31, 2015 compared to the three-month period ended March 31, 2014.

The Company incurs income taxes on distributions received from the Fund, the level of which will vary depending on the taxability of such distributions in any given year. To the extent a portion of the distribution represents a tax-free inter-corporate dividend or return of capital, cash tax will not be incurred on that portion of the distribution. The Company recorded higher current income tax expense for the three-month period ended March 31, 2015 as compared to the same period of the prior year as a larger portion of the distributions are expected to be taxable in 2015.

The Company's objective is to pay out a high proportion of available cash in the form of dividends to shareholders. The Company declared and paid dividends totaling \$27.1 million during the quarter ended March 31, 2015, a rate equivalent to \$0.129 per common share per month representing a payout ratio of 88.0% in 2015, compared to a payout ratio of 89.7% for the comparable period of 2014. Retained cash is expected to be used for future income tax payments and as a reserve to sustain dividends over the long term.

Enbridge Income Fund Financial Performance

A summary of financial information of the Company's investee, Enbridge Income Fund, derived from the Fund's unaudited consolidated financial statements prepared in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP), for the quarters ended March 31, 2015 and 2014 is provided below. Readers are encouraged to read the Fund's financial statements and MD&A which are filed on SEDAR at www.sedar.com.

Three months ended March 31, <i>(thousands of Canadian dollars)</i>	2015	2014
Cash available for distribution, the Fund ¹		
Liquids Transportation and Storage	60,103	36,110
Natural Gas Transmission	30,582	19,463
Green Power	45,802	46,658
Corporate	(41,433)	(28,278)
Cash available for distribution, the Fund	95,054	73,953
Enbridge Commercial Trust (ECT) preferred unit distributions	(41,404)	(29,403)
Cash retained	(15,937)	(17,773)
Cash distributions declared to holders of Fund Units	37,713	26,777
Percentage of units held by ENF	88.1%	85.6%
Distribution income, ENF	33,226	22,921
Interest income and other	343	252
Income tax	(2,741)	(1,518)
Earnings, ENF	30,828	21,655

¹ Cash available for distribution is a non-GAAP measure that does not have any standardized meaning prescribed by U.S. GAAP. See definition within "Non-GAAP Measures" section.

The Fund's cash available for distribution (CAFD) totaled \$95.1 million for the quarter ended March 31, 2015 compared with \$74.0 million for the same quarter of the prior year, an increase of 28.5%. The increase in CAFD was primarily due to incremental cash flow resulting from the 2014 Transaction. The Liquids Transportation and Storage segment realized incremental cash flow attributable to the defined cash flow stream from the Fund's investment in Southern Lights Class A Units. CAFD for the first quarter of 2015 also benefitted from the Fund's first distributions received from its investee, Alliance US.

FORWARD-LOOKING INFORMATION

In the interest of providing the Company's shareholders and potential investors with information about the Company and its investee, the Fund, and the Fund's subsidiaries and joint ventures, including management's assessment of future plans and operations of the Company and the Fund, 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 include:

- expected earnings or earnings per share;
- 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 approval, timing and impact of asset purchase and disposition transactions;
- expected future dividends, Fund distributions and taxability thereof;
- expected cash available by the Fund for distribution; and
- expected future actions of regulators.

Although the Company believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and the 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, demand and prices for crude oil, natural gas, natural gas liquids and green energy; expected exchange rates; inflation; interest rates; the availability and price of labour and construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approval for the Fund's projects and transactions; anticipated in-service dates; and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas, natural gas liquids and green energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Fund's products and services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Company and the Fund operate, may impact levels of demand for the Fund's products, 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 share or per unit amounts, or estimated future distributions or dividends. 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 construction materials; the effects of inflation on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather, customer and regulatory approvals on construction schedules.

The Company's forward-looking statements and forward-looking statements with respect to the Fund are subject to risks and uncertainties pertaining to operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, changes in tax laws and tax rates, exchange rates, interest rates and commodity prices, including but not limited to those risks and uncertainties discussed in this MD&A and in the other filings of the Company and the Fund 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 Company's 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 Company and the Fund assume 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 Company or the Fund or persons acting on the Company's or the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This MD&A contains references to the Fund's CAFD. CAFD represents the Fund's cash available to fund distributions on trust units and Enbridge Commercial Trust (ECT) preferred units as well as for debt repayments and reserves. CAFD 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 pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business. Such reserves are determined by the Manager. CAFD is important to unitholders as the Fund's objective is to provide a predictable flow of distributions to unitholders. Management believes the presentation of adjusted earnings and CAFD provides useful information to investors and unitholders as it provides increased transparency and predictive value. Management uses adjusted earnings and CAFD to set targets, including the Fund's distribution payout target, and to assess the performance of the Company. CAFD is not a measure that has standardized meaning prescribed by U.S. GAAP and is not considered U.S. GAAP measure. Therefore, this measure may not be comparable with similar measures presented by other issuers.

ENBRIDGE INCOME FUND RECENT DEVELOPMENTS

Canadian Liquids Pipelines and Renewable Assets Proposal

On March 31, 2015, Enbridge presented the Fund and the Company with a formal proposal to transfer its Canadian Liquids Pipelines business and certain Canadian renewable energy assets to the Fund. The general terms and projected financial outcomes of the proposed transfer are consistent with those described in the December 3, 2014 announcement of the proposed Canadian restructuring plan. A joint special committee of independent directors was formed and independent financial, technical and legal advisors were retained to assess the proposal. The assets proposed to be transferred to the Fund include \$16 billion of combined carrying value of Canadian Liquids Pipelines assets with an associated secured growth capital program of approximately \$15 billion, plus \$1 billion of renewable energy assets. If completed, the transaction would significantly increase the scale and scope of the Fund's business and provide a highly transparent source of long-term growth. Although the transaction is expected to close in mid-2015, there can be no assurance that it will be completed in the manner contemplated by Enbridge, or at all, or that market conditions will not materially alter the benefit contemplated by the proposal to either the Fund or Enbridge.

Disposition of Virden System

On April 10, 2015, the Fund entered into an agreement to sell certain Virden crude oil pipeline system assets to an unrelated party for proceeds of \$26.0 million before closing costs. The carrying value of the assets at March 31, 2015 was approximately \$4.3 million. The sale closed on May 1, 2015.

Cromer Rail Interconnection Project

On January 29, 2014, the Fund announced plans to construct a pipeline interconnection to connect the Westspur System and Bakken Expansion to a crude oil terminal near Cromer, Manitoba. The Bakken Expansion portion of the project completed first line fill on March 31, 2015 and was placed into service on April 1, 2015. The Westspur System component of the project is pending National Energy Board (NEB) approval and is expected to be in-service during the third quarter of 2015. The project is estimated to cost \$27.0 million and is fully backstopped by the operator of the crude oil rail terminal pursuant to a five-year Financial Support Agreement. The Fund has an option to acquire 50% of the rail terminal which is capable of handling 30,000 barrels per day and may be expanded to 60,000 barrels per day.

Alliance Pipeline Recontracting

On July 15, 2013, Alliance Pipeline announced that beginning on August 15, 2013, customers began to contract to the Alliance Pipeline under Alliance's new services offering commencing December 2015. Alliance Pipeline outlined the services to be offered as well as the precedent agreement process to be followed. On May 22, 2014, Alliance Canada filed an application with the NEB for regulatory approval of its new services offering and the related tolls and tariff provisions required in Canada. Alliance US intends to file an application with the Federal Energy Regulatory Commission (FERC) in mid-2015 for its U.S. services. Given its unique ability to cost-effectively transport liquids rich natural gas and the supply growth in basins it runs through, it is expected that the Alliance Pipeline will be well-utilized for the foreseeable future. As of April 17, 2015, 100% of total targeted capacity has been secured through staged and un-staged receipt or full path services with an average contract length of almost five years.

LIQUIDITY AND CAPITAL RESOURCES

The cash distributions the Company receives from its investment in the Fund are its primary source of liquidity. The Company pays out a high proportion of the distributions received from the Fund after prudently reserving for contingencies and future taxes, with the objective of sustaining a predictable stream of dividends to its shareholders. Cash not required to fund dividends or to meet working capital requirements is advanced to subsidiary corporations of the Fund pursuant to a demand loan with interest at 4.25% annually. At March 31, 2015, \$33.9 million (December 31, 2014 - \$30.6 million) was outstanding to the Company.

The Company's working capital requirements are not expected to be significant in 2015. The Company has an agreement with ECT whereby ECT reimburses the Company for certain corporate costs.

The Company did not have any outstanding long-term debt as at March 31, 2015 or December 31, 2014.

Additional capital resources to finance the Company's future investment in the Fund, if necessary, are expected to be available through access to equity markets.

Operating Activities

Cash flows from operating activities totaled \$30.5 million for the quarter ended March 31, 2015 (2014 – \$18.2 million). Cash flows from operating activities represented distributions received from the Fund, net of income taxes and changes in operating assets and liabilities. The Fund declared distributions of \$0.472 per unit or \$33.2 million in aggregate to the Company in the first quarter of 2015 (2014 – \$0.406 per unit or \$22.9 million in aggregate to the Company).

Financing Activities

The Company declared dividends at an aggregate rate of \$0.386 per share for the first three months of 2015 as compared to an aggregate rate of \$0.344 per share for the same period of 2014.

Investing Activities

Included in investing activities are advances to and repayments from a subsidiary corporation of the Fund pursuant to a demand loan. These activities are considered related party transactions.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table presents a summary of the Company's quarterly financial results.

	2015		2014				2013	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(thousands of Canadian dollars, except per share amounts)</i>								
Revenues	33,569	30,125	23,209	23,176	23,173	23,102	22,924	22,836
Earnings	30,828	28,498	21,708	21,695	21,655	22,139	21,507	21,770
Earnings per common share, basic and diluted	0.44	0.44	0.38	0.38	0.38	0.39	0.38	0.39
Dividends declared, per common share	0.386	0.372	0.344	0.344	0.344	0.340	0.334	0.334

- The Company increased its dividend per common share by 12.1% to \$0.129 per month effective with the November 2014 dividend.
- The Company subscribed for 13,860,000 trust units of the Fund in November 2014 in connection with the 2014 Transaction, which increased the total trust units of the Fund owned by the Company from 56,491,000 to 70,351,000. The incremental ownership of trust units of the Fund increased the amount of distributions received on the trust units and therefore, increased the Company's revenues and earnings.
- The Company increased its dividend per common share by 3.0% to \$0.115 per month effective with the November 2013 dividend.

OUTSTANDING SHARE DATA

As at May 4, 2015, 70,351,000 common shares and 1 special voting share of the Company were issued and outstanding.

STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

Three months ended March 31,	2015	2014
<i>(unaudited; thousands of Canadian dollars, except per share amounts)</i>		
Distribution and other income	33,569	23,173
Income tax (Note 5)	(2,741)	(1,518)
Earnings	30,828	21,655
Items that may be reclassified to earnings		
Other comprehensive income/(loss)		
Unrealized fair value change in available-for-sale investment (Note 3)	(218,791)	158,739
Income tax recovery/(expense) (Note 5)	27,349	(19,842)
	(191,442)	138,897
Comprehensive income/(loss)	(160,614)	160,552
Basic and diluted earnings per common share (Note 4)	0.44	0.38

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Three months ended March 31,	2015	2014
<i>(unaudited; thousands of Canadian dollars)</i>		
Share capital		
Common shares	1,342,534	921,883
Special voting share	-	-
Share premium	192,458	192,458
Retained earnings		
Balance at beginning of period	30,333	20,868
Earnings	30,828	21,655
Common share dividends declared <i>(Note 4)</i>	(27,120)	(19,422)
Balance at end of period	34,041	23,101
Accumulated other comprehensive income		
Balance at beginning of period	1,113,617	175,189
Other comprehensive income/(loss)	(191,442)	138,897
Balance at end of period	922,175	314,086
Total shareholders' equity	2,491,208	1,451,528

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

STATEMENTS OF CASH FLOWS

Three months ended March 31,	2015	2014
<i>(unaudited; thousands of Canadian dollars)</i>		
Operating activities		
Earnings	30,828	21,655
Deferred income taxes	9	17
Changes in operating assets and liabilities		
Accounts receivable and other	34	(229)
Accounts payable and accrued liabilities	(286)	151
Income taxes payable	(72)	(3,388)
	30,513	18,206
Financing activities		
Common share dividends paid <i>(Note 4)</i>	(27,120)	(19,422)
	(27,120)	(19,422)
Investing activities		
Demand loan advances to investee	(5,750)	(5,550)
Demand loan repayments from investee	2,500	6,675
	(3,250)	1,125
Change in cash and cash equivalents	143	(91)
Cash and cash equivalents at beginning of period	207	270
Cash and cash equivalents at end of period	350	179
Supplementary cash flow information		
Income taxes paid	2,804	4,890

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

STATEMENTS OF FINANCIAL POSITION

	March 31, 2015	December 31, 2014
<i>(unaudited; thousands of Canadian dollars)</i>		
Assets		
Current assets		
Cash and cash equivalents	350	207
Accounts receivable and other	121	155
Demand loan due from investee	33,875	30,625
Distributions receivable <i>(Note 3)</i>	11,075	11,075
	45,421	42,062
Investment in Enbridge Income Fund <i>(Notes 3 and 6)</i>	2,588,916	2,807,707
	2,634,337	2,849,769
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	13	299
Income taxes payable	1,468	1,540
Dividends payable <i>(Note 4)</i>	9,040	9,040
	10,521	10,879
Deferred income taxes	132,608	159,948
	143,129	170,827
Shareholders' equity		
Share capital	1,342,534	1,342,534
Share premium	192,458	192,458
Retained earnings	34,041	30,333
Accumulated other comprehensive income	922,175	1,113,617
	2,491,208	2,678,942
	2,634,337	2,849,769

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. GENERAL BUSINESS DESCRIPTION

Enbridge Income Fund Holdings Inc. (the Company) is a publicly traded corporation, incorporated on March 26, 2010 under the laws of the Province of Alberta. The Company's common shares commenced trading on the Toronto Stock Exchange on December 21, 2010. The Company holds an investment in Enbridge Income Fund (the Fund), which is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta. The Company's registered office is 3000, 425 – 1st Street SW, Calgary, Alberta, Canada.

The business of the Company is limited to its investment in the Fund. The Fund is involved in the generation, transportation and storage of energy through its liquids transportation and storage facilities, green power generation facilities and 50% interest in the Alliance Pipeline.

2. BASIS OF PREPARATION

These unaudited interim condensed financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements for the year ended December 31, 2014 and are prepared in accordance with International Financial Reporting Standards (IFRS). These interim financial statements comply with International Accounting Standards (IAS) 34, Interim Financial Reporting and accordingly do not include all disclosures required for annual financial statements and should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2014.

Amounts are stated in Canadian dollars, the Company's functional and presentation currency, unless otherwise indicated.

These financial statements were authorized for issuance by the Board of Directors of the Company on May 4, 2015.

3. INVESTMENT IN ENBRIDGE INCOME FUND

At March 31, 2015, the Company held 70,351,000 (December 31, 2014 – 70,351,000), or 88.1% (December 31, 2014 – 88.1%), of the Fund's issued and outstanding trust units.

	Three months ended March 31, 2015	Year ended December 31, 2014
<i>(unaudited; thousands of Canadian dollars)</i>		
Balance at beginning of period	2,807,707	1,314,545
Investment acquired	-	420,651
Fair value change for the period	(218,791)	1,072,511
Balance at end of period	2,588,916	2,807,707

Summarized financial information of the Fund, derived from the Fund's consolidated financial statements prepared in accordance with United States generally accepted accounting principles (U.S. GAAP), is as follows:

Three months ended March 31, <i>(unaudited; thousands of Canadian dollars)</i>	2015	2014
Revenues	113,140	107,883
Earnings ¹	69,555	47,833

¹ Earnings for the 2014 period have been retrospectively adjusted to furnish comparative information related to the Fund's acquisition of a 50% equity interest in the U.S. portion of the Alliance Pipeline from wholly-owned subsidiaries of Enbridge in November 2014.

<i>(unaudited; thousands of Canadian dollars)</i>	March 31, 2015	December 31, 2014
Total assets	4,184,546	4,081,410
Total liabilities	3,272,653	3,179,855

The Fund's summarized financial information, prepared in accordance with U.S. GAAP, would differ had it been prepared under IFRS. The most significant differences between U.S. GAAP and IFRS applicable to the Fund are as follows:

Rate Regulation

The operations of Natural Gas Transmission and certain Liquids Transportation and Storage businesses are subject to regulation by various authorities which exercise statutory authority over matters such as construction, rates and ratemaking and agreements with customers. The timing of recognition of certain revenues and expenses impacted by regulation and the recognition of regulatory assets and liabilities under U.S. GAAP differs from IFRS. IFRS does not recognize regulatory assets and liabilities and also prohibits recognition of the equity component of allowance for funds used during construction (AFUDC), which is permitted under U.S. GAAP. At March 31, 2015, the Fund's net regulatory asset as presented in accordance with U.S. GAAP was \$40.2 million (December 31, 2014 – \$51.5 million) including an equity component of AFUDC. The earnings impact of rate regulation was an approximate after tax decrease of \$8.3 million for the three months ended March 31, 2015 (2014 – \$1.8 million decrease).

Property, Plant and Equipment

Under U.S. GAAP similar assets are grouped and depreciated as a pool. Gains or losses are not recognized when the assets are disposed of or retired. IFRS does not permit the pool method of accounting and would require gains or losses on retirement to be recognized in earnings.

Preferred and Trust Unit Presentation

Under U.S. GAAP, the Fund's preferred and trust units are presented as mezzanine equity on the Consolidated Statements of Financial Position between long-term liabilities and unitholders' deficit. The Fund's preferred and trust units are recorded at their maximum redemption value with changes in estimated redemption value reflected as a charge or credit to deficit.

Under IFRS, the Fund's preferred units would be designated as a financial liability at fair value through profit or loss. The Fund's trust units would be recognized at amortized cost and presented as a liability by virtue of the holders' right to redeem the trust units for cash, subject to certain limitations. Adjustments to estimated future cash flows of a financial liability carried at amortized cost would be recognized in earnings.

Distribution Income

The Fund declared monthly distributions of \$0.15743 (2014 – \$0.13525) per unit for each month during the three-month period ended March 31, 2015.

4. SHARE CAPITAL AND SHARE PREMIUM

Dividends

The Company declared and paid monthly dividends of \$0.1285 (2014 – \$0.1146) per share for each month during the three-month period ended March 31, 2015.

On April 15, 2015, the Company declared a monthly dividend of \$0.1285 per share to be paid on May 15, 2015 to shareholders of record on April 30, 2015. On May 4, 2015, the Company declared a monthly dividend of \$0.1285 to be paid on June 15, 2015 to shareholders of record on June 1, 2015.

Earnings per common share

Weighted average shares outstanding used to calculate both basic and diluted earnings per share were 70,351,000 (2014 – 56,491,000) for the three-month period ended March 31, 2015.

5. INCOME TAXES

Income tax expense included in earnings for the three months ended March 31, 2015 is comprised of current income tax expense of \$2.7 million (2014 – \$1.5 million). Income tax expense on distribution income is accrued in interim periods based on the estimated annual taxability and return of capital. Other comprehensive income included \$27.3 million (2014 – \$19.8 million expense) of deferred income tax recovery for the three months ended March 31, 2015 related to the change in the difference between the accounting and tax bases of the investment in the Fund.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments reflects the Company's best estimates of market value based on valuation techniques, supported by observable market prices where available. The fair value of cash and cash equivalents, loans and receivables and other financial liabilities approximate their carrying value due to the short period to maturity.

The Company categorizes those financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

Level 1

Level 1 includes financial instruments measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. An active market for a financial instrument is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company did not have any financial instruments categorized as Level 1 as at March 31, 2015 or December 31, 2014.

Level 2

Level 2 includes financial instrument valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. The fair value measurement of the investment in the Fund is classified as Level 2, as the valuation technique references the quoted market price of the Company's common shares, and adjusts for assets and liabilities not applicable to the Fund. At March 31, 2015, the Company's investment in the Fund had a fair value of \$2.6 billion (December 31, 2014 – \$2.8 billion).

Level 3

Level 3 includes financial instrument valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the financial instruments' fair value. Generally, Level 3 financial instruments are longer dated transactions, occur in less active markets, occur at locations where pricing information is not available or have no binding broker quote to support Level 2 classification. The Company did not have any financial instruments categorized as Level 3 as at March 31, 2015 or December 31, 2014.

The Company's policy is to recognize transfers as of the last day of the reporting period. There were no transfers between levels as at March 31, 2015 and December 31, 2014.

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2015

This Management's Discussion and Analysis (MD&A) dated May 4, 2015 should be read in conjunction with the unaudited consolidated financial statements and notes thereto of Enbridge Income Fund (the Fund) as at and for the three months ended March 31, 2015, which are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). It should also be read in conjunction with the Fund's audited consolidated financial statements and notes thereto and MD&A for the year ended December 31, 2014. Unless otherwise noted, all financial information is presented in Canadian dollars. Additional information related to the Fund, including its Annual Information Form, is available on SEDAR at www.sedar.com.

CONSOLIDATED EARNINGS

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Liquids Transportation and Storage	(7.4)	19.2
Natural Gas Transmission	27.5	20.1
Green Power	28.5	30.7
Corporate	21.0	(33.7)
	69.6	36.3
Retrospective Adjustments – Alliance US	-	11.5
Earnings	69.6	47.8

In November 2014, the Fund acquired a 50% interest in the U.S. segment of the Alliance Pipeline (Alliance US) and subscribed for and purchased Class A units of Enbridge subsidiaries which provide a defined cash flow stream from the Southern Lights Pipeline (Southern Lights Class A Units), collectively, the 2014 Transaction. The Alliance US component of the 2014 Transaction was accounted for as an acquisition of entities under common control which required the Fund to present its results of operations as if the Fund has always owned Alliance US. Earnings for the three months ended March 31, 2014 include retrospective adjustments of \$11.5 million to reflect the historical earnings from Alliance US while under Enbridge Inc.'s (Enbridge) control. The Southern Lights Class A Unit component of the transaction was accounted for as a loan investment and did not require retrospective restatement.

Earnings were \$69.6 million for the three months ended March 31, 2015 compared with \$47.8 million for the three months ended March 31, 2014. The Fund's earnings increased quarter-over-quarter, however, the comparability of the Fund's earnings was impacted by a number of unusual, non-recurring or non-operating factors, including unrealized derivative fair value losses of \$44.5 million, after tax. The Fund has a comprehensive long-term economic hedging program to mitigate foreign exchange exposures arising from U.S. dollar denominated cash flows from Alliance US and the Southern Lights Class A Units. The changes in unrealized mark-to-market accounting impacts from this hedging program create volatility in short-term earnings, but the Fund believes over the long-term it supports reliable cash flows. Another significant non-recurring factor which impacted the first quarter of 2015 was an unrealized foreign exchange gain on its U.S. dollar denominated intercompany loan which arose as a result of the financing for the 2014 Transaction. As the loan is denominated in U.S. dollars and the Fund has a Canadian dollar functional currency, the Fund recorded an unrealized, after-tax foreign exchange gain of \$62.3 million. Excluding the impact of adjusting items, adjusted earnings for the first quarter of 2015 increased by \$15.4 million to \$52.5 million, as discussed below in *Adjusted Earnings*.

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 future plans and operations of the Fund, its subsidiaries and joint ventures, 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:

- 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 products and services;
- expected future earnings and cash flows;
- expected approval, timing and impact of asset purchase and disposition transactions;
- expected throughput volumes on the Fund's pipeline systems;
- expected future actions of regulators;
- expected future distributions to unitholders 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: expected supply, demand and prices for crude oil, natural gas, natural gas liquids and green energy; expected exchange rates; inflation; interest rates; the availability and price of labour and construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approvals for the Fund's projects and transactions; anticipated in-service dates and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas, natural gas liquids and green energy, 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 products and 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 products, 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 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, changes in tax laws and tax rates, 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 adjusted earnings and cash available for distribution (CAFD). Adjusted earnings represents earnings adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections for the affected business segments. CAFD represents the Fund's cash available to fund distributions on trust units and Enbridge Commercial Trust (ECT) preferred units as well as for debt repayments and reserves. CAFD 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 pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business. Such reserves are determined by Enbridge Management Services Inc. (the Manager). CAFD is important to unitholders as the Fund's objective is to provide a predictable flow of distributions to unitholders. Management believes the presentation of adjusted earnings and CAFD provides useful information to investors and unitholders as it provides increased transparency and predictive value. Management uses adjusted earnings and CAFD to set targets, including the Fund's distribution payout target, and to assess the performance of the Fund. Adjusted earnings and CAFD are not measures that have standardized meaning prescribed by U.S. GAAP and are not considered U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers. Please refer to the earnings reconciliation within the financial results for each business segment and the reconciliation between the GAAP and non-GAAP measures.

NON-GAAP RECONCILIATIONS

ADJUSTED EARNINGS

	Three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Earnings	69.6	47.8
Adjusting items ^{1,2} :		
Unrealized foreign exchange gain on intercompany loan	(62.3)	-
Changes in unrealized derivative fair value losses	44.5	-
Bakken Expansion - make-up rights adjustment	(0.7)	0.3
Transaction costs related to the Canadian Liquids Pipeline and Renewable Assets proposal from Enbridge	1.4	-
Retrospective accounting adjustments – Alliance US ³	-	(11.5)
Greenwich Wind Facility transformer outage	-	0.5
Adjusted earnings	52.5	37.1

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

2 Adjusting items are shown net of tax in this reconciliation if incurred within a taxable subsidiary corporation of the Fund. Income tax expense associated with adjustments to earnings was recognized within the Corporate segment.

3 In accordance with U.S. GAAP, earnings for the three months ended March 31, 2014 have been retrospectively adjusted to furnish comparative information related to Alliance US. The impact of the retrospective adjustments has been removed from adjusted earnings to reflect earnings generated under the Fund's ownership effective November 7, 2014.

	Three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Liquids Transportation and Storage	39.7	19.5
Natural Gas Transmission	39.5	20.1
Green Power	28.5	31.3
Corporate	(55.2)	(33.8)
Adjusted earnings	52.5	37.1

Adjusted earnings were \$52.5 million for the three months ended March 31, 2015 compared with \$37.1 million for the three-month period ended March 31, 2014.

The following factors impacted adjusted earnings.

- Adjusted earnings were higher quarter over quarter reflecting net benefits from the 2014 Transaction following its close in November 2014.
- Adjusted earnings from the Fund's legacy assets, assets exclusive of those acquired in the 2014 Transaction, decreased slightly quarter over quarter, primarily as a result of a particularly strong first quarter for the Green Power segment in 2014. Within the Natural Gas Transmission segment, the Fund's investee Sable NGL Services L.P. (Sable NGL), a joint venture that holds capacity on the Alliance Pipeline, benefitted from wide differentials in the comparable period of 2014 between the cost of natural gas in Western Canada and the sales price of natural gas in the Chicago area which rose due to abnormal winter weather conditions.

CASH AVAILABLE FOR DISTRIBUTION

	Three Months Ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Cash provided by operating activities	75.5	71.4
Liquids Transportation and Storage maintenance capital expenditures ¹	(3.2)	(0.6)
Southern Lights Class A Units distributions	5.4	-
Retrospective accounting adjustments – Alliance US ²	-	(12.8)
Green Power maintenance capital expenditures ¹	-	(0.3)
Green Power joint venture cash distributed ³	0.2	0.2
Greenwich Wind Facility transformer outage	-	0.5
Transaction costs related to the Canadian Liquids Pipeline and Renewable Assets proposal from Enbridge	1.4	-
Changes in operating assets and liabilities in the period ⁴	15.8	15.6
Cash available for distribution⁵	95.1	74.0
Cash available for distribution is comprised of the following:		
Liquids Transportation and Storage operating income before depreciation and amortization	57.9	36.7
Liquids Transportation and Storage distributions from Southern Lights Class A Units	5.4	-
Liquids Transportation and Storage maintenance capital expenditures	(3.2)	(0.6)
Natural Gas Transmission distributions	30.6	19.5
Green Power operating income before depreciation and amortization	44.3	45.6
Green Power maintenance capital expenditures	-	(0.3)
Green Power joint venture distributions	1.5	1.4
Corporate management and administrative expense	(9.5)	(6.2)
Corporate interest expense	(24.7)	(16.3)
Corporate current income tax expense	(7.2)	(5.8)
Cash available for distribution⁵	95.1	74.0
ECT preferred unit distributions declared	41.4	29.4
Trust unit distributions declared	37.7	26.8
Cash distributions declared	79.1	56.2
Payout ratio	83.2%	75.9%

¹ Maintenance capital expenditures reduce CAFD since these expenditures are funded through cash from operations.

² In accordance with U.S. GAAP, cash provided by operating activities for the 2014 period has been retrospectively adjusted to furnish comparative information related to Alliance US. The impact of the retrospective adjustments has been eliminated from CAFD as these cash flows were not available to distribute to unitholders.

³ The cash retained or distributed by certain Green Power joint ventures reflects the cash from operations of these joint ventures 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.

⁴ Changes 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 CAFD since fluctuations in working capital are expected each period and are not indicative of changes in cash available to be distributed.

⁵ Cash available for distribution includes reserves pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business.

	Three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Liquids Transportation and Storage	60.1	36.1
Natural Gas Transmission	30.6	19.5
Green Power	45.8	46.7
Corporate	(41.4)	(28.3)
Cash available for distribution	95.1	74.0

As set out in the previous table, CAFD 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 pertaining to items of an unusual or transient nature which are not indicative of the underlying or sustainable cash flows of the business. Such reserves are 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.

The Fund's CAFD totaled \$95.1 million for the three months ended March 31, 2015 compared with \$74.0 million for the same period of the prior year, representing an increase of 28.5%. In addition to the same factors that impacted adjusted earnings, the increase in the Fund's CAFD was further attributable to distributions from the Southern Lights Class A Units, partially offset by higher maintenance capital expenditures than the comparable period of 2014.

RECENT DEVELOPMENTS

Canadian Liquids Pipelines and Renewable Assets Proposal

On March 31, 2015, Enbridge presented the Fund and Enbridge Income Fund Holdings Inc. with a formal proposal to transfer its Canadian Liquids Pipelines business and certain Canadian renewable energy assets to the Fund. The general terms and projected financial outcomes of the proposed transfer are consistent with those described in the December 3, 2014 announcement of the proposed Canadian restructuring plan. A joint special committee of independent directors was formed and independent financial, technical and legal advisors were retained to assess the proposal. The assets proposed to be transferred to the Fund include \$16 billion of combined carrying value of Canadian Liquids Pipelines assets with an associated secured growth capital program of approximately \$15 billion, plus \$1 billion of renewable energy assets. If completed, the transaction would significantly increase the scale and scope of the Fund's business and provide a highly transparent source of long-term growth. Although the transaction is expected to close in mid-2015, there can be no assurance that it will be completed in the manner contemplated by Enbridge, or at all, or that market conditions will not materially alter the benefit contemplated by the proposal to either the Fund or Enbridge.

LIQUIDS TRANSPORTATION AND STORAGE

Disposition of Virden System

On April 10, 2015, the Fund entered into an agreement to sell certain Virden crude oil pipeline system assets to an unrelated party for proceeds of \$26.0 million before closing costs. The carrying value of the assets at March 31, 2015 was approximately \$4.3 million. The sale closed on May 1, 2015.

Cromer Rail Interconnection Project

On January 29, 2014, the Fund announced plans to construct a pipeline interconnection to connect the Westspur System and Bakken Expansion to a crude oil terminal near Cromer, Manitoba. The Bakken Expansion portion of the project completed first line fill on March 31, 2015 and was placed into service on April 1, 2015. The Westspur System component of the project is pending National Energy Board (NEB) approval and is expected to be in-service during the third quarter of 2015. The project is estimated to cost \$27.0 million and is fully backstopped by the operator of the crude oil rail terminal pursuant to a five-year Financial Support Agreement. The Fund has an option to acquire 50% of the rail terminal which is capable of handling 30,000 barrels per day and may be expanded to 60,000 barrels per day.

NATURAL GAS TRANSMISSION

Alliance Pipeline Recontracting

On July 15, 2013, Alliance Pipeline announced that beginning on August 15, 2013, customers began to contract to the Alliance Pipeline under Alliance's new services offering commencing December 2015. Alliance Pipeline outlined the services to be offered as well as the precedent agreement process to be followed. On May 22, 2014, Alliance Canada filed an application with the NEB for regulatory approval of its new services offering and the related tolls and tariff provisions required in Canada. Alliance US intends to file an application with the Federal Energy Regulatory Commission (FERC) in mid-2015 for its U.S. services. Given its unique ability to cost-effectively transport liquids rich natural gas and the supply growth in basins it runs through, it is expected that the Alliance Pipeline will be well-utilized for the foreseeable future. As of April 17, 2015, 100% of total targeted capacity has been secured through staged and un-staged receipt or full path services with an average contract length of almost five years.

FINANCIAL RESULTS

LIQUIDS TRANSPORTATION AND STORAGE

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Adjusted Earnings ¹	39.7	19.5
Southern Lights Class A Units - changes in unrealized derivative fair value losses	(47.8)	-
Bakken Expansion - make-up rights adjustment	0.7	(0.3)
Earnings	(7.4)	19.2

¹ Income tax expense associated with adjustments to earnings was recognized within the Corporate segment.

Liquids Transportation and Storage adjusted earnings increased primarily as a result of \$18.8 million in earnings recorded in respect of the Southern Lights Class A Units for the three months ended March 31, 2015. Liquids Transportation and Storage adjusted earnings also benefitted from a higher rate base for the Saskatchewan Gathering System compared to the same quarter of 2014.

	For the three months ended March 31,	
	2015	2014
Throughput volume ¹		
<i>(thousands of barrels per day)</i>		
Westspur System	187.7	176.2
Saskatchewan Gathering System	150.1	134.2
Weyburn System	31.8	31.5
Virden System	20.6	26.2
Bakken Expansion ²	64.5	8.9

¹ Totals are not presented as the same volumes can be transported through a combination of the pipelines comprising the Liquids Transportation and Storage segment.

² Bakken Expansion pipeline financial performance is largely volume insensitive since invested capital is underpinned by long term take-or-pay committed contracts.

Throughput volumes increased on the Westspur System, Saskatchewan Gathering System and Bakken Expansion for the three months ended March 31, 2015 compared to the same period of the prior year as volumes returned from alternative transportation sources, which saw lower throughputs in the first quarter of 2014 due to increased use of rail by shippers.

Liquids Transportation and Storage earnings were impacted by the following adjusting items:

- In order to manage foreign exchange exposure associated with the current and future U.S. dollar cash flows from the Southern Lights US Class A Units, the Fund implemented economic hedges upon closing the 2014 Transaction and recorded unrealized fair value losses of \$47.8 million in the first quarter of 2015. The changes in unrealized mark-to-market accounting for the foreign exchange derivatives create volatility in short-term earnings, but the Fund believes that over the long-term, the program supports reliable cash flows.
- The Bakken Expansion has firm take-or-pay committed contracts which provide that committed shippers which do not utilize committed capacity in a given period receive make-up rights that

entitle them to utilize unused capacity commitments for a period of twelve months. Committed shippers are only entitled to use make-up rights to the extent that their volumes exceed their minimum commitments for that period and spot shippers have not used the available capacity. For the three months ended March 31, 2015, the Fund recognized previously deferred revenue of \$0.7 million, reflecting expected make-up rights utilization, compared to deferring revenue of \$0.3 million in the comparative period of 2014.

NATURAL GAS TRANSMISSION

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Adjusted Earnings ¹	39.5	20.1
Alliance Pipeline - Changes in unrealized derivative fair value losses ¹	(12.0)	-
Alliance Pipeline - Retrospective accounting adjustments ²	-	11.5
Earnings	27.5	31.6

¹ Income tax expense associated with adjustments to earnings was recognized within the Corporate segment.

² In accordance with U.S. GAAP, earnings for the three months ended March 31, 2014 have been retrospectively adjusted to furnish comparative information related to Alliance US. The impact of the retrospective adjustments has been removed from adjusted earnings to reflect earnings generated under the Fund's ownership effective November 7, 2014.

	For the three months ended March 31,	
	2015	2014
Throughput volume		
<i>(millions of cubic feet per day)</i>		
Alliance Canada	1,636.0	1,652.0
Alliance US	1,791.0	1,728.0

Natural Gas Transmission adjusted earnings benefitted from the first full quarter of contribution from Alliance US during the three months ended March 31, 2015 as a result of closing the 2014 Transaction. Adjusted earnings within Sable NGL decreased during the first quarter of 2015 compared to the first quarter of 2014 when Sable NGL benefitted from wide differentials between the cost of natural gas in Western Canada and the sales price of natural gas in the Chicago area which arose due to abnormal winter weather conditions in the comparable period of 2014.

Natural Gas Transmission earnings were impacted by the following adjusting items:

- Unrealized fair value losses on derivative instruments used to hedge U.S. dollar cash flows from Alliance US of \$12.0 million.
- Retrospective restatement of earnings in relation to the 2014 Transaction.

GREEN POWER

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Adjusted earnings ¹	28.5	31.3
Wind facilities - Greenwich Wind Facility transformer outage	-	(0.6)
Earnings	28.5	30.7

¹ Income tax expense associated with adjustments to earnings was recognized within the Corporate segment.

	For the three months ended March 31,	
	2015	2014
<i>(thousands of megawatt hours produced)</i>		
Wind facilities	340.5	360.4
Solar facilities	32.9	30.4
Waste heat facilities	19.7	20.5

Green Power adjusted earnings for the quarter ended March 31, 2015 decreased slightly as two of the wind facilities experienced lower wind resource than the corresponding period of 2014. The decrease was partially offset by strong solar irradiance at the Sarnia Solar Facility.

Green Power earnings were not impacted by any adjusting items for the first quarter of 2015.

CORPORATE

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Interest expense	(26.0)	(17.6)
Management and administrative	(9.5)	(6.2)
Income taxes ¹	(19.7)	(10.0)
Adjusted corporate costs	(55.2)	(33.8)
Deferred tax recovery on changes in derivative fair value losses	15.3	-
Unrealized foreign exchange gain on intercompany loan, net of tax	62.3	-
Transaction costs related to the Canadian Liquids Pipelines and Renewable Assets proposal from Enbridge	(1.4)	-
Tax on Greenwich Wind Facility transformer outage	-	0.1
Corporate earnings/(costs)	21.0	(33.7)

¹ Income tax expense associated with adjustments to earnings within the individual segments was recognized within the Corporate segment.

In the quarter ended March 31, 2015, the increase in adjusted corporate costs over the corresponding period of 2014 was primarily driven by higher deferred income taxes resulting from an increased tax base as a result of the 2014 Transaction and additional interest expense incurred on long-term debt incurred to partially finance the 2014 Transaction.

Management and administrative expense included incentive fees of \$8.6 million (2014 - \$5.2 million) for the quarter ended March 31, 2015. Incentive fees are based on distributions declared by the Fund compared to a predetermined distribution target. As such, the increase in incentive fees was driven by the higher monthly distributions of \$0.157 per unit effective with the November 2014 distribution as compared to \$0.135 per unit in the first quarter of 2014.

Corporate costs were impacted by the following adjusting items:

- Deferred tax recoveries on the unrealized fair value losses with respect to the foreign exchange hedging program of \$15.3 million.
- In financing the 2014 Transaction, the Fund provided a U.S. dollar loan to its new U.S.-based subsidiary. Since the loan is denominated in U.S. dollars and the Fund has a Canadian dollar functional currency, the Fund recorded an unrealized, after-tax foreign exchange gain of \$62.3 million.
- Transaction costs, consisting of advisory fees, of \$1.4 million were incurred in connection with the Canadian Liquids Pipelines and Renewable Assets proposal from Enbridge.

LIQUIDITY AND CAPITAL RESOURCES

In keeping with its low risk value proposition, the Fund actively monitors and manages exposure to financial risks. The Fund's financing strategy is to maintain strong, investment grade credit ratings and ongoing access to capital markets. To protect against more severe market disruptions, the Manager targets to maintain sufficient liquidity in the form of committed standby credit facilities to finance anticipated operating and capital requirements for at least a year without having to access long-term capital markets.

Cash Requirements

Liquidity needs can be met through a variety of sources, including cash from operations and drawdowns on available capacity under the Fund's committed standby credit facilities. The Fund maintains a current medium term note (MTN) shelf prospectus with Canadian securities regulators, which enables ready access to Canadian public capital markets, subject to market conditions. These sources are expected to be sufficient to meet currently forecasted liquidity and capital resource requirements of the Fund.

Sources and Uses of Cash

The Fund's primary uses of cash are distributions to unitholders, administrative and operational expenses, maintenance and enhancement capital spending, and interest and principal repayments on the Fund's long-term debt. Sources of cash include cash flows from operations, new offerings of debt and equity, draws under committed credit facilities, as well as loans from affiliates.

Debt

Long-term debt consists of MTNs and a committed credit facility. No MTNs were issued during the quarter ended March 31, 2015.

At March 31, 2015, the Fund's credit facility was comprised of a \$500.0 million, 3-year standby facility with a syndicate of commercial banks. The facility includes a feature under which up to \$250.0 million of additional standby credit may be provided at the lender's consent on the same terms and conditions as the existing facility. At March 31, 2015, the Fund had letters of credit and an undrawn credit facility in the amounts of \$11.0 million and \$329.0 million, respectively, available to meet liquidity requirements.

The Fund is subject to several covenants under its credit facility, including a covenant that limits outstanding debt to a percentage of the Fund's consolidated capitalization. The Fund is in compliance with all covenants as at March 31, 2015.

Equity

No equity was issued during the first quarter of 2015.

Distributions

Effective with the November 2014 distribution, the Fund's distribution rate increased to \$0.157 per trust unit and ECT preferred unit from \$0.135 per trust unit and ECT preferred unit.

Capital expenditures

The Fund's capital expenditures before changes in construction payable (including contributions to equity investees to fund expansion projects) were \$17.8 million (2014 – \$2.8 million) for the quarter ended March 31, 2015, inclusive of \$11.8 million (2014 – \$0.5 million) incurred for the Fund's organic growth project, the Cromer Rail Interconnection Project. Maintenance capital expenditures for the Liquids Transportation and Storage segment totaled \$3.2 million (2014 – \$0.6 million) for the first quarter of 2015.

For the quarter ended March 31, 2015, cash distributions declared represented 83.2% of CAFD compared with 75.9% for the quarter ended March 31, 2014. The Fund targets to distribute a high proportion of CAFD each calendar year, after prudently reserving for contingencies and debt repayment.

Analysis of Cash Distributions Declared

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Cash provided by operating activities	75.5	71.4
Earnings	69.6	47.8
Cash distributions declared	79.1	56.2
Excess/(shortfall) of cash provided by operating activities over cash distributions declared	(3.6)	15.2
(Shortfall) of earnings over cash distributions declared	(9.5)	(8.4)

For the quarter ended March 31, 2015, cash provided by operating activities was lower than cash distributions declared by \$3.6 million (2014 – \$15.2 million excess). Changes in non-cash working capital which are included in cash provided by operating activities reflect fluctuations in working capital that are expected each period.

Earnings were \$9.5 million lower than cash distributions for the quarter ended March 31, 2015 (2014 – \$8.4 million). Earnings reflected non-cash items such as amortization of deferred financing costs, depreciation and deferred 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. Earnings for the quarter ended March 31, 2014 also included retrospective adjustments totaling \$11.5 million.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Maintaining a reliable and low risk business model is central to the Fund's objective of paying out a predictable cash flow to unitholders. The Fund actively manages both financial and non-financial risks it is exposed to. The Fund performs an annual corporate risk assessment to identify all potential risks. Risks are ranked based on severity and likelihood both before and after mitigating actions. In addition, the Fund has adopted a Cash Flow at Risk (CFAR) policy to manage exposure to movements in interest rates, foreign exchange rates and commodity prices across all segments. CFAR is a statistically derived measurement that quantifies the maximum adverse impact on cash flows over a specified period of time within a pre-defined level of statistical confidence. The Fund's CFAR limit has been set at 2.5% of forward annual CAFD.

MARKET PRICE RISK

The Fund's earnings, cash flows and other comprehensive income (OCI) are subject to movements in interest rates, foreign exchange rates and commodity prices (collectively, market risk). Formal risk management policies, processes and systems have been designed to mitigate these risks.

The following summarizes the types of market risks to which the Fund is exposed and the risk management instruments used to mitigate them.

Interest Rate Risk

The Fund's earnings, cash flows and OCI are exposed to short term interest rate variability due to the regular repricing of its variable rate debt, primarily floating rate notes and credit facilities. Floating to fixed interest rate swaps are used to hedge against the effect of future interest rate movements. The Fund has implemented a program to significantly mitigate the volatility of short-term interest rates on interest expense with the execution of floating to fixed rate interest rate swaps through 2019 at an average swap rate of 2.08%.

The Fund's earnings, cash flows and OCI are also exposed to variability in longer term interest rates ahead of anticipated fixed rate debt issuances. Forward starting interest rate swaps may be used to hedge against the effect of future interest rate movements. The Fund has implemented a program to significantly mitigate its exposure to long-term interest rate variability on select forecast term debt issuances with the execution of floating to fixed interest rate swaps through 2018 at an average swap rate of 3.91%.

The Fund uses qualifying derivative instruments to manage interest rate risk.

Foreign Exchange Risk

The Fund generates certain revenues, incurs expenses, and holds investments and subsidiaries that are denominated in currencies other than Canadian dollars. As a result, the Fund's earnings, cash flows and OCI are exposed to fluctuations resulting from foreign exchange rate variability.

The Fund has implemented a policy whereby, at a minimum, it hedges a level of foreign currency denominated cash flow exposures over a three year forecast horizon. A combination of qualifying and non-qualifying derivative instruments may be used to hedge anticipated foreign currency denominated revenues and expenses, and to manage variability in cash flows.

Commodity Price Risk

The Fund's earnings, cash flows and OCI are exposed to changes in commodity prices due to collection of allowance oil on certain crude oil pipelines, generation of power sold pursuant to floating rate supply agreements, and through commitments to purchase and sell natural gas in connection with capacity held on the Alliance Pipeline. The Fund may use crude oil, power and natural gas derivative instruments to fix a portion of the variable price exposures that may arise from these activities. The Fund may use a combination of qualifying and non-qualifying derivative instruments to manage commodity price risk.

Effect of Derivative Instruments on the Statements of Earnings and Comprehensive Income

The following table presents the effect of cash flow hedges on the Fund's consolidated earnings and comprehensive income.

	For the three months ended March 31,	
	2015	2014
<i>(millions of Canadian dollars)</i>		
Amount of unrealized gain/(loss) recognized in OCI		
Interest rate contracts	(18.9)	(8.3)
Foreign exchange contracts	1.2	0.4
Commodity contracts	1.8	(0.1)
Total unrealized loss recognized in OCI	(15.9)	(8.0)
Amount of gain/(loss) reclassified from accumulated other comprehensive income (AOCI) to earnings <i>(effective portion)</i>		
Interest rate contracts ¹	0.9	0.9
Foreign exchange contracts ²	(0.1)	0.1
Commodity contracts ³	(0.5)	(0.1)
Total gain reclassified from AOCI to earnings <i>(effective portion)</i>	0.3	0.9

¹ Reported within Interest Expense in the Consolidated Statements of Earnings.

² Reported within Other income in the Consolidated Statements of Earnings.

³ Reported within Electricity sales revenue in the Consolidated Statements of Earnings.

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations, including commitments, as they become due. In order to manage this risk, the Fund forecasts the cash requirements over the near and long term to determine whether sufficient funds will be available when required. The Fund's primary sources of liquidity and capital resources are funds generated from operations, draws under committed credit facilities and the issuance of MTNs. The Fund maintains a current shelf prospectus with Canadian securities regulators which enables, subject to market conditions, ready access to Canadian public capital markets. Cash flow from operations, in combination with available committed credit facilities and, if required, capital markets funding, is expected to be sufficient to meet the forecast liquidity and capital resource requirements of the Fund.

CREDIT RISK

Entering into derivative financial instruments may result in exposure to credit risk. Credit risk arises from the possibility that a counterparty will default on its contractual obligations. The Fund enters into risk management transactions only with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by utilization of credit exposure limits, contractual requirements and frequent assessment of counterparty credit worthiness.

Credit risk also arises from trade and other receivables, and is mitigated through credit exposure limits and by requiring less creditworthy counterparties to provide credit enhancement which may include letters of credit, posting of collateral, netting provisions or other contractual requirements. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

FAIR VALUE MEASUREMENTS

The Fund uses the most observable inputs available to estimate the fair value of its financial instruments. When possible, the Fund estimates the fair value of its financial instruments based on quoted market prices. If quoted market prices are not available, the Fund uses estimates from third party brokers. For non-exchange traded derivatives, the Fund uses standard valuation techniques to calculate the estimated fair value. These methods include discounted cash flows for forwards and swaps. Depending on the type of financial instrument and nature of the underlying risk, the Fund uses observable market prices (interest, foreign exchange and commodity) and volatility as primary inputs to these valuation techniques. Finally, the Fund considers its own credit default swap spread as well as the credit default swap spreads associated with its counterparties in its estimation of fair value.

CRITICAL ACCOUNTING ESTIMATES

Regulation

Both Alliance Pipeline and the pipeline systems comprising the South Prairie Region are subject to regulation by various authorities, including the NEB, FERC, Saskatchewan Ministry of Economy and Manitoba Innovation, Energy and Mines. Regulatory bodies exercise statutory authority over matters such as construction, rates and ratemaking and agreements with customers. To recognize the economic effects of the actions of the regulator, the timing of recognition of certain revenues and expenses in these operations may differ from that otherwise expected under U.S. GAAP for non-rate-regulated entities.

Regulatory assets represent amounts that are expected to be recovered from customers in future periods through rates. Regulatory liabilities represent amounts that are expected to be refunded to customers in future periods through rates. Long-term regulatory assets are recorded in deferred amounts and other assets and current regulatory assets are recorded in accounts receivable and other. Long-term regulatory liabilities are recorded in other long-term liabilities and current regulatory liabilities are recorded in accounts payable and other. Regulatory assets are assessed for impairment if the Fund identifies an event indicative of possible impairment. The recognition of regulatory assets and liabilities is based on the actions or expected future actions of the regulator. To the extent that the regulator's actions differ from the Fund's expectations, the timing and amount of recovery or settlement of regulatory balances could differ significantly from those recorded. In the absence of rate regulation, the Fund would generally not recognize regulatory assets or liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned. As at March 31, 2015, the Fund's net regulatory assets totaled \$40.2 million (December 31, 2014 – \$51.5 million).

Asset Retirement Obligations

Asset retirement obligations (ARO) associated with the retirement of long-lived assets are measured at fair value and recognized as other long-term liabilities in the period in which they can be reasonably determined. The fair value approximates the cost a third party would charge to perform the tasks necessary to retire such assets and is recognized at the present value of expected future cash flows. ARO are added to the carrying value of the associated asset and depreciated over the asset's useful life. The corresponding liability is accreted over time through charges to earnings and is reduced by actual costs of decommissioning and reclamation. The Fund's estimates of retirement costs could change as a result of changes in cost estimates and regulatory requirements.

Currently, for certain of the Fund's assets, there is insufficient data or information to reasonably determine the timing of settlement for estimating the fair value of the ARO. In these cases, the ARO cost is considered indeterminate for accounting purposes as there is no data or information that can be derived from past practice, industry practice or the estimated economic life of the asset.

In 2009, the NEB issued a decision related to the Land Matters Consultation Initiative (LMCI), which required holders of an authorization to operate a pipeline under the NEB Act to file a proposed process and mechanism to set aside funds to pay for future abandonment costs in respect of the sites in Canada used for the operation of a pipeline. The NEB's decision stated that while pipeline companies are ultimately responsible for the full costs of abandoning pipelines, abandonment costs are a legitimate cost of providing service and are recoverable from the users of the pipeline upon approval by the NEB.

Following the NEB's final approval of the collection mechanism and the set-aside mechanism for LMCI, the Fund began collecting and setting aside funds to cover future abandonment costs effective January 1, 2015. The funds collected are held in trust in accordance with the NEB decision. The funds collected from shippers are reported within Transportation and other services revenues and Long-term investments. Concurrently, the Fund reflects the future abandonment cost as an increase to Operating and maintenance expense and Other long-term liabilities.

CHANGES IN ACCOUNTING POLICIES

Adoption of New Standard

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

Effective January 1, 2015, the Fund prospectively adopted Accounting Standards Update (ASU) 2014-08 which changes the criteria and disclosures for reporting discontinued operations. The revised criteria will in general, result in fewer transactions being categorized as discontinued operations. There was no impact to the consolidated financial statements as a result of adopting this update.

Future Accounting Policy Change

Simplifying the Presentation of Debt Issuance Costs

ASU 2015-03 was issued in April 2015 with the intent to simplify the presentation of debt issuance costs. The new standard requires a debt issuance cost related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, as consistent with the presentation of debt discounts. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. This accounting update is effective for financial statements issued for fiscal years beginning after December 15, 2015 on a retrospective basis.

Amendments to the Consolidation Analysis

ASU 2015-02, issued in February 2015, revises the current consolidation guidance which results in a change in the determination of whether an entity consolidates certain types of legal entities. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. The new standard is effective for annual and interim reporting periods beginning after December 15, 2015 and may be applied on a full or modified retrospective basis.

Extraordinary and Unusual Items

ASU 2015-01 was issued in January 2015 and eliminates the concept of extraordinary items from GAAP. Entities will no longer be required to separately classify and present extraordinary events in the income statement, net of tax, after income from continuing operations. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. This accounting update is effective for annual and interim reporting periods beginning after December 15, 2015 and may be applied prospectively or retrospectively.

Hybrid Financial Instruments Issued in the Form of a Share

ASU 2014-16 was issued in November 2014 with the intent to eliminate the use of different methods in practice in the accounting for hybrid financial instruments issued in the form of a share. The new standard clarifies the evaluation of the economic characteristics and risks of a host contract in these hybrid financial instruments. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. This accounting update is effective for annual and interim periods beginning after December 15, 2015 and is to be applied on a modified retrospective basis.

Revenue from Contracts with Customers

ASU 2014-09 was issued in May 2014 with the intent of significantly enhancing comparability of revenue recognition practices across entities and industries. The new standard provides a single principles-based, five-step model to be applied to all contracts with customers and introduces new, increased disclosure requirements. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. The new standard is effective for annual and interim periods beginning on or after December 15, 2016 and may be applied on either a full or modified retrospective basis.

SELECTED QUARTERLY FINANCIAL INFORMATION

	2015		2014				2013	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(millions of Canadian dollars)</i>								
Revenues	113.1	102.0	98.4	107.4	107.9	103.7	92.5	104.4
Earnings ¹	69.6	26.2	35.3	40.7	47.8	32.7	25.8	36.4
Cash distributions declared ²	79.1	71.5	56.1	56.2	56.2	56.1	55.7	55.7

¹ Earnings for 2013 and 2014 periods have been retrospectively adjusted to furnish comparative information related to Alliance US as prescribed by U.S. GAAP for common control transactions.

² Cash distributions declared on trust units and ECT preferred units.

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

- In the first quarter of 2015, the Fund realized a full quarter of net benefits from the 2014 Transaction. Earnings also included the benefit of favourable foreign exchange on the translation of a U.S. dollar denominated intercompany loan partially offset by unrealized derivative fair value losses.
- In the fourth quarter of 2014, the Fund issued 13,860,000 trust units and ECT issued 15,200,000 preferred units to partially finance the 2014 Transaction. As a result, the Fund had higher earnings and increased its monthly distribution per unit to \$0.157 commencing with the November 2014 distribution.
- In the third quarter of 2014, the Fund incurred \$4.5 million of advisory fees and recorded an after-tax unrealized gain of \$8.8 million on foreign exchange in connection with the 2014 Transaction.
- First quarter 2014 earnings reflected \$4.1 million of income from the Fund's equity investment in Sable NGL. Sable NGL, which holds capacity on the Alliance Pipeline, benefitted from wide Alberta/Chicago natural gas price differentials experienced in the quarter as a result of abnormal winter weather conditions.
- The Fund increased its monthly distribution per unit to \$0.135 commencing with the November 2013 distribution.
- Revenues and earnings generated by the Green Power segment are subject to seasonal variations. This is driven by stronger wind resources in the first and fourth quarters and stronger solar resources in the second and third quarters. Although these trends are offsetting, revenues and earnings are generally expected to be lowest in the third quarter, attributable to seasonally weaker wind resources.

FUND OWNERSHIP

The following table presents the direct and indirect ownership of the Fund:

	At May 4, 2015
Enbridge Income Fund Holdings Inc. <i>(number of common shares outstanding)</i>	
Held by public	56,349,000
Held by Enbridge	14,002,000
	70,351,000
Enbridge Income Fund <i>(number of common units outstanding)</i>	
Held by Enbridge	9,500,000
Held by Enbridge Income Fund Holdings Inc.	70,351,000
	79,851,000
Enbridge Commercial Trust <i>(number of preferred units outstanding)</i>	
Held by Enbridge	87,665,750
Total number of common units and ECT preferred units outstanding	167,516,750

CONSOLIDATED STATEMENTS OF EARNINGS

Three months ended March 31, <i>(unaudited; millions of Canadian dollars)</i>	2015	2014 ¹
Revenues		
Transportation and other services	60.7	55.3
Electricity sales	52.4	52.6
	113.1	107.9
Expenses		
Operating and maintenance	15.4	13.7
Management and administrative	2.1	0.9
Operating, management and administrative – affiliate	21.7	17.1
Depreciation and amortization	34.5	33.4
	73.7	65.1
Income from equity investments	39.4	42.8
Other income <i>(Note 4)</i>	38.9	39.9
Other income – affiliate <i>(Note 4)</i>	11.7	0.1
Interest expense	18.9	0.1
	(26.0)	(17.6)
	82.9	65.3
Income taxes <i>(Note 8)</i>	(13.3)	(17.5)
Earnings	69.6	47.8

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

¹ Retrospectively adjusted to furnish comparative information related to Alliance US *(Note 3)*.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three months ended March 31, <i>(unaudited; millions of Canadian dollars)</i>	2015	2014 ¹
Earnings	69.6	47.8
Other comprehensive income/(loss)		
Change in unrealized loss on cash flow hedges, net of tax ² <i>(Note 7)</i>	(16.7)	(8.1)
Reclassification of cash flow hedges to earnings, net of tax ³ <i>(Note 7)</i>	0.4	0.9
Change in foreign currency translation adjustment	36.1	2.9
Other comprehensive income/(loss)	19.8	(4.3)
Comprehensive income	89.4	43.5

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

¹ Retrospectively adjusted to furnish comparative information related to Alliance US (Note 3).

² Tax expense was \$0.8 million (2014 – \$0.1 million) for the three months ended March 31, 2015.

³ Tax recovery was \$0.1 million (2014 – nil) for the three months ended March 31, 2015.

CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

Three months ended March 31, <i>(unaudited; millions of Canadian dollars)</i>	2015	2014 ¹
Deficit		
Balance at beginning of period	(5,752.5)	(2,569.3)
Earnings	69.6	47.8
ECT preferred unit distributions	(41.4)	(29.4)
Distributions to trust unitholders	(37.7)	(26.8)
Redemption value adjustment attributable to ECT preferred units <i>(Note 5)</i>	272.6	(203.7)
Redemption value adjustment attributable to trust units <i>(Note 6)</i>	248.4	(185.4)
Equity of former owners of acquired interest	-	(18.3)
Balance at end of period	(5,241.0)	(2,985.1)
Accumulated other comprehensive loss		
Balance at beginning of period	(31.6)	(14.1)
Other comprehensive income/(loss), net of tax	19.8	(4.3)
Balance at end of period	(11.8)	(18.4)
Total unitholders' deficit	(5,252.8)	(3,003.5)

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

¹ Retrospectively adjusted to furnish comparative information related to Alliance US *(Note 3)*.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31,	2015	2014 ¹
<i>(unaudited; millions of Canadian dollars)</i>		
Operating activities		
Earnings	69.6	47.8
Charges/(credits) not affecting cash		
Depreciation and amortization	34.5	33.4
Cash distributions less than equity earnings	(7.8)	(1.7)
Deferred income taxes <i>(Note 8)</i>	6.1	6.5
Changes in unrealized loss on derivative instruments, net <i>(Note 7)</i>	59.8	-
Unrealized gain on foreign currency translation of intercompany loan	(71.4)	-
Other	0.5	1.0
Changes in operating assets and liabilities <i>(Note 9)</i>	(15.8)	(15.6)
	75.5	71.4
Investing activities		
Additions to property, plant and equipment	(14.8)	(5.9)
Long-term receivable from affiliate	5.7	-
Contributions to equity investees	(0.3)	-
Additions to intangible assets	(0.1)	(0.1)
	(9.5)	(6.0)
Financing activities		
Net change in bank indebtedness	(10.3)	37.1
Net change in credit facility draws	20.0	5.1
Loans received from affiliates	5.8	5.6
Repayment of affiliate loans	(2.5)	(6.7)
ECT preferred unit distributions declared	(41.4)	(29.4)
Trust unit distributions declared	(37.7)	(26.8)
Distributions paid by acquired interest <i>(Note 3)</i>	-	(18.3)
	(66.1)	(33.4)
Increase/(decrease) in cash and cash equivalents	(0.1)	32.0
Cash and cash equivalents at beginning of period	29.5	29.0
Cash and cash equivalents at end of period	29.4	61.0

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

¹ Retrospectively adjusted to furnish comparative information related to Alliance US *(Note 3)*.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2015	December 31, 2014
<i>(unaudited; millions of Canadian dollars)</i>		
Assets		
Current assets		
Cash and cash equivalents	29.4	29.5
Accounts receivable and other, net	67.1	57.2
Accounts receivable from affiliates	44.0	29.1
	140.5	115.8
Property, plant and equipment, net	2,210.8	2,225.7
Long-term receivable from affiliate	1,005.5	945.1
Long-term investments	462.8	433.8
Deferred amounts and other assets	57.0	63.3
Intangible assets, net	27.0	26.3
Goodwill	28.8	28.8
Deferred income taxes	252.1	242.6
	4,184.5	4,081.4
Liabilities and unitholders' equity		
Current liabilities		
Bank indebtedness	-	10.3
Accounts payable and other	100.8	70.6
Due to affiliates	56.7	61.2
Distributions payable to affiliates	26.4	26.4
	183.9	168.5
Long-term debt	2,564.2	2,544.1
Other long-term liabilities	139.6	70.6
Deferred income taxes	385.0	396.7
	3,272.7	3,179.9
ECT preferred units (Note 5)	3,226.1	3,498.7
Trust units (Note 6)	2,938.5	3,186.9
	6,164.6	6,685.6
Unitholders' deficit		
Deficit	(5,241.0)	(5,752.5)
Accumulated other comprehensive loss	(11.8)	(31.6)
	(5,252.8)	(5,784.1)
	4,184.5	4,081.4

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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Enbridge Income Fund (the Fund) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim consolidated financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements and should be read in conjunction with the Fund's consolidated financial statements and notes thereto for the year ended December 31, 2014. In the opinion of management, the interim consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, which management considers necessary to present fairly the Fund's financial position as at March 31, 2015 and results of operations and cash flows for the three month periods ended March 31, 2015 and 2014. These interim consolidated financial statements follow the same significant accounting policies as those included in the Fund's audited consolidated financial statements as at and for the year ended December 31, 2014, except as described in Note 2, Changes in Accounting Policies. Amounts are stated in Canadian dollars unless otherwise noted.

2. CHANGES IN ACCOUNTING POLICIES

ADOPTION OF NEW STANDARD

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

Effective January 1, 2015, the Fund prospectively adopted Accounting Standards Update (ASU) 2014-08 which changes the criteria and disclosures for reporting discontinued operations. The revised criteria will in general, result in fewer transactions being categorized as discontinued operations. There was no impact to the consolidated financial statements as a result of adopting this update.

FUTURE ACCOUNTING POLICY CHANGES

Simplifying the Presentation of Debt Issuance Costs

ASU 2015-03 was issued in April 2015 with the intent to simplify the presentation of debt issuance costs. The new standard requires a debt issuance cost related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. This accounting update is effective for financial statements issued for fiscal years beginning after December 15, 2015 on a retrospective basis.

Amendments to the Consolidation Analysis

ASU 2015-02, issued in February 2015, revises the current consolidation guidance which results in a change in the determination of whether an entity consolidates certain types of legal entities. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. The new standard is effective for annual and interim reporting periods beginning after December 15, 2015 and may be applied on a full or modified retrospective basis.

Extraordinary and Unusual Items

ASU 2015-01 was issued in January 2015 and eliminates the concept of extraordinary items from GAAP. Entities will no longer be required to separately classify and present extraordinary events in the income statement, net of tax, after income from continuing operations. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. This accounting update is effective for annual and interim reporting periods beginning after December 15, 2015 and may be applied prospectively or retrospectively.

Hybrid Financial Instruments Issued in the Form of a Share

ASU 2014-16 was issued in November 2014 with the intent to eliminate the use of different methods in practice in the accounting for hybrid financial instruments issued in the form of a share. The new standard clarifies the evaluation of the economic characteristics and risks of a host contract in these hybrid financial instruments. The Fund is currently assessing the impact of the new standard on its consolidated financial

statements. This accounting update is effective for annual and interim periods beginning after December 15, 2015 and is to be applied on a modified retrospective basis.

Revenue from Contracts with Customers

ASU 2014-09 was issued in May 2014 with the intent of significantly enhancing comparability of revenue recognition practices across entities and industries. The new standard provides a single principles-based, five-step model to be applied to all contracts with customers and introduces new, increased disclosure requirements. The Fund is currently assessing the impact of the new standard on its consolidated financial statements. The new standard is effective for annual and interim periods beginning on or after December 15, 2016 and may be applied on either a full or modified retrospective basis.

3. ALLIANCE US

On November 7, 2014, the Fund acquired a 50% equity interest in the U.S. portion of the Alliance Pipeline (Alliance US) from indirect wholly-owned subsidiaries of Enbridge Inc. (Enbridge). The purchase was accounted for as a transaction between entities under common control, similar to a pooling of interests, whereby the investment in Alliance US was recorded at Enbridge's historic carrying values, with any difference from consideration paid charged to unitholders' deficit. The Fund's historical financial information has been retrospectively adjusted to present the results of operations for the Fund and Alliance US on a combined basis for all periods presented.

The incremental effect of retrospectively adjusting the Fund's consolidated financial statements to include the results of operations of Alliance US for the periods prior to the acquisition of interests is as follows:

	Three months ended March 31, 2014
<i>(unaudited; millions of Canadian dollars)</i>	
Earnings	
Income from equity investments	19.1
Income tax expense	(7.6)
Earnings	11.5
	Three months ended March 31, 2014
<i>(unaudited; millions of Canadian dollars)</i>	
Cash provided from operating activities	18.3
Cash used in financing activities	(18.3)
	-

4. SEGMENTED INFORMATION

Three months ended March 31, 2015	Liquids			Corporate	Consolidated
	Transportation and Storage	Natural Gas Transmission	Green Power		
<i>(unaudited; millions of Canadian dollars)</i>					
Transportation and other services	60.7	-	-	-	60.7
Electricity sales	-	-	52.4	-	52.4
Operating and maintenance	(8.9)	-	(6.5)	-	(15.4)
Management and administrative	-	-	-	(2.1)	(2.1)
Operating, management and administrative – affiliate	(11.9)	-	(1.0)	(8.8)	(21.7)
Depreciation and amortization	(18.6)	-	(15.9)	-	(34.5)
	21.3	-	29.0	(10.9)	39.4
Income from equity investments	-	39.4	(0.5)	-	38.9
Other income/(expense) ¹	(47.5)	(12.0)	-	71.2	11.7
Other income – affiliate ²	18.8	0.1	-	-	18.9
Interest expense	-	-	-	(26.0)	(26.0)
Income taxes	-	-	-	(13.3)	(13.3)
Earnings	(7.4)	27.5	28.5	21.0	69.6
Total assets	2,105.0	428.0	1,368.4	283.1	4,184.5
Additions to property, plant and equipment	14.6	-	0.2	-	14.8
Goodwill	28.8	-	-	-	28.8

¹ Primarily related to a foreign exchange gain on a U.S. dollar denominated intercompany loan between Fund subsidiaries and fair value losses on derivative instruments (Note 7).

² Primarily related to the Class A Units of Enbridge SL Holdings L.P. and Southern Lights Holdings, L.L.C.

Three months ended March 31, 2014 ¹	Liquids			Corporate	Consolidated
	Transportation and Storage	Natural Gas Transmission	Green Power		
<i>(unaudited; millions of Canadian dollars)</i>					
Transportation and other services	55.3	-	-	-	55.3
Electricity sales	-	-	52.6	-	52.6
Operating and maintenance	(7.5)	-	(6.2)	-	(13.7)
Management and administrative	-	-	-	(0.9)	(0.9)
Operating, management and administrative – affiliate	(10.8)	-	(1.0)	(5.3)	(17.1)
Depreciation and amortization	(17.8)	-	(15.6)	-	(33.4)
	19.2	-	29.8	(6.2)	42.8
Income from equity investments	-	39.1	0.8	-	39.9
Other income	-	-	0.1	-	0.1
Other income – affiliate	-	0.1	-	-	0.1
Interest expense	-	-	-	(17.6)	(17.6)
Income taxes	-	(7.6)	-	(9.9)	(17.5)
Earnings	19.2	31.6	30.7	(33.7)	47.8
Total assets	1,109.5	409.5	1,418.2	34.0	2,971.2
Additions to property, plant and equipment	5.6	-	0.3	-	5.9
Goodwill	28.8	-	-	-	28.8

¹ Retrospectively adjusted to furnish comparative information related to Alliance US (Note 3).

5. ECT PREFERRED UNITS

Three months ended March 31, <i>(unaudited; millions of Canadian dollars, number of units in millions)</i>	2015		2014	
	Number of Units	Amount	Number of Units	Amount
ECT preferred units, series 1				
Balance, beginning of period	38.0	1,517.5	38.0	884.8
Redemption value adjustment	-	(118.3)	-	106.9
Balance, end of period	38.0	1,399.2	38.0	991.7
ECT preferred units, series 2				
Balance, beginning of period	16.1	640.6	16.1	373.5
Redemption value adjustment	-	(49.9)	-	45.1
Balance, end of period	16.1	590.7	16.1	418.6
ECT preferred units, series 3				
Balance, beginning of period	13.2	525.2	13.2	306.2
Redemption value adjustment	-	(40.9)	-	37.0
Balance, end of period	13.2	484.3	13.2	343.2
ECT preferred units, series 4				
Balance, beginning of period	5.2	208.8	5.2	121.7
Redemption value adjustment	-	(16.3)	-	14.7
Balance, end of period	5.2	192.5	5.2	136.4
ECT preferred units, series 5				
Balance, beginning of period	15.2	606.6	-	-
Redemption value adjustment	-	(47.2)	-	-
Balance, end of period	15.2	559.4	-	-
Total ECT preferred units	87.7	3,226.1	72.5	1,889.9

6. TRUST UNITS

Three months ended March 31, <i>(unaudited; millions of Canadian dollars, number of units in millions)</i>	2015		2014	
	Number of Units	Amount	Number of Units	Amount
Common trust units, beginning of period	79.9	3,186.9	66.0	1,535.6
Redemption value adjustment	-	(248.4)	-	185.4
Common trust units, end of period¹	79.9	2,938.5	66.0	1,721.0

¹ Enbridge owned 9.5 million common trust units at March 31, 2015 (2014 – 9.5 million).

7. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

MARKET PRICE RISK

The Fund's earnings, cash flows and OCI are subject to movements in interest rates, foreign exchange rates and commodity prices (collectively, market price risk). Formal risk management policies, processes and systems have been designed to mitigate these risks.

The following summarizes the types of market price risks to which the Fund is exposed and the risk management instruments used to mitigate them.

Interest Rate Risk

The Fund's earnings, cash flows and OCI are exposed to short term interest rate variability due to the regular repricing of its variable rate debt, primarily floating rate notes and credit facilities. Floating to fixed interest rate swaps are used to hedge against the effect of future interest rate movements. The Fund has implemented a program to significantly mitigate the volatility of short-term interest rates on interest expense with the execution of floating to fixed rate interest rate swaps through 2019 at an average swap rate of 2.08%.

The Fund's earnings, cash flows and OCI are also exposed to variability in longer term interest rates ahead of anticipated fixed rate debt issuances. Forward starting interest rate swaps may be used to hedge against the effect of future interest rate movements. The Fund has implemented a program to significantly mitigate its exposure to long-term interest rate variability on select forecast term debt issuances with the execution of floating to fixed interest rate swaps through 2018 at an average swap rate of 3.91%.

The Fund uses qualifying derivative instruments to manage interest rate risk.

Foreign Exchange Risk

The Fund generates certain revenues, incurs expenses, and holds investments and subsidiaries that are denominated in currencies other than Canadian dollars. As a result, the Fund's earnings, cash flows and OCI are exposed to fluctuations resulting from foreign exchange rate variability.

The Fund has implemented a policy whereby, at a minimum, it hedges a level of foreign currency denominated cash flow exposures over a three year forecast horizon. A combination of qualifying and non-qualifying derivative instruments may be used to hedge anticipated foreign currency denominated revenues and expenses, and to manage variability in cash flows.

Commodity Price Risk

The Fund's earnings, cash flows and OCI are exposed to changes in commodity prices due to collection of allowance oil on certain crude oil pipelines, generation of power sold pursuant to floating rate supply agreements and through commitments to purchase and sell natural gas in connection with capacity held on the Alliance Pipeline. The Fund may use crude oil, power and natural gas derivative instruments to fix a portion of the variable price exposures that may arise from these activities. The Fund may use a combination of qualifying and non-qualifying derivative instruments to manage commodity price risk.

TOTAL DERIVATIVE INSTRUMENTS

The following table summarizes the balance sheet location, carrying value and fair value of the Fund's derivatives instruments. The Fund did not have any outstanding fair value or net investment hedges as at March 31, 2015 or December 31, 2014.

The Fund enters into individual International Swaps and Derivatives Association, Inc. (ISDA) agreements, or other similar derivative agreements, with certain of its derivative counterparties. These agreements provide for the net settlement of derivative instruments outstanding with specific counterparties in the event of bankruptcy or other significant credit event, and would reduce the Fund's credit risk exposure on derivative asset positions outstanding with the counterparties in these particular circumstances. The following table also summarizes the maximum potential settlement in the event of these specific circumstances. All amounts are presented gross in the Consolidated Statements of Financial Position.

March 31, 2015	Derivative Instruments used as Cash Flow Hedges	Non- Qualifying Derivative Instruments	Total Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
<i>(unaudited; millions of Canadian dollars)</i>					
Accounts receivable and other					
Foreign exchange contracts	0.4	-	0.4	-	0.4
Commodity contracts	0.7	0.2	0.9	-	0.9
	1.1	0.2	1.3	-	1.3
Deferred amounts and other assets					
Foreign exchange contracts	1.7	-	1.7	-	1.7
Commodity contracts	2.4	0.3	2.7	-	2.7
	4.1	0.3	4.4	-	4.4
Accounts payable and other					
Interest rate contracts	(2.0)	-	(2.0)	-	(2.0)
Foreign exchange contracts	-	(15.4)	(15.4)	-	(15.4)
Commodity contracts	-	(0.2)	(0.2)	-	(0.2)
	(2.0)	(15.6)	(17.6)	-	(17.6)
Other long-term liabilities					
Interest rate contracts	(43.3)	-	(43.3)	-	(43.3)
Foreign exchange contracts	-	(69.5)	(69.5)	-	(69.5)
Commodity contracts	-	(0.4)	(0.4)	-	(0.4)
	(43.3)	(69.9)	(113.2)	-	(113.2)
Total net derivative asset/(liability)					
Interest rate contracts	(45.3)	-	(45.3)	-	(45.3)
Foreign exchange contracts	2.1	(84.9)	(82.8)	-	(82.8)
Commodity contracts	3.1	(0.1)	3.0	-	3.0
	(40.1)	(85.0)	(125.1)	-	(125.1)

December 31, 2014	Derivative Instruments used as Cash Flow Hedges	Non- Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
<i>(millions of Canadian dollars)</i>					
Accounts receivable and other					
Foreign exchange contracts	0.2	-	0.2	-	0.2
Commodity contracts	0.5	0.2	0.7	-	0.7
	0.7	0.2	0.9	-	0.9
Deferred amounts and other assets					
Interest rate contracts	0.1	-	0.1	(0.1)	-
Foreign exchange contracts	0.9	-	0.9	-	0.9
Commodity contracts	1.3	0.2	1.5	-	1.5
	2.3	0.2	2.5	(0.1)	2.4
Accounts payable and other					
Interest rate contracts	(0.6)	-	(0.6)	-	(0.6)
Foreign exchange contracts	-	(3.8)	(3.8)	-	(3.8)
Commodity contracts	-	(0.2)	(0.2)	-	(0.2)
	(0.6)	(4.0)	(4.6)	-	(4.6)
Other long-term liabilities					
Interest rate contracts	(26.1)	-	(26.1)	0.1	(26.0)
Foreign exchange contracts	-	(21.2)	(21.2)	-	(21.2)
Commodity contracts	-	(0.3)	(0.3)	-	(0.3)
	(26.1)	(21.5)	(47.6)	0.1	(47.5)
Total net derivative asset/(liability)					
Interest rate contracts	(26.6)	-	(26.6)	-	(26.6)
Foreign exchange contracts	1.1	(25.0)	(23.9)	-	(23.9)
Commodity contracts	1.8	(0.1)	1.7	-	1.7
	(23.7)	(25.1)	(48.8)	-	(48.8)

The following table summarizes the maturity and notional principal or quantity outstanding related to the Fund's derivative instruments.

March 31, 2015	2015	2016	2017	2018	2019	Thereafter
Interest rate contracts - short-term borrowings <i>(millions of Canadian dollars)</i>	249.2	301.4	326.0	319.4	0.6	-
Interest rate contracts - long-term borrowings <i>(millions of Canadian dollars)</i>	-	-	180.0	100.0	-	-
Foreign exchange contracts - U.S. dollar forwards - purchase <i>(millions of United States dollars)</i>	2.1	2.1	2.2	2.2	2.4	1.6
Foreign exchange contracts - U.S. dollar forwards – sell <i>(millions of United States dollars)</i>	84.4	86.9	85.7	85.8	57.0	354.1
Commodity contracts - power <i>(megawatts per hour)</i>	6.4	4.8	4.3	2.8	2.8	3.0
December 31, 2014	2015	2016	2017	2018	2019	Thereafter
Interest rate contracts - short-term borrowings <i>(millions of Canadian dollars)</i>	320.5	301.4	326.0	319.4	0.6	-
Interest rate contracts - long-term borrowings <i>(millions of Canadian dollars)</i>	-	-	180.0	100.0	-	-
Foreign exchange contracts - U.S. dollar forwards - purchase <i>(millions of United States dollars)</i>	2.1	2.1	2.2	2.2	2.4	1.8
Foreign exchange contracts - U.S. dollar forwards - sell <i>(millions of United States dollars)</i>	98.1	86.9	85.7	85.8	57.0	354.1
Commodity contracts – power <i>(megawatts per hour)</i>	4.8	4.8	4.8	2.8	2.8	2.8

Effect of Derivative Instruments on the Statements of Earnings and Comprehensive Income

The following table presents the effect of cash flow hedges on the Fund's consolidated earnings and comprehensive income.

	Three months ended March 31,	
	2015	2014
<i>(unaudited; millions of Canadian dollars)</i>		
Amount of unrealized gain/(loss) recognized in OCI		
Interest rate contracts	(18.9)	(8.3)
Foreign exchange contracts	1.2	0.4
Commodity contracts	1.8	(0.1)
Total unrealized gain/(loss) recognized in OCI	(15.9)	(8.0)
Amount of gain/(loss) reclassified from AOCI to earnings <i>(effective portion)</i>		
Interest rate contracts ¹	0.9	0.9
Foreign exchange contracts ²	(0.1)	0.1
Commodity contracts ³	(0.5)	(0.1)
Total gain/(loss) reclassified from AOCI to earnings <i>(effective portion)</i>	0.3	0.9

¹ Reported within Interest expense in the Consolidated Statements of Earnings.

² Reported within Other income in the Consolidated Statements of Earnings.

³ Reported within Electricity sales revenue in the Consolidated Statements of Earnings.

The estimated net amount of existing losses reported in accumulated other comprehensive income that is expected to be reclassified to net income within the next 12 months is \$0.8 million. Actual amounts reclassified to earnings depend on the interest rates, foreign exchange rates and commodity prices in effect when derivative contracts that are currently outstanding are settled.

Non-Qualifying Derivatives

The following table presents the unrealized gains and losses associated with changes in the fair value of the Fund's non-qualifying derivatives.

	Three months ended March 31,	
	2015	2014
<i>(unaudited; millions of Canadian dollars)</i>		
Foreign exchange contracts ¹	59.8	-
Total unrealized derivative fair value loss	59.8	-

¹ Reported within Other income in the Consolidated Statements of Earnings.

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations, including commitments, as they become due. In order to manage this risk, the Fund forecasts the cash requirements over the near and long term to determine whether sufficient funds will be available when required. The Fund's primary sources of liquidity and capital resources are funds generated from operations, draws under committed credit facilities and the issuance of medium term notes. The Fund maintains a current shelf prospectus with Canadian securities regulators, which enables, subject to market conditions, ready access to Canadian public capital markets. Cash flow from operations, in combination with available committed credit facilities and, if required, capital markets funding, is expected to be sufficient to meet the forecast liquidity and capital resource requirements of the Fund.

CREDIT RISK

Entering into derivative financial instruments may result in exposure to credit risk. Credit risk arises from the possibility that a counterparty will default on its contractual obligations. The Fund enters into risk management transactions only with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by utilization of credit exposure limits, contractual requirements and frequent assessment of counterparty credit worthiness.

The Fund had group credit concentrations and maximum credit exposure, with respect to derivative instruments, in the following counterparty segments:

	March 31, 2015	December 31, 2014
<i>(unaudited; millions of Canadian dollars)</i>		
Enbridge affiliate	5.7	3.3
	5.7	3.3

Credit risk also arises from trade and other receivables and is mitigated through credit exposure limits and by requiring less creditworthy shippers to provide credit enhancement which may include letters of credit, posting of collateral, netting provisions or other contractual requirements. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

FAIR VALUE MEASUREMENTS

The Fund's financial assets and liabilities measured at fair value on a recurring basis include derivative instruments. The fair value of derivative instruments reflects the Fund's best estimates of market value based on generally accepted valuation techniques or models and supported by observable market prices and rates. When such values are not available, the Fund uses discounted cash flow analysis from applicable yield curves based on observable market inputs to estimate fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund categorizes those financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

Level 1

Level 1 includes financial instruments measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. An active market for a financial instrument is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund did not have any financial instruments categorized as Level 1 as at March 31, 2015 or December 31, 2014.

Level 2

Level 2 includes financial instrument valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Financial instruments in this category are valued using models or other industry standard valuation techniques derived from observable market data. Such valuation techniques include inputs such as quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the financial instrument. Financial instruments valued using Level 2 inputs include non-exchange traded derivatives such as over-the-counter interest rate swaps for which observable inputs can be obtained.

Level 3

Level 3 includes financial instrument valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the financial instruments' fair value. Generally, Level 3 financial instruments are longer dated transactions, occur in less active markets, occur at locations where pricing information is not available or have no binding broker quote to support Level 2 classification. The Fund has developed methodologies, benchmarked against industry standards, to determine fair value for these financial instruments based on extrapolation of observable future prices and rates. Financial instruments valued using Level 3 inputs include long-dated commodity derivative contracts.

The Fund uses the most observable inputs available to estimate the fair value of its financial instruments. When possible, the Fund estimates the fair value of its financial instruments based on quoted market prices. If quoted market prices are not available, the Fund uses estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, the Fund uses standard valuation techniques to calculate the estimated fair value. These methods include discounted cash flows for forwards and swaps. Depending on the type of financial instrument and nature of the underlying risk, the Fund uses observable market prices (interest, foreign exchange and commodity) and volatility as primary inputs to these valuation techniques. Finally, the Fund considers its own credit default swap spread as well as the credit default swap spreads associated with its counterparties in its estimation of fair value.

The Fund has categorized its financial instruments, measured at fair value as follows:

March 31, 2015	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
<i>(unaudited; millions of Canadian dollars)</i>				
Financial assets				
Current derivative assets	-	0.4	0.9	1.3
Long-term derivative assets	-	1.7	2.7	4.4
Financial liabilities				
Current derivative liabilities	-	(17.4)	(0.2)	(17.6)
Long-term derivative liabilities	-	(112.8)	(0.4)	(113.2)
Total net asset/(liability)	-	(128.1)	3.0	(125.1)

December 31, 2014	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
<i>(millions of Canadian dollars)</i>				
Financial assets				
Current derivative assets	-	0.2	0.7	0.9
Long-term derivative assets	-	1.0	1.5	2.5
Financial liabilities				
Current derivative liabilities	-	(4.4)	(0.2)	(4.6)
Long-term derivative liabilities	-	(47.3)	(0.3)	(47.6)
Total net asset/(liability)	-	(50.5)	1.7	(48.8)

The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments were as follows:

Fair value at March 31, 2015 <i>(millions of Canadian dollars)</i>	Unobservable Input	Minimum Price	Maximum Price	Weighted Average Price	
Commodity Contracts – Financial ¹					
Power	3.0	Forward Power Price	30.75	63.80	44.34 \$/MWH

¹ Financial forward commodity contracts are valued using a market approach valuation technique.

If adjusted, the significant unobservable inputs disclosed in the table above would have a direct impact on the fair value of the Fund's Level 3 derivative instruments. The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments consist of forward commodity prices. Changes in forward commodity prices would result in significantly different fair values for long positions, with offsetting impacts to short positions.

Changes in the net fair value of derivative instruments classified as Level 3 in the fair value hierarchy were as follows:

	Three months ended March 31,	
	2015	2014
<i>(unaudited; millions of Canadian dollars)</i>		
Level 3 net financial asset/(liability) at beginning of period	1.7	(0.2)
Total gains/(losses), unrealized		
Included in OCI	1.3	(0.3)
Settlements	-	-
Level 3 net financial asset/(liability) at end of period	3.0	(0.5)

The Fund's policy is to recognize transfers as of the last day of the reporting period. There were no transfers between levels as at March 31, 2015 and December 31, 2014.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

At March 31, 2015, the Fund's long-term debt had a fair value of \$2,594.8 million (December 31, 2014 – \$2,654.4 million). This fair value measurement has been classified as a Level 2 fair value measurement. At March 31, 2015, the fair value of long-term receivable from affiliate was equal to carrying value. This fair value measurement has been classified as a Level 2 fair value measurement.

8. INCOME TAXES

Income tax expense included in earnings for the three months ended March 31, 2015 comprised current income tax expense of \$7.2 million (2014 – \$11.0 million) and deferred income tax expense of \$6.1 million (2014 – \$6.5 million). Income taxes for the 2014 period have been retrospectively adjusted to furnish comparative information related to Alliance US (Note 3).

The effective tax rate for the three months ended March 31, 2015 was 16.0% (2014 – 26.8%). The most significant factors contributing to the decrease in the effective tax rate were the non-taxable portion of unrealized foreign exchange gains and the tax effect relating to the character of income distributed by the Fund partially offset by the effects of rate regulated accounting largely attributable to the Fund's investment in Alliance Canada.

9. CHANGES IN OPERATING ASSETS AND LIABILITIES

Three months ended March 31,	2015	2014 ¹
<i>(unaudited; millions of Canadian dollars)</i>		
Accounts receivable and other, net	(11.1)	(8.8)
Accounts receivable from affiliates	(13.3)	0.7
Accounts payable and other	12.1	7.9
Due to affiliates	(7.8)	(15.3)
Deferred amounts and other assets	4.3	-
Other long-term liabilities	-	(0.1)
	(15.8)	(15.6)

¹ Retrospectively adjusted to furnish comparative information related to Alliance US (Note 3).

10. SUBSEQUENT EVENT

On April 10, 2015, the Fund entered into an agreement to sell certain Virden crude oil pipeline system assets to an unrelated party for proceeds of \$26.0 million before closing costs. The carrying value of the assets at March 31, 2015 was approximately \$4.3 million. The sale closed on May 1, 2015.