Enbridge Income Fund Holdings Inc.

Third Quarter

Interim Report to Shareholders

For the nine months ended September 30, 2017

ENBRIDGE®
Income Fund Holdings

Q3 HIGHLIGHTS

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

- Earnings were $77 million or $0.52 per common share for the third quarter and $221 million or $1.60 per common share for the nine-month period
- Fund Group available cash flow from operations (ACFFO) was $488 million and $1,411 million for the third quarter and nine-month period, respectively
- The $200 million JACOS Hangingstone Project was placed into service on August 29, 2017
- Line 3 Replacement Program progressing well with construction in Canada; Minnesota regulatory hearings under way
- Enbridge received an amended Presidential Permit for the expansion of the Alberta Clipper liquids pipeline
- The Fund Group remains on track to deliver on 2017 ACFFO guidance of $1.9 to $2.1 billion

CALGARY, Alberta, November 2, 2017 - Enbridge Income Fund Holdings Inc. (TSX: ENF) (ENF or the Company) announced third quarter earnings of $77 million, or $0.52 per common share.

Fund Group ACFFO was $488 million for the three months ended September 30, 2017 and $1,411 million year-to-date. Cash distributions paid year-to-date were $1,209 million, resulting in a payout ratio of 86 percent of ACFFO through September 30, 2017.

Third quarter ACFFO was up year-over-year driven largely by the strong performance of the Canadian Mainline as a result of higher crude oil throughput and higher tolls. Crude oil throughput on the Canadian Mainline averaged close to 2.5 million barrels per day during the third quarter.

“Our strong financial results are a testament to the strength and quality of our asset base," said Perry Schuldhaus, Company President. "Within the Liquids Pipelines segment of the Fund Group, earnings on the Canadian Mainline were strong in the third quarter, thanks to various capacity optimization initiatives completed earlier this year in combination with a higher residual benchmark toll. In the Gas Pipelines segment, we continue to see strong contributions from Alliance Pipeline as a result of ongoing demand for firm seasonal service.”

Looking ahead to the fourth quarter, the Company expects performance to continue to strengthen. With the capacity optimizations in place, the Canadian Mainline is now in a position to transport increased volumes as production and refinery facilities come back into service following maintenance outages and as new oilsands production facilities come on line.

Project Execution
The Fund Group continues to make good progress on the execution of its $9 billion secured growth capital program. On August 29, 2017, the JACOS Hangingstone crude oil pipeline lateral in Alberta was placed into service. Year to date, the Fund Group has brought over $2.4 billion of new projects into service on budget, and is also expecting the $1.3 billion Wood Buffalo Extension project to come into service before year end.

The Line 3 Replacement is a critical energy infrastructure program that will support the economy and assure a reliable and cost-effective supply of energy. It will comprise the newest and most advanced pipeline technology and will enhance safety, reliability, and throughput capacity on the Mainline system.

All required regulatory permitting is in place in Canada and construction began this summer on certain segments of the pipeline and is progressing well.

The most significant remaining permitting process for the U.S. portion of the Line 3 Replacement Program which is being constructed by Enbridge Energy Partners, L.P. U.S. is in Minnesota. The Minnesota Public Utilities Commission is expected to issue a decision on the Certificate of Need and Route Permit in the second quarter of 2018. Based on this regulatory process and timeline, Management continues to anticipate an in-service date for the project in the second half of 2019.

In addition, subsequent to quarter-end, Enbridge received an amended Presidential Permit for the Alberta Clipper (Line 67) expansion project.

"We are very pleased with the progress the Fund Group has made on the execution of its growth capital projects," concluded Mr. Schuldhaus. “With the strength we are seeing in the base business, combined with the balance of the $9 billion organic growth program coming into service, we remain on track to achieve our dividend growth projections of approximately 10% per year through 2019."

Dividends and Ownership Structure
On October 30, 2017, the Company's Board of Directors declared a monthly cash dividend of $0.1711 per common share to be paid on December 15, 2017 to shareholders of record at the close of business on November 30, 2017.

These dividends are designated eligible dividends for Canadian tax purposes, which qualify for the enhanced dividend tax credit. Eligible shareholders may elect to participate in the Company's Dividend Reinvestment and Share Purchase Plan (DRIP), where they may automatically reinvest their dividends in additional shares at a two percent discount to the share price without brokerage fees. Details of the DRIP are available on the Company's website. Shareholders who wish to participate in the DRIP should contact their investment dealer for further information and to enroll.

The Company holds a 67.0 percent ordinary trust unit (Fund Unit) interest in Enbridge Income Fund (the Fund) and an approximate 19.2 percent overall economic interest in the Fund Group. The Fund Group is comprised of the Fund, Enbridge Commercial Trust (ECT), Enbridge Income Partners LP (EIPLP) and the subsidiaries and investees of EIPLP. EIPLP holds the operating entities of the Fund Group.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this news release to provide information about the Company and its investee, the Fund, and the Fund's direct and indirect investments and joint ventures (collectively, the Fund Group), including management's assessment of future plans and operations of the Company and the Fund Group. 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", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: mainline system throughput; expected or target ACFFO; cash flows; equity capital requirements; in-service dates of projects; safety and reliability of pipeline systems; regulatory approvals; impact of the hedging program; shareholder returns; future dividends and distributions by the Fund; and dividend increases.

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

The Company's and the Fund Group's forward-looking statements are subject to risks and uncertainties pertaining to future dividends, ACFFO guidance, operating performance, regulatory parameters, project approval and support, weather, economic and competitive conditions, public opinion, changes in tax laws and tax rates, exchange rates, interest rates, commodity prices, political decisions and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this news release and in the Company's and the Fund Group'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 Company's or the Fund Group's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by applicable law, the Company and the Fund Group 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 Group or persons acting on the Company's or the Fund Group's behalf, are expressly qualified in their entirety by these cautionary statements.*

NON-GAAP MEASURES

This news release contains references to adjusted earnings before interest and income taxes (adjusted EBIT) and ACFFO. Adjusted EBIT represents EIPLP earnings before interest and income taxes (EBIT), 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 of this news release.

Fund Group ACFFO consists of adjusted EBIT further adjusted for non-cash items, representing cash flow from the Fund Group's underlying businesses, less deductions for maintenance capital expenditures, interest expense, and applicable taxes and further adjusted for unusual, non-recurring or non-operating factors not indicative of the underlying or sustainable cash flows of the business. ACFFO is important to unitholders as the Fund Group's objective is to provide a predictable flow of distributions to unitholders. ACFFO represents the Fund Group's cash available to fund distributions to unitholders, as well as for debt repayments and reserves.

Management believes the presentation of adjusted EBIT and ACFFO are useful to investors and unitholders as they provide increased transparency and insight into the performance of the Company and the Fund Group. Management uses adjusted EBIT and ACFFO to set targets, including the distribution payout target, and to assess the performance of the Company and the Fund Group. Adjusted EBIT and ACFFO are not measures that have standardized meanings prescribed by generally accepted accounting principles in the United States of America (U.S. GAAP) and are not U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers.

Please see the tables in the *Third Quarter 2017 Performance Overview* section that provide a reconciliation of the GAAP and non-GAAP measures.

THIRD QUARTER 2017 PERFORMANCE OVERVIEW

For more information on the operating results of the Company, the Fund and EIPLP, please see the respective Management's Discussion and Analysis on the Company's website at http://www.enbridgeincomefund.com/Find-Shareholder-Information/Reports-and-Filings/English.aspx. The documents are also filed on SEDAR under Enbridge Income Fund Holding Inc.'s profile for the Company and under Enbridge Income Fund's profile for the Fund and EIPLP.

ENBRIDGE INCOME PARTNERS LP
Adjusted Earnings Before Interest and Income Taxes[1]

	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Liquids Pipelines	**750**	344	**1,913**	1,633
Gas Pipelines	**51**	47	**156**	155
Green Power	**22**	28	**106**	103
Eliminations and Other	**(12)**	17	**(17)**	(10)
Earnings before interest and income taxes	**811**	436	**2,158**	1,881
Adjusting items:				
Changes in unrealized derivative fair value (gains)/loss[2]	**(346)**	8	**(791)**	(589)
Unrealized (gains)/loss on translation of United States dollar intercompany loan	**25**	(2)	**51**	53
Leak remediation costs	**3**	—	**15**	—
Leak insurance recoveries	**(2)**	—	**(6)**	(5)
Make-up rights adjustments[3]	**—**	(4)	**—**	30
Northeastern Alberta wildfires pipelines and facilities restart costs	**—**	18	**—**	39
Other	**—**	—	**—**	6
Adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415
Comprised of:				
Liquids Pipelines	**408**	366	**1,142**	1,129
Gas Pipelines	**49**	48	**149**	144
Green Power	**21**	27	**102**	99
Eliminations and Other	**13**	15	**34**	43
Adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415

1 *The above table summarizes adjusting items by nature. For a detailed listing of adjusting items by segment, refer to individual segment discussions.*
2 *Changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period.*
3 *Effective January 1, 2017, EIPLP no longer makes such an adjustment to its EBIT.*

Earnings Before Interest and Income Taxes

The comparability of EIPLP's earnings was impacted by a number of unusual, non-recurring or non-operating factors, the most significant of which relates to changes in unrealized derivative fair value gains and losses as well as pipeline and facilities restart costs that resulted from the extreme wildfires that occurred in northeastern Alberta in the second quarter of 2016.

EIPLP's EBIT for the three months ended September 30, 2017 was $811 million, an increase of $375 million over the corresponding period in 2016. Excluding the impact of unusual, non-recurring or non-operating factors, EIPLP EBIT increased for the third quarter of 2017 compared with the third quarter of 2016, primarily driven by stronger performance from the Liquids Pipelines segment. Specifically, Canadian Mainline contributions increased due to a higher Canadian Mainline International Joint Tariff (IJT) Residual Benchmark Toll, which increased in April 2017 and July 2017. In addition, Canadian Mainline throughput was higher in the third quarter of 2017 following capacity optimizations implemented earlier in the year.

For the first nine months of 2017, EIPLP EBIT was higher than the same period in 2016, largely driven by the stronger results within the Liquids Pipelines segment in the second and third quarters of 2017 compared with the corresponding period in 2016. Following the first quarter of 2017, Canadian Mainline revenues increased due to a higher Canadian Mainline IJT Residual Benchmark Toll and a higher foreign exchange hedge rate used to record United States dollar denominated revenues compared to the second and third quarters of 2016, respectively. The Canadian Mainline also benefitted from stronger throughput on a year-to-date basis in 2017 compared to 2016.

Adjusted Earnings Before Interest and Income Taxes

EIPLP adjusted EBIT for the third quarter of 2017 was $491 million compared with $456 million for the third quarter of 2016. The quarter-over-quarter increase was mainly driven by stronger contributions from the Liquids Pipelines segment. The Liquids Pipelines segment revenues increased due to a higher average Canadian Mainline IJT Residual Benchmark Toll in the third quarter of 2017 as well as throughput growth on the Canadian Mainline and Regional Oil Sands System. Liquids pipelines throughput in the third quarter of 2017 returned to levels achieved earlier in the year following temporary, unusual events in the second quarter, as discussed below. Canadian Mainline throughput was further strengthened in the third quarter of 2017 by capacity optimizations implemented in the first half of the year.

The year-to-date increase in adjusted EBIT was largely driven by the stronger results in the second and third quarters of 2017 compared to the corresponding periods in 2016. Beginning in April 2017, the Liquids Pipelines segment benefitted from an increase in the Canadian Mainline IJT Residual Benchmark Toll from US$1.47 to US$1.62, which was further increased to US$1.64 in July 2017. In addition, United States dollar denominated Canadian Mainline revenues were recorded at a higher foreign exchange hedge rate in the second and third quarters of 2017 compared with the corresponding 2016 periods. The IJT Benchmark Toll and its components are set in United States dollars, and the majority of EIPLP's foreign exchange risk on Canadian Mainline revenues is hedged. The effective hedge rate for the translation of Canadian Mainline United States dollar transactional revenues for the second and third quarters of 2017 were $1.04 and $1.07 compared with $1.03 and $1.05 for the corresponding periods in 2016, respectively.

Canadian Mainline throughput was also stronger on a year-to-date basis in 2017 compared to 2016, driven by strong oil sands production in western Canada along with increased pipeline capacity realized in the third quarter of 2017, as discussed above. The year-to-date periods were also impacted by temporary, unusual events in the second quarters of both years. In the second quarter of 2017, volumes were impacted by an unexpected outage and accelerated maintenance at a customer's upstream facility, while in the second quarter of 2016, throughput was lower due to the impacts of the northeastern Alberta wildfires. Based on the positive impacts of Canadian Mainline capacity optimizations implemented in the first half of the year along with new projects coming into service in the remainder of the year, liquids pipelines throughput is expected to remain strong through the fourth quarter of 2017.

FUND GROUP
Available Cash Flow from Operations[1]

	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
EIPLP adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415
Depreciation and amortization expense	**167**	156	**490**	475
Cash distributions in excess of/(less than) equity earnings	**6**	2	**13**	(8)
Maintenance capital expenditures[2]	**(13)**	(38)	**(42)**	(71)
Interest expense[3]	**(101)**	(86)	**(294)**	(263)
Current income taxes[3]	**(19)**	16	**(49)**	(32)
Special interest rights distributions - IDR[4]	**(12)**	(12)	**(36)**	(35)
Other adjusting items[5]	**21**	8	**57**	27
EIPLP ACFFO	**540**	502	**1,566**	1,508
Fund and ECT interest expense, net	**(18)**	(23)	**(59)**	(68)
ECT incentive fee	**(31)**	(31)	**(92)**	(91)
Fund and ECT operating and administrative expense	**(3)**	—	**(4)**	(3)
The Fund Group ACFFO	**488**	448	**1,411**	1,346
Distributions paid to Enbridge	**325**	335	**984**	1,007
Distributions paid to ENF	**79**	67	**225**	185
Fund Group distributions declared	**404**	402	**1,209**	1,192
Fund Group payout ratio			**86%**	89%

1 ACFFO is a non-GAAP measure that does not have any standardized meaning prescribed by U.S. GAAP. See definition within Non-GAAP Measures.

2 Maintenance capital expenditures are expenditures that are required for the ongoing support and maintenance of the existing pipeline system or that are necessary to maintain the service capability of the existing assets (including the replacement of components that are worn, obsolete or completing their useful lives). For the purpose of ACFFO, maintenance capital excludes expenditures that extend asset useful lives, increase capacities from existing levels or reduce costs to enhance revenues or provide enhancements to the service capability of the existing assets. Maintenance capital expenditures occur primarily within EIPLP's Liquids Pipelines segment.

3 These balances are presented net of adjusting items.

4 Incentive Distribution Right (IDR) refers to the cash component of the Special Interest Rights (SIR) distributions. IDR distributions are declared monthly and paid in cash to holders of the SIR in the following month.

5 Primarily relates to cash received for revenue that is deferred, including make-up rights recognized for certain take-or-pay tolling arrangements. Prior to January 1, 2017, EIPLP included make-up rights recognized for certain take-or-pay tolling arrangements in its determination of adjusted EBIT.

Fund Group ACFFO underpins the Fund Group's ability to pay distributions to holders of Fund Units, including the Company. The Fund Group's ACFFO increased to $488 million and $1,411 million for the three and nine months ended September 30, 2017 from $448 million and $1,346 million in the comparable periods of 2016, respectively.

Similar to adjusted EBIT, the increase in ACFFO in the third quarter of 2017 was driven by stronger contributions from EIPLP's Liquids Pipelines segment following the increases in the Canadian Mainline IJT Residual Benchmark Toll in April 2017 and July 2017, along with higher throughput on the Canadian Mainline following capacity optimizations implemented in the first half of 2017.

For the first nine months of 2017, ACFFO increased compared with the same period of 2016 driven by strong operating results in the second and third quarters of 2017 discussed in *Non-GAAP*

Measures – Adjusted EBIT, which included a higher Canadian Mainline IJT Residual Benchmark Toll and higher liquids pipelines throughput, which was partially offset by temporary, unusual events in the second quarter of 2017. In addition, ACFFO increased due to greater distributions from Alliance Pipeline and lower maintenance capital expenditures in both periods of 2017.

ENBRIDGE INCOME FUND HOLDINGS INC.

	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Distribution income	**79**	67	**225**	185
Dividends declared	**76**	58	**215**	161

The Company's distribution income represents substantially all of the Company's earnings and cash flows, and is derived from the Fund Group distributions paid to the Company. For the three and nine months ended September 30, 2017, distribution income was $79 million and $227 million, an increase of approximately 20 percent and 24 percent from the comparable periods of 2016, respectively, as a result of the increased number of Fund Units held by the Company in the second and third quarters of 2017 compared with the same periods in 2016.

The following table summarizes the dividend rate and total dividends declared by the Company for the nine months ended September 30, 2017 and 2016 and the quarters therein.

	2017		2016	
	Dividend per Share	**Total**	Dividend per Share	Total
(unaudited; millions of Canadian dollars)				
Three months ended March 31,	**0.5133**	**64**	0.4665	45
Three months ended June 30,	**0.5133**	**75**	0.4665	58
Three months ended September 30,	**0.5133**	**76**	0.4665	58
Nine months ended September 30,	**1.5399**	**215**	1.3995	161

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

This Management's Discussion and Analysis (MD&A) dated November 2, 2017, 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 and nine months ended September 30, 2017, prepared in accordance with International Financial Reporting Standards (IFRS). It should also be read in conjunction with the audited financial statements and MD&A contained in the Company's Annual Report for the year ended December 31, 2016. All financial information is presented in Canadian dollars, unless otherwise indicated. Additional information related to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

OVERVIEW

The Company is a publicly traded corporation whose common shares trade on the Toronto Stock Exchange (TSX) under the symbol ENF. The Company's business is limited to its ownership 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.

The Fund is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta. The Fund, through its indirect investment in Enbridge Income Partners LP (EIPLP), is involved in the transportation, storage and generation of energy. EIPLP owns interests in liquids transportation and storage assets, including the Canadian Mainline, the Regional Oil Sands System, a 50% interest in the Alliance Pipeline system, which transports natural gas from Canada to the United States, and interests in renewable and alternative power generation assets. Readers are encouraged to read EIPLP's consolidated financial statements and MD&A which are filed under the Fund's profile on SEDAR at www.sedar.com.

The unitholders of the Fund are the Company and Enbridge Inc. (Enbridge), a North American transporter, distributor and generator of energy listed on the TSX and the New York Stock Exchange. The Company is managed by Enbridge Management Services Inc. (the Manager or EMSI), a wholly-owned subsidiary of Enbridge. EMSI also serves as the manager of the Fund, Enbridge Commercial Trust (ECT), a wholly-owned investment of the Fund, and EIPLP. EIPLP is a limited partnership between ECT and Enbridge. The Fund, ECT, EIPLP and the subsidiaries and investees of EIPLP are collectively referred to as the Fund Group.

At September 30, 2017, Enbridge held 19.9% of the Company's common shares, with the public shareholders holding the remaining 80.1%. At September 30, 2017, the Company held 67.0% of the issued and outstanding ordinary trust units of the Fund (Fund Units) and Enbridge held the remaining 33.0%. The Company's overall economic interest in the Fund Group was 19.2% as at September 30, 2017.

ENBRIDGE INCOME FUND HOLDINGS INC. FINANCIAL PERFORMANCE

The Company's earnings and cash flows are derived from its investment in the Fund and are dependent upon its ownership interest, the cash distributions per unit paid by the Fund and income taxes. 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 September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars, except per unit and per share amounts and share amounts)				
Fund Unit distribution per unit	**0.5376**	0.5376	**1.6128**	1.6128
Cash distributions declared to holders of Fund Units	**118**	117	**353**	337
Percentage of Fund Units held by ENF	**66.9% - 67.0%**	56.8%	**56.9% - 67.0%**	50.8% - 56.8%
Distribution income, ENF	**79**	67	**225**	185
Interest income and other	**—**	—	**2**	2
Income taxes	**(2)**	(1)	**(6)**	(2)
Earnings, ENF	**77**	66	**221**	185
Earnings per common share	**0.52**	0.53	**1.60**	1.64
Diluted earnings per common share	**0.52**	0.53	**1.57**	1.60
Cash flows from operating activities	**80**	67	**222**	177
Dividends declared	**76**	58	**215**	161
Dividends per common share	**0.5133**	0.4665	**1.5399**	1.3995
Dividend payout ratio	**98.7%**	87.9%	**97.3%**	87.0%
Number of common shares outstanding[1]			**147,345,711**	123,762,367

1 As at September 30, 2017 and 2016, respectively.

Distribution income from Fund Units increased for the first nine months of 2017 compared with the corresponding period of 2016 as the Company increased its ownership of the Fund.

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 that 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 pays monthly dividends to its shareholders. Dividends for the three and nine months ended September 30, 2017 were declared at an aggregate quarterly rate of $0.5133 (2016 - $0.4665) and $1.5399 (2016 - $1.3995) per common share respectively, representing total dividends of $76 million (2016 - $58 million) and $215 million (2016 - $161 million). The Company's earnings payout ratio increased to 98.7% and 97.3% for the three and nine months ended September 30, 2017 compared to 87.9% and 87.0% in the comparative periods of 2016. In January 2017, the Company increased its monthly dividend per common share by 10% to $0.1711 per common share, which is consistent with the anticipated dividend growth due to expected Fund Group earnings and cash flow performance from its asset base.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this MD&A to provide information about the Company and the Fund Group, including management's assessment of the Company and the Fund Group's future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: earnings/(loss) or adjusted earnings/(loss); earnings/(loss) or adjusted earnings/(loss) per share; cash flows; dividends or distributions; distributions to the Company by the Fund; dividend growth and dividend payout expectation; working capital requirements; sources of liquidity and sufficiency of financial resources; flexibility of distributions; organic growth opportunities; use of retained cash; and investment opportunities.

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

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

LIQUIDITY AND CAPITAL RESOURCES

The Company pays out a high proportion of the distributions received from the Fund. Retained cash is expected to be used for future income tax payments and as a reserve to sustain a predictable stream of dividends to its shareholders over the long term. Cash not required to fund dividends or to meet working capital requirements is advanced to a subsidiary corporation of EIPLP pursuant to a subordinated demand loan with an interest rate of 4.25% per annum. At September 30, 2017, $91 million (December 31, 2016 - $78 million) of the demand loan was outstanding to the Company.

The Company's working capital requirements are not expected to be significant in 2017. The Company has an agreement with ECT whereby ECT reimburses the Company for all expenses incurred relating to the normal course administration of the Company as a publicly traded corporation.

The Company did not have any outstanding long-term debt as at September 30, 2017 and December 31, 2016.

Additional capital resources to finance the Company's future investment in the Fund are expected to be available through access to equity markets, subject to the Company's ability to access the market on favourable terms.

SOURCES AND USES OF CASH

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Operating activities	**80**	67	**222**	177
Investing activities	**(26)**	(25)	**(61)**	(774)
Financing activities	**(59)**	(42)	**(161)**	597
Decrease in cash and cash equivalents	**(5)**	—	**—**	—

Operating Activities

- Cash provided by operating activities reflects cash distributions received from the Fund, net of income taxes. The increase in cash provided by operating activities for the third quarter and first nine months of 2017 over the comparable 2016 periods reflects the increased number of Fund Units held in the first nine months of 2017 compared with the first nine months of 2016.

Investing Activities

- Cash used in investing activities primarily reflects the additional purchase of Fund Units, as well as advances to and repayments from a subsidiary corporation of EIPLP pursuant to a subordinated demand loan, which are considered related party transactions.
- In the third quarter of 2017, cash used in investing activities was comparable with the corresponding 2016 period.
- For the first nine months of 2017, cash used in investing activities decreased compared with the corresponding 2016 period. Although the Company increased its ownership of Fund Units in the second quarter of each year, the acquisition of Fund Units in April 2017 was a non-cash transaction that resulted from Enbridge's exchange of Fund Units for common shares of the Company. In April 2016, cash proceeds of $718 million from the Company's share issuance were used to subscribe for 25.4 million Fund Units.
- The Company also subscribes for additional Fund Units each month using proceeds from the Company's common share issuances under the Dividend Reinvestment and Share Purchase Plan (DRIP). Proceeds of $48 million (2016 - $35 million) for the nine months ended September 30, 2017 were used to subscribe for 1.5 million (2016 - 1.2 million) Fund Units.

Financing Activities

- Cash used in financing activities primarily reflects common share issuances as well as the Company's payment of monthly dividends to its shareholders, net of cash retained in respect of reinvested dividends under the DRIP.
- During the third quarter of 2017, cash used in financing activities increased compared with the third quarter of 2016, primarily due to an increase in dividends paid.
- The decrease in cash provided by financing activities for the first nine months of 2017 reflects the $718 million of proceeds received from the Company’s share issuance in April 2016, as well as the increase in dividends paid in the first nine months of 2017 compared with the first nine months of 2016.
- The Company declared dividends of $0.5133 per common share and $1.5399 per common share during the three and nine months ended September 30, 2017 or $76 million and $215 million in aggregate, respectively (2016 - $0.4665 per common share and $1.3995 per common share, or $58 million and $161 million in aggregate).
- In addition, the Company’s shareholders are able to participate in the DRIP, which enables the participants to reinvest their dividends in common shares of the Company at a 2% discount to market price. For the three and nine months ended September 30, 2017, the Company retained $17 million and $48 million, respectively (2016 - $16 million and $35 million) of cash in respect of reinvested dividends, representing an average participation rate in the DRIP of 23.3% and 23.2% (2016 - 27.2% and 21.7%).

CHANGES IN ACCOUNTING POLICIES

FUTURE ACCOUNTING POLICY CHANGES
Financial Instruments

In July 2014, the International Accounting Standards Board (IASB) completed the final elements of IFRS 9 Financial Instruments. The standard supersedes earlier versions of IFRS 9 and completes the IASB’s project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single approach to determining whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The single approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The adoption of IFRS 9 is expected to result in the Company's investment in the Fund no longer being accounted for as an available for sale investment at fair value through other comprehensive income. Instead, the gains and losses arising from changes in fair value of the investment will be accounted for through earnings. The standard will come into effect the annual period beginning on January 1, 2018 and will be applied retrospectively

SELECTED QUARTERLY FINANCIAL INFORMATION

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(millions of Canadian dollars, except per share amounts)								
Revenues	**79**	80	68	67	67	68	52	42
Earnings	**77**	77	67	67	66	67	52	41
Earnings per common share	**0.52**	0.54	0.54	0.54	0.53	0.57	0.54	0.47
Diluted earnings per common share	**0.52**	0.52	0.53	0.54	0.53	0.54	0.53	0.46
Dividends declared, per common share	**0.5133**	0.5133	0.5133	0.4665	0.4665	0.4665	0.4665	0.4242

- In April 2017, Enbridge exchanged 21.7 million Fund Units for an equivalent amount of the Company’s common shares. In order to maintain its 19.9% interest in the Company, Enbridge retained 4.3 million of the common shares issued pursuant to such exchange and sold the remaining balance to the public. Upon closing of the transaction, Enbridge's economic interest in the Fund Group and the Company decreased from 86.9% to 84.6% and the Company's economic interest in the Fund Group increased from 16.4% to 19.2%.

- In January 2017, the Company increased its dividend per common share by 10% to $0.1711 per month effective with the January dividend as a result of the anticipated growth in distributions from the Fund.
- In April 2016, the Company subscribed for 25.4 million Fund Units with proceeds from the Company's issuance of common shares to the public and Enbridge, which increased the total Fund Units owned by the Company to 122.9 million at that time. The incremental ownership of the Fund Units increased the amount of distributions received on the Fund Units and, therefore, increased the Company's revenues and earnings.
- In January 2016, the Company increased its dividend per common share by 10% to $0.1555 per month effective with the January dividend.
- In November 2015, the Company subscribed for 26.8 million Fund Units with proceeds from the Company's issuance of common shares to the public and Enbridge, which increased the total Fund Units owned by the Company from 70.4 million to 97.2 million. The incremental ownership of Fund Units increased the amount of distributions received on the Fund Units and, therefore, increased the Company's revenues and earnings.
- EIPLP Class C units, ECT Preferred Units and Fund Units held by Enbridge, directly and indirectly, may be exchanged into common shares of the Company, subject to certain restrictions, creating potential dilution of the Company's earnings per common share.

OUTSTANDING SHARE DATA

As at October 20, 2017, 147,499,414 million common shares and one special voting share of the Company were issued and outstanding.

STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars, except per share amounts)				
Distribution and other income	**79**	67	**227**	187
Income taxes	**(2)**	(1)	**(6)**	(2)
Earnings	**77**	66	**221**	185
Other comprehensive income/(loss)				
Unrealized fair value change in available-for-sale investment *(Note 5)*	**(11)**	231	**(345)**	706
Income tax recovery/(expense)	**2**	(31)	**47**	(95)
Other comprehensive income/(loss)	**(9)**	200	**(298)**	611
Comprehensive income/(loss)	**68**	266	**(77)**	796
Basic earnings per common share	**0.52**	0.53	**1.60**	1.64
Diluted earnings per common share	**0.52**	0.53	**1.57**	1.60

See accompanying notes to the interim financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Nine months ended September 30,	
	2017	2016
(unaudited; millions of Canadian dollars)		
Share capital		
Common shares		
Balance at beginning of period	**2,984**	2,217
Share issuance *(Note 6)*	**703**	718
Dividend reinvestment and share purchase plan	**48**	35
Balance at end of period	**3,735**	2,970
Share premium		
Balance at beginning and end of period	**192**	192
Retained earnings		
Balance at beginning of period	**82**	49
Earnings	**221**	185
Common share dividends declared	**(215)**	(161)
Balance at end of period	**88**	73
Accumulated other comprehensive income		
Balance at beginning of period	**915**	229
Other comprehensive income/(loss), net of tax	**(298)**	611
Balance at end of period	**617**	840
Total shareholders' equity	**4,632**	4,075

See accompanying notes to the interim financial statements.

STATEMENTS OF CASH FLOWS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Operating activities				
Earnings	**77**	66	**221**	185
Adjustments to reconcile earnings to net cash provided by operating activities:				
Deferred income tax expense	**1**	—	**4**	—
Changes in operating assets and liabilities	**2**	1	**(3)**	(8)
Net cash provided by operating activities	**80**	67	**222**	177
Investing activities				
Purchase of Enbridge Income Fund trust units	**(17)**	(16)	**(48)**	(753)
Demand loan advances to affiliate	**(20)**	(26)	**(34)**	(55)
Demand loan repayments from affiliate	**11**	17	**21**	34
Net cash used in investing activities	**(26)**	(25)	**(61)**	(774)
Financing activities				
Share issuance	**—**	—	**—**	718
Common share dividends paid	**(59)**	(42)	**(161)**	(121)
Net cash provided by/(used in) investing activities	**(59)**	(42)	**(161)**	597
Decrease in cash and cash equivalents	**(5)**	—	**—**	—
Cash and cash equivalents at beginning of period	**5**	—	**—**	—
Cash and cash equivalents at end of period	**—**	—	**—**	—
Supplementary information				
Income taxes paid	**1**	—	**2**	2

See accompanying notes to the interim financial statements.

STATEMENTS OF FINANCIAL POSITION

	September 30, 2017	December 31, 2016
(unaudited; millions of Canadian dollars)		
Assets		
Current assets		
Accounts receivable and other	**—**	1
Demand loan due from affiliate	**91**	78
Income taxes receivable	**2**	2
Distributions receivable	**26**	22
	119	103
Investment in Enbridge Income Fund *(Notes 5 and 8)*	**4,641**	4,235
Total assets	**4,760**	4,338
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and other	**1**	1
Dividends payable	**25**	20
	26	21
Deferred income taxes	**102**	144
	128	165
Shareholders' equity		
Share capital	**3,735**	2,984
Share premium	**192**	192
Retained earnings	**88**	82
Accumulated other comprehensive income	**617**	915
	4,632	4,173
Total liabilities and shareholders' equity	**4,760**	4,338

See accompanying notes to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
(unaudited)

1. GENERAL BUSINESS DESCRIPTION

Enbridge Income Fund Holdings Inc. (ENF or 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 200, 425 – 1st Street SW, Calgary, Alberta, Canada.

The business of the Company is limited to its investment in the Fund. The Fund, through its indirect investment in Enbridge Income Partners LP (EIPLP), is involved in the transportation, storage and generation of energy. EIPLP owns interests in liquids transportation and storage assets, including the Canadian Mainline, the Regional Oil Sands System, a 50% interest in the Alliance Pipeline, which transports natural gas from Canada to the United States, and interests in renewable and alternative power generation assets.

2. BASIS OF PREPARATION

The accompanying unaudited interim condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) International Accounting Standard (IAS) 34, Interim Financial Reporting. They do not include all of the information and notes required by IFRS for annual financial statements and should therefore be read in conjunction with ENF's audited annual financial statements and notes for the year ended December 31, 2016. These interim condensed financial statements follow the same significant accounting policies as those included in ENF's annual financial statements for the year ended December 31, 2016. These financial statements were authorized for issuance by the Board of Directors of the Company (the Board) on November 2, 2017.

3. CHANGES IN ACCOUNTING POLICIES

FUTURE ACCOUNTING POLICY CHANGES
Financial Instruments
In July 2014, the International Accounting Standards Board (IASB) completed the final elements of IFRS 9 Financial Instruments. The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single approach to determining whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The single approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The adoption of IFRS 9 is expected to result in the Company's investment in the Fund no longer being accounted for as an available for sale investment at fair value through other comprehensive income. Instead, the gains and losses arising from changes in fair value of the investment will be accounted for through earnings. The standard will come into effect the annual period beginning on January 1, 2018 and will be applied retrospectively.

4. EARNINGS PER COMMON SHARE

BASIC
Earnings per common share is calculated by dividing earnings by the weighted average number of common shares outstanding.

DILUTED
In the third quarter of 2015, securities were issued by the Fund and EIPLP to Enbridge Inc. (Enbridge) which have exchange rights into common shares of the Company. In addition, the terms of existing ordinary trust units of the Fund (Fund Units) and Enbridge Commercial Trust (ECT) preferred units were amended to include exchange rights into common shares of the Company. If the securities were exchanged into common shares of the Company, the Company would subscribe for the same number of additional Fund Units, which would increase the Company's distribution income.

Weighted average common shares outstanding used to calculate basic and diluted earnings common per share are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Numerator *(millions of Canadian dollars)*				
Earnings	**77**	66	**221**	185
Dilutive effect of convertible securities	**316**	331	**960**	997
Numerator for diluted earnings per common share	**393**	397	**1,181**	1,182
Denominator *(millions of shares)*				
Weighted average number of shares outstanding	**147**	123	**138**	113
Dilutive effect of convertible securities:				
Fund Units	**72**	94	**81**	94
ECT Preferred Units	**88**	88	**88**	88
EIPLP Class C Units	**443**	443	**443**	443
Denominator for diluted earnings per common share	**750**	748	**750**	738

5. INVESTMENT IN ENBRIDGE INCOME FUND

At September 30, 2017, the Company owned 147.3 million units (December 31, 2016 - 124.2 million), or 67.0% (December 31, 2016 - 56.9%), of the Fund's issued and outstanding Fund Units.

	Nine months ended September 30, 2017	Year ended December 31, 2016
(millions of Canadian dollars)		
Balance at beginning of period	**4,235**	2,675
Investment acquired[1,2]	**751**	767
Fair value change for the period	**(345)**	793
Balance at end of period	**4,641**	4,235

1 *During the nine months ended September 30, 2017, the Company received 21.7 million Fund Units in connection with Enbridge's exchange of 21.7 million Fund Units for common shares of the Company* (Note 6).
2 *During the nine months ended September 30, 2017, the Company used the cash retained and invested under its Dividend Reinvestment and Share Purchase Plan to purchase 1.5 million Fund Units.*

DISTRIBUTION INCOME
The Fund declared distributions on a monthly basis at a rate of $0.1792 (2016 - $0.1792) per unit during the nine months ended September 30, 2017 or $79 million (2016 - $67 million) and $225 million (2016 - $185 million) in aggregate to the Company for the three and nine months ended September 30, 2017, respectively.

SUMMARIZED FINANCIAL INFORMATION[1]

Summarized financial information of the Fund which supports the Company's earnings, derived from the Fund's financial statements prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP), was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Income from equity investments	**148**	27	**363**	270
Earnings	**132**	5	**311**	202
Other comprehensive income/(loss)	**31**	(23)	**37**	(225)
Total comprehensive income/(loss)	**163**	(18)	**348**	(23)

1 Summarized financial information of the Fund is prepared in accordance with U.S. GAAP. As such, the results may have been different had they been prepared in accordance with IFRS.

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Current assets	**1,296**	725
Non-current assets	**2,403**	2,521
Current liabilities	**467**	458
Non-current liabilities	**2,436**	2,100

1 Summarized financial information of the Fund is prepared in accordance with U.S. GAAP. As such, the results may have been different had they been prepared in accordance with IFRS.

6. SHARE CAPITAL AND SHARE PREMIUM

DIVIDENDS

The Company declared and paid monthly dividends of $0.1711 (2016 - $0.1555) per share for each month during the nine months ended September 30, 2017.

On October 16, 2017, the Company announced a monthly dividend of $0.1711 per share to be paid on November 15, 2017 to shareholders of record on October 31, 2017. On October 30, 2017, the Board declared a monthly dividend of $0.1711 per share to be paid on December 15, 2017 to shareholders of record on November 30, 2017.

SHARE ISSUANCE

On April 18, 2017, Enbridge completed the secondary offering of 17,347,750 common shares of the Company at a price of $33.15 per share to the public for gross proceeds to Enbridge of approximately $0.6 billion (the Secondary Offering).

Immediately prior to the closing of the Secondary Offering, Enbridge exchanged 21,657,617 Fund Units for an equivalent amount of the Company's common shares. In order to maintain its 19.9% interest in the Company, Enbridge retained 4,309,867 of the common shares issued pursuant to such exchange and sold the remaining balance under the Secondary Offering. The Company did not receive any proceeds from the Secondary Offering and Enbridge paid all expenses and fees associated with the Secondary Offering. Upon closing of the transaction, Enbridge's economic interest in EIPLP, ECT, the Fund and the Company decreased from 86.9% to 84.6% and ENF's economic interest in EIPLP, ECT and the Fund increased from 16.4% to 19.2%.

7. INCOME TAXES

The effective income tax rate for the three and nine months ended September 30, 2017 was 2.5% and 2.6%, respectively (2016 - 1.5% and 1.1%). The Company incurred minimal current income taxes for the three and nine months ended September 30, 2017 and 2016.

8. 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 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 September 30, 2017 or 2016.

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 September 30, 2017, the Company's investment in the Fund had a fair value of $4.6 billion (December 31, 2016 - $4.2 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 September 30, 2017 or December 31, 2016.

The Company's policy is to recognize transfers as at the last day of the reporting period. There were no transfers between levels as at September 30, 2017 or 2016.

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

This Management's Discussion and Analysis (MD&A) dated November 2, 2017 should be read in conjunction with the unaudited financial statements and notes thereto of Enbridge Income Fund (the Fund) as at and for the three and nine months ended September 30, 2017, prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). It should also be read in conjunction with the Fund's audited financial statements and notes thereto and MD&A for the year ended December 31, 2016.

The Fund is a member of the Fund Group, which also includes Enbridge Commercial Trust (ECT), Enbridge Income Partners LP (EIPLP) and the subsidiaries and investees of EIPLP. The Fund owns a direct investment in ECT and an indirect investment in EIPLP. The financial performance of the Fund is underpinned by the results of EIPLP, which directly holds the underlying operating entities of the Fund Group. Enbridge Inc. (Enbridge), through its wholly-owned subsidiary Enbridge Management Services Inc. (the Manager), is responsible for the operations and day-to-day management of the Fund Group. The Manager also provides administrative and general support services to the Fund Group.

The Fund is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta. The Fund, through its indirect investment in EIPLP, is involved in the transportation, storage and generation of energy. EIPLP owns interests in liquids transportation and storage assets, including the Canadian Mainline, the Regional Oil Sands System, a 50% interest in the Alliance Pipeline, which transports natural gas from Canada to the United States, and interests in renewable and alternative power generation assets.

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. Additional information related to EIPLP, including its financial statements and MD&A, is also available on SEDAR under the Fund's profile.

ENBRIDGE INCOME FUND PERFORMANCE OVERVIEW

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars, except per unit amounts)				
Earnings	**132**	5	**311**	202
Cash flow data				
Cash provided by operating activities	**137**	108	**378**	363
Cash used in investing activities	**—**	(286)	**(481)**	(1,443)
Cash provided by/(used in) financing activities	**(137)**	178	**97**	1,080
Distributions				
Fund Unit distributions declared	**118**	117	**353**	337
Fund Unit distribution per unit	**0.5376**	0.5376	**1.6128**	1.6128

EARNINGS

The Fund's earnings are primarily comprised of income from its indirect investment in EIPLP, reduced by incentive fees and preferred distributions paid to Enbridge by ECT. The Fund's equity investment earnings were impacted by a number of unusual, non-recurring or non-operating factors in EIPLP's earnings for the nine months ended September 30, 2017, the most noteworthy of which relates to changes in unrealized derivative fair value gains and losses as well as pipeline and facilities restart costs that resulted from the extreme wildfires that occurred in northeastern Alberta in the second quarter of 2016.

Earnings were $132 million for the three months ended September 30, 2017 compared with $5 million for the corresponding period of 2016. Excluding the impact of unusual, non-recurring or non-operating factors, the Fund's indirect equity earnings of EIPLP increased for the third quarter of 2017 compared with the third quarter of 2016. The increase was primarily driven by stronger performance from the Liquids Pipelines segment. Specifically, Canadian Mainline contributions increased due to a higher Canadian Mainline International Joint Tariff (IJT) Residual Benchmark Toll, which increased in April 2017 and July 2017. In addition, Canadian Mainline throughput was higher in the third quarter of 2017 following capacity optimizations implemented earlier in the year, as discussed in *Non-GAAP Measures – Enbridge Income Partners LP Performance Overview – EIPLP Adjusted EBIT*.

For the first nine months of 2017, EIPLP's earnings before interest and income taxes (EBIT) was higher than the same period in 2016, largely driven by the stronger results within the Liquids Pipelines segment in the second and third quarters of 2017 compared with the corresponding period in 2016. Following the first quarter of 2017, Canadian Mainline revenues increased due to a higher Canadian Mainline IJT Residual Benchmark Toll and a higher foreign exchange hedge rate used to record United States dollar denominated revenues compared to the second and third quarters of 2016, respectively. The Canadian Mainline also benefitted from stronger throughput on a year-to-date basis in 2017 compared to 2016, as discussed in *Non-GAAP Measures – Enbridge Income Partners LP Performance Overview – EIPLP Adjusted EBIT*.

CASH FLOWS

The Fund's cash provided by operating activities is derived primarily from distributions received from ECT. These are underpinned by distributions from EIPLP and reflect the impacts to earnings discussed above. Cash provided by operating activities increased during the third quarter of 2017 and first nine months of 2017, as distributions paid by ECT to the Fund were higher than the corresponding period of 2016.

Cash used in investing activities primarily relates to additional investments in ECT common units as well as issuances and repayments of loans to affiliates, while cash provided by financing activities includes issuances and repayments of external debt and loans from affiliates, along with the payment of Fund Unit distributions. The quarter-over-quarter decrease in cash used in investing activities was due to the absence of loans to affiliates issued in the third quarter of 2017, compared with the issuance of demand loans receivable to ECT in the third quarter of 2016. Cash used in financing activities increased for the three months ended September 30, 2017 due to an increase in credit facility repayments compared with the third quarter of 2016.

On a year-to-date basis, as compared to 2016, cash used in investing activities and cash provided by financing activities reflected the Fund's issuance of ordinary trust units of the Fund (Fund Units) to Enbridge Income Fund Holdings Inc. (ENF) in April 2016 for gross proceeds of $718 million, which the Fund used to invest in ECT common units for gross proceeds of $718 million. As a result, Fund Unit distributions were higher during the first nine months of 2017 due to the increased number of Fund Units outstanding. In addition, during the nine months ended September 30, 2017, the Fund's credit facility draws decreased compared with the prior year period. The Fund also repaid a medium-term note (MTN) that matured in June 2017.

DISTRIBUTIONS

The Fund pays monthly distributions to its unitholders. For the first nine months of 2017, distributions were declared monthly at a quarterly aggregate rate of $0.5376 per unit representing total distributions of $353 million. For the first nine months of 2016, distributions were declared monthly at a quarterly aggregate rate of $0.5376 per unit representing total distributions of $337 million. The increase in distributions for the nine months ended September 30, 2017 compared with the corresponding period in 2016 resulted from an increased number of Fund Units outstanding following the issuance in April 2016 as discussed above.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this MD&A to provide information about the Fund Group, including management's assessment of future plans and operations of the Fund Group. 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", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: earnings/(loss) or adjusted earnings/(loss), EBIT or adjusted EBIT; available cash flow from operations (ACFFO); cash flows; future distributions to the Fund by ECT; use of proceeds from the sale of Fund Units; taxation of distributions; future distributions and distribution targets; in-service dates for announced projects and projects under construction; capital expenditures; capital requirements through 2017; organic growth opportunities beyond secured projects; costs related to announced projects and projects under construction; in-service dates for announced projects and projects under construction; commodity prices; supply forecasts; impact of hedging program; and sources of liquidity and sufficiency of financial resources.

Although the Fund believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: supply of and demand for crude oil, natural gas, natural gas liquids (NGL) and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; exchange rates; inflation; Canadian pipeline export capacity; levels of competition; interest rates; availability and price of labour and construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for the Fund Group's projects; anticipated in-service dates; weather; the Fund Group's credit ratings; capital project funding; earnings/(loss) or adjusted earnings/(loss); EBIT or adjusted EBIT; cash flows and ACFFO; and distributions. Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future level of demand for the Fund Group's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Fund Group operates and may impact level of demand for the Fund Group's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to earnings/(loss), adjusted earnings/(loss), EBIT, adjusted EBIT, ACFFO, cash flows and distributions. The most relevant assumptions associated with forward-looking statements on announced projects and projects under construction, including completion dates and capital expenditures include the following: availability and price of labour and construction materials; effects of inflation and foreign exchange rates on labour and material costs; effects of interest rates on borrowing costs; and impact of weather and customer, government and regulatory approvals on construction and in-service schedules and cost recovery regimes.

The Fund's forward-looking statements are subject to risks and uncertainties pertaining to future distributions, operating performance, regulatory parameters, project approval and support, renewals of rights of way, weather, economic and competitive conditions, public opinion, changes in tax laws and tax rates, exchange rates, interest rates, commodity prices, political decisions and supply of 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 applicable 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 the Fund's adjusted earnings, EIPLP adjusted EBIT and EIPLP ACFFO. The Fund's adjusted earnings represent the Fund's earnings adjusted for unusual, non-recurring or non-operating factors, including unusual, non-recurring or non-operating factors underpinning the Fund's indirect equity earnings of EIPLP. EIPLP adjusted EBIT represent EIPLP's EBIT, respectively, adjusted for unusual, non-recurring or non-operating factors on a consolidated basis. These factors, referred to as adjusting items, are reconciled and discussed in *Non-GAAP Reconciliation – Earnings to Adjusted Earnings* and *Enbridge Income Partners LP Performance Overview*.

EIPLP ACFFO represents EIPLP's cash available to fund distributions on EIPLP Class A and EIPLP Class C units, as well as for debt repayments and reserves. EIPLP ACFFO consists of EIPLP adjusted EBIT further adjusted for non-cash items, representing cash flow from EIPLP's underlying businesses, less deductions for maintenance capital expenditures, interest expense, applicable taxes and further adjusted for unusual, non-recurring or non-operating factors not indicative of the underlying or sustainable cash flows of the business. EIPLP ACFFO is important to unitholders as the Fund Group's objective is to provide a predictable flow of distributions to unitholders.

The Manager believes the presentation of the Fund's adjusted earnings, EIPLP adjusted EBIT and EIPLP ACFFO give useful information to investors and unitholders as they provide increased transparency and insight into the performance of the Fund Group. The Manager uses the Fund's adjusted earnings, EIPLP adjusted EBIT and EIPLP ACFFO to set targets, including the distribution payout target, and to assess the performance of the Fund Group. The Fund's adjusted earnings, EIPLP adjusted EBIT and EIPLP ACFFO are not measures that have standardized meanings prescribed by U.S. GAAP and are not U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers.

The tables below provide a reconciliation of the GAAP and non-GAAP measures.

NON-GAAP RECONCILIATION – EARNINGS TO ADJUSTED EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Earnings	**132**	5	**311**	202
Fund adjusting items:				
Adjusting items at EIPLP[1]	**(110)**	9	**(253)**	(155)
Adjusted earnings	**22**	14	**58**	47

1 Represents ECT's portion of the unusual, non-recurring or non-operating items within earnings of EIPLP.

Adjusted earnings for the three and nine months ended September 30, 2017 were $22 million and $58 million compared with $14 million and $47 million for the three and nine months ended September 30, 2016, respectively. The Fund's adjusted earnings were impacted by the same factors impacting earnings, discussed in *Enbridge Income Fund Performance Overview – Earnings*.

ENBRIDGE INCOME PARTNERS LP PERFORMANCE OVERVIEW

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars, except per unit amounts)				
Earnings before interest and income taxes	**811**	436	**2,158**	1,881
Changes in unrealized derivative fair value (gains)/loss	**(346)**	8	**(791)**	(589)
Other	**26**	12	**60**	123
EIPLP adjusted EBIT[1]	**491**	456	**1,427**	1,415
EIPLP ACFFO[1]	**540**	502	**1,566**	1,508
Distributions				
Class A unit distributions declared to ECT	**220**	217	**660**	633
Class A unit distribution per unit	**0.5760**	0.5667	**1.7280**	1.6919

1 *EIPLP adjusted EBIT and EIPLP ACFFO are non-GAAP measures that do not have a standardized meaning prescribed by U.S. GAAP. For more information, see* Non-GAAP Measures.

EIPLP Adjusted EBIT

EIPLP's adjusted EBIT increased in the third quarter of 2017 compared to the corresponding period in 2016. The quarter-over-quarter increase was mainly driven by stronger contributions from the Liquids Pipelines segment. The Liquids Pipelines segment revenues increased due to a higher average Canadian Mainline IJT Residual Benchmark Toll in the third quarter of 2017 as well as throughput growth on the Canadian Mainline and Regional Oil Sands System. Liquids pipelines throughput in the third quarter of 2017 returned to levels achieved earlier in the year following temporary, unusual events in the second quarter, as discussed below. Canadian Mainline throughput was further strengthened in the third quarter of 2017 by capacity optimizations implemented in the first half of the year.

The year-to-date increase in adjusted EBIT was largely driven by the stronger results in the second and third quarters of 2017 compared to the corresponding periods in 2016. Beginning in April 2017, the Liquids Pipelines segment benefitted from an increase in the Canadian Mainline IJT Residual Benchmark Toll from US$1.47 to US$1.62, which was further increased to US$1.64 in July 2017. In addition, United States dollar denominated Canadian Mainline revenues were recorded at a higher foreign exchange hedge rate in the second and third quarters of 2017 compared with the corresponding 2016 periods. The IJT Benchmark Toll and its components are set in United States dollars, and the majority of EIPLP's foreign exchange risk on Canadian Mainline revenues is hedged. The effective hedge rate for the translation of Canadian Mainline United States dollar transactional revenues for the second and third quarters of 2017 were $1.04 and $1.07 compared with $1.03 and $1.05 for the corresponding periods in 2016, respectively.

Canadian Mainline throughput was also stronger on a year-to-date basis in 2017 compared to 2016, driven by strong oil sands production in western Canada along with increased pipeline capacity realized in the third quarter of 2017, as discussed above. The year-to-date periods were also impacted by temporary, unusual events in the second quarters of both years. In the second quarter of 2017, volumes were impacted by an unexpected outage and accelerated maintenance at a customer's upstream facility, while in the second quarter of 2016, throughput was lower due to the impacts of the northeastern Alberta wildfires. Based on the positive impacts of Canadian Mainline capacity optimizations implemented in the first half of the year along with new projects coming into service in the remainder of the year, liquids pipelines throughput is expected to remain strong through the fourth quarter of 2017.

EIPLP ACFFO

EIPLP's ACFFO increased by $38 million and $58 million for the three and nine months ended September 30, 2017 compared with the corresponding 2016 periods, respectively.

The increase in ACFFO in the third quarter of 2017 was driven by stronger contributions from EIPLP's Liquids Pipelines segment following the increases in the Canadian Mainline IJT Residual Benchmark Toll in April 2017 and July 2017, along with higher throughput on the Canadian Mainline following capacity optimizations implemented in the first half of 2017.

For the first nine months of 2017, ACFFO increased compared with the same period of 2016 driven by strong operating results in the second and third quarters of 2017 discussed in *Non-GAAP Measures – EIPLP Adjusted EBIT*, which included a higher Canadian Mainline IJT Residual Benchmark Toll and higher liquids pipelines throughput, which was partially offset by temporary, unusual events in the second quarter of 2017. In addition, ACFFO increased due to greater distributions from Alliance Pipeline and lower maintenance capital expenditures in both periods of 2017.

EIPLP Distributions

EIPLP declares distributions to its partners on a monthly basis. The increase in distributions declared to ECT for the first nine months of 2017 compared with the first nine months of 2016 is a result of increased distribution rates on Class A units as well as an increase in Class A units held following the issuance to ECT in April 2016. The distributions received by ECT are used to fund incentive fees paid to Enbridge and distributions payable to its unitholders, Enbridge and the Fund.

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 one year without having to access long-term capital markets.

The Fund's credit ratings were affirmed or revised as follows:

- On September 28, 2017, DBRS Limited affirmed the senior unsecured long-term debt ratings of the Fund at BBB (high) with a stable outlook.
- On October 19, 2017, Moody's Investor Services, Inc. downgraded the Fund's senior unsecured rating from Baa2 to Baa3, and retained its negative outlook.

BANK CREDIT AND LIQUIDITY

Long-term debt consists of MTNs and a committed credit facility. As at September 30, 2017, the Fund had a $1,500 million committed credit facility, of which $600 million (December 31, 2016 - $225 million) was drawn and letters of credit totalling $11 million (December 31, 2016 - $11 million) were issued, leaving $889 million (December 31, 2016 - $1,264 million) unutilized. The Fund must adhere to covenants under its credit facility agreement, including covenants that limit outstanding debt to a percentage of the Fund's and EIPLP's capitalization. The Fund was in compliance with all covenants as at September 30, 2017.

SOURCES AND USES OF CASH

The Fund's primary uses of cash are distributions to unitholders, investments, administrative expense and interest and principal repayments on the Fund's long-term debt. Liquidity can be met through a variety of sources including cash distributions from ECT, new offerings of debt and equity, draws under the Fund's committed standby credit facilities, as well as loans from affiliates. The Fund maintains a current MTN shelf prospectus with Canadian securities regulators, which enables ready access to Canadian public capital markets, subject to market conditions.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Operating activities	**137**	108	**378**	363
Investing activities	**—**	(286)	**(481)**	(1,443)
Financing activities	**(137)**	178	**97**	1,080
Decrease in cash and cash equivalents	**—**	—	**(6)**	—

Operating Activities

- Cash provided by operating activities primarily reflects distributions received from the Fund's investment in ECT. Distributions paid by ECT to the Fund increased in the third quarter and first nine months of 2017 compared with the corresponding periods in 2016, which contributed to cash provided by operating activities. The greater distributions received in the first nine months of 2017 were due to higher ECT common unit distribution rates as well as the Fund's purchase of ECT common units in April 2016 discussed below.
- The increase in cash provided by operating activities also reflects higher interest income received from ECT on affiliate loans in 2017 compared with the prior year.

Investing Activities

- Cash used in investing activities primarily reflects additional investments in ECT common units along with issuances and repayments of loans to affiliates.
- For the third quarter of 2017, the decrease in cash used in investing activities was due to the absence of loans to affiliates issued in the third quarter of 2017, compared with the issuance of demand loans receivable to ECT in the third quarter of 2016.
- The decrease in cash used in investing activities for the first nine months of 2017 reflects the Fund's purchase of ECT common units for gross proceeds of $718 million in April 2016.

Financing Activities

- Cash provided by financing activities primarily relates to issuances and repayments of external debt and loans from affiliates, along with the payment of Fund Unit distributions.
- During the third quarter of 2017, cash used in financing activities increased primarily due to an increase in credit facility repayments compared with the third quarter of 2016.
- The decrease in cash provided by financing activities for the first nine months of 2017 over the prior year was largely due to the issuance of Fund Units to ENF in April 2016 for gross proceeds of $718 million. Although ENF increased its ownership in Fund Units in the second quarter of each year, the acquisition of Fund Units in April 2017 was a non-cash transaction that resulted from Enbridge's exchange of Fund Units for ENF common shares.
- Also contributing to the decrease in cash provided by financing activities for the first nine months of 2017 was the repayment of a $100 million MTN in June of 2017 as well as lower credit facility draws compared with the first nine months of 2016.
- In addition, ENF subscribes for additional Fund Units each month using proceeds from its common share issuances under its Dividend Reinvestment and Share Purchase Plan. For the three and nine months ended September 30, 2017, ENF retained approximately $17 million and $48 million (2016 - $16 million and $35 million), respectively, of cash in respect of reinvested dividends and used the proceeds to purchase 0.6 million and 1.5 million (2016 - 0.5 million and 1.2 million) Fund Units, respectively. It is expected that proceeds from Fund Unit issuances will ultimately be used to fund the secured capital growth projects associated with the Canadian liquids pipeline assets owned by EIPLP.

ANALYSIS OF CASH DISTRIBUTIONS DECLARED

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Cash provided by operating activities	**137**	108	**378**	363
Earnings	**132**	5	**311**	202
Cash distributions declared	**118**	117	**353**	337
Excess/(shortfall) of cash provided by operating activities over cash distributions declared	**19**	(9)	**25**	26
Excess/(shortfall) of earnings over cash distributions declared	**14**	(112)	**(42)**	(135)

Cash distributions received from the Fund's investment in ECT is the primary source of cash flow the Fund uses to pay distributions to its unitholders and service its long-term debt. For the third quarter and first nine months of 2017, cash provided by operating activities exceeded cash distributions compared to the same periods in 2016, which is primarily attributable to an increase in cash distributions received from the Fund's equity investment in ECT, discussed above in *Liquidity and Capital Resources*.

Earnings were $14 million greater than cash distributions declared for the three months ended September 30, 2017 compared with a shortfall of $112 million for the corresponding period in 2016. On a year-to-date basis, earnings were $42 million and $135 million less than cash distributions declared for the nine months ended September 30, 2017 and 2016, respectively. Earnings reflected non-cash items such as income from equity investments.

QUARTERLY FINANCIAL INFORMATION

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(millions of Canadian dollars)								
Income from equity investments	**148**	123	92	477	27	5	238	28
Earnings/(loss)	**132**	105	74	446	5	(19)	216	2
Cash distributions received in excess of/(less than) equity earnings	**(9)**	17	49	(85)	102	123	(98)	100
Cash distributions declared	**118**	117	118	117	117	117	103	86
Cash distributions declared per unit	**0.5376**	0.5376	0.5376	0.5376	0.5376	0.5376	0.5376	0.4723

Several factors impact comparability of the Fund's financial results on a quarterly basis through its indirect investment in EIPLP, including, but not limited to, fluctuations in market prices such as foreign exchange rates and commodity prices, disposals of investments or assets and the timing of in-service dates of new projects.

EIPLP actively manages its exposure to market risks including, but not limited to, interest rates, commodity prices and foreign exchange rates. To the extent derivative instruments used to manage these risks are non-qualifying for the purposes of applying hedge accounting, changes in unrealized fair value gains and losses on these instruments will impact earnings.

In addition to the impacts of changes in unrealized gains and losses outlined above, significant items that have impacted quarterly financial information are as follows:

- In April 2017, Enbridge exchanged 21.7 million Fund Units for an equivalent amount of ENF common shares. In order to maintain its 19.9% interest in ENF, Enbridge retained 4.3 million of the common shares issued pursuant to such exchange and sold the remaining balance to the public. Upon closing of the transaction, Enbridge's economic interest in the Fund Group and ENF decreased from 86.9% to 84.6% and ENF's economic interest in the Fund Group increased from 16.4% to 19.2%.
- The fourth quarter of 2016 includes the sale of South Prairie Region assets, which closed on December 1, 2016 resulting in a pre-tax gain of $850 million within EIPLP. Following the sale, a one-time cash distribution of $264 million was received from ECT.
- The second quarter of 2016 includes reduced equity earnings from EIPLP due to the northeastern Alberta wildfires. Also in the second quarter of 2016, the Fund issued 25.4 million Fund Units increasing the total cash distributions declared.
- In the first quarter of 2016, the monthly Fund Unit distribution rate increased to $0.1792 commencing with the January 2016 distribution.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Maintaining a reliable and low risk business model is central to the Fund Group's objective of paying out a predictable cash flow to unitholders. The Fund Group actively manages both financial and non-financial risk exposures. The Fund Group 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 Group has adopted a Cash Flow at Risk (CFAR) policy to manage exposure to movements in interest rates, foreign exchange rates and commodity prices. 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 Group's CFAR limit has been set at 2.5% of forward annual ACFFO of the Fund Group.

The Fund's earnings, cash flows and other comprehensive income/(loss) (OCI) are subject to movements in interest rates. The Fund uses a combination of qualifying and non-qualifying derivative instruments to manage these risks. Refer to the Fund's 2016 Annual MD&A for further details on financial instrument risk management.

THE 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 earnings and comprehensive income.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Amount of unrealized loss recognized in OCI				
Interest rate contracts	**31**	(19)	**34**	(130)
Amount of loss reclassified from Accumulated other comprehensive income (AOCI) to earnings *(effective portion)*				
Interest rate contracts[1]	**1**	1	**4**	4
Amount of (gain)/loss reclassified from AOCI to earnings *(ineffective portion and amount excluded from effectiveness testing)*				
Interest rate contracts[1]	**(2)**	1	**(3)**	3

1 Reported within Interest expense in the 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 its indirect investment in EIPLP, draws under committed credit facilities, issuance of MTNs and the issuance of Fund Units. The Fund maintains a current MTN shelf prospectus with Canadian securities regulators, which enables ready access to Canadian public capital markets, subject to market conditions. Additional liquidity, if necessary, is expected to be available through intercompany transactions with Enbridge or other related entities.

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 credit exposure limits and contractual requirements, netting arrangements and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools. Refer to the Fund's 2016 Annual MD&A for further details on the Fund's credit risk management.

CHANGES IN ACCOUNTING POLICIES

ADOPTION OF NEW STANDARDS

Clarifying the Definition of a Business in an Acquisition

Effective January 1, 2017, the Fund early adopted Accounting Standards Update (ASU) 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. The adoption of the pronouncement did not have a material impact on the Fund's financial statements.

Accounting for Intra-Entity Asset Transfers

Effective January 1, 2017, the Fund early adopted ASU 2016-16 on a modified retrospective basis. The new standard was issued with the intent of improving the accounting for the income tax consequences of intra-entity asset transfers other than inventory. Under the new guidance, an entity should recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The adoption of the pronouncement did not have a material impact on the Fund's financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Improvements to Accounting for Hedging Activities

ASU 2017-12 was issued in August 2017 with the main objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The amendments allow cash flow hedging of contractually specified components in financial and non-financial items and make fair value hedges of interest rate risks more effective in certain circumstances. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. The Fund is currently assessing the impact of the new standard on the financial statements. The accounting update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted, and is to be applied on a modified retrospective basis.

Accounting for Credit Losses
ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The amendment adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. The Fund is currently assessing the impact of the new standard on its financial statements. The accounting update is effective for annual and interim periods beginning on or after December 15, 2019.

FUND OWNERSHIP

The following table presents ownership of the Fund:

	As at October 20, 2017
(number of Fund Units outstanding)	
Held by Enbridge	72,492,383
Held by ENF	147,499,414
	219,991,797

STATEMENTS OF EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Income from equity investment in Enbridge Commercial Trust *(Note 4)*	**148**	27	**363**	270
Operating and administrative expense	**(1)**	—	**(1)**	(1)
Other income	**—**	—	**—**	1
Other income - affiliate	**10**	6	**23**	14
Interest expense	**(25)**	(28)	**(74)**	(82)
Earnings attributable to unitholders	**132**	5	**311**	202

See accompanying notes to the interim financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Earnings	**132**	5	**311**	202
Other comprehensive income/(loss)				
Unrealized gain/(loss) on cash flow hedges	**28**	(18)	**33**	(128)
Other comprehensive gain/(loss) from equity investee	**3**	(7)	**2**	(104)
Reclassification to earnings of gain on cash flow hedges	**—**	2	**2**	7
Other comprehensive income/(loss)	**31**	(23)	**37**	(225)
Comprehensive income/(loss) attributable to unitholders	**163**	(18)	**348**	(23)

See accompanying notes to the interim financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

Nine months ended September 30,	**2017**	2016
(unaudited; millions of Canadian dollars)		
Deficit		
Balance at beginning of period	**(6,575)**	(5,171)
Earnings attributable to unitholders	**311**	202
Distributions to trust unitholders	**(353)**	(337)
Redemption value adjustment attributable to trust units *(Note 7)*	**569**	(1,283)
Equity investment dilution gain/(loss), net *(Note 4)*	**65**	(177)
Adjustment to Enbridge Income Partners LP's excess purchase price over historical carrying value acquired *(Note 4)*	**—**	(6)
Balance at end of period	**(5,983)**	(6,772)
Accumulated other comprehensive loss		
Balance at beginning of period	**(182)**	(108)
Other comprehensive income/(loss)	**37**	(225)
Balance at end of period	**(145)**	(333)
Total unitholders' deficit	**(6,128)**	(7,105)

See accompanying notes to the interim financial statements.

STATEMENTS OF CASH FLOWS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Operating activities				
Earnings	**132**	5	**311**	202
Adjustments to reconcile earnings to net cash provided by operating activities:				
Earnings from equity investments	**(148)**	(27)	**(363)**	(270)
Distributions from equity investments	**139**	129	**420**	397
Other	**1**	3	**2**	7
Changes in operating assets and liabilities	**13**	(2)	**8**	27
Net cash provided by operating activities	**137**	108	**378**	363
Investing activities				
Acquisition of long-term investment	**—**	—	**—**	(718)
Affiliate loans, net	**—**	(286)	**(481)**	(725)
Net cash used in investing activities	**—**	(286)	**(481)**	(1,443)
Financing activities				
Net change in bank indebtedness	**125**	—	**128**	—
Net change in credit facility draws	**(161)**	279	**374**	679
Debenture and term note repayments	**—**	—	**(100)**	—
Trust units issued, net *(Note 7)*	**17**	16	**48**	729
Trust unit distributions declared	**(118)**	(117)	**(353)**	(337)
Change in distributions payable	**—**	—	**—**	9
Net cash provided by/(used in) financing activities	**(137)**	178	**97**	1,080
Decrease in cash and cash equivalents	**—**	—	**(6)**	—
Cash and cash equivalents at beginning of period	**—**	—	**6**	—
Cash and cash equivalents at end of period	**—**	—	**—**	**—**

See accompanying notes to the interim financial statements.

STATEMENTS OF FINANCIAL POSITION

	September 30, 2017	December 31, 2016
(unaudited; millions of Canadian dollars)		
Assets		
Current assets		
Cash and cash equivalents	**—**	6
Demand notes receivable from Enbridge Commercial Trust *(Note 3)*	**1,231**	654
Accounts receivable from affiliates	**52**	45
Accounts receivable and other	**1**	1
Current portion of derivative assets *(Note 5)*	**1**	1
Current portion of derivative assets from affiliates *(Note 5)*	**11**	18
	1,296	725
Long-term notes receivable from Enbridge Commercial Trust *(Note 3)*	**100**	196
Long-term investment *(Note 4)*	**2,254**	2,244
Long-term portion of derivative assets from affiliates *(Note 5)*	**48**	80
Deferred amounts and other assets	**1**	1
Total assets	**3,699**	3,246
Liabilities and unitholders' equity		
Current liabilities		
Bank indebtedness	**129**	1
Interest payable	**24**	20
Current portion of derivative liabilities *(Note 5)*	**13**	23
Current portion of derivative liabilities to affiliates *(Note 5)*	**25**	49
Accounts payable and other	**2**	1
Accounts payable and other to affiliates	**12**	—
Distributions payable to affiliates	**39**	39
Current portion of long-term debt	**223**	325
	467	458
Long-term debt	**2,347**	1,969
Long-term portion of derivative liabilities *(Note 5)*	**87**	127
Long-term portion of derivative liabilities to affiliates *(Note 5)*	**2**	4
	2,903	2,558
Trust units *(Note 7)*	**6,924**	7,445
	6,924	7,445
Unitholders' deficit		
Deficit	**(5,983)**	(6,575)
Accumulated other comprehensive loss	**(145)**	(182)
	(6,128)	(6,757)
Total liabilities and unitholders' equity	**3,699**	3,246

See accompanying notes to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Enbridge Income Fund (the Fund) have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) for interim financial information. They do not include all of the information and footnotes required by U.S. GAAP for annual financial statements and should therefore be read in conjunction with the Fund's audited annual financial statements and notes for the year ended December 31, 2016. In the opinion of management, the interim financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Fund's financial position, results of operations and cash flows for the interim periods reported. These interim financial statements follow the same significant accounting policies as those included in the Fund's annual audited financial statements for the year ended December 31, 2016, except for the adoption of new standards *(Note 2)*. Amounts are stated in Canadian dollars unless otherwise noted.

2. CHANGES IN ACCOUNTING POLICIES

ADOPTION OF NEW STANDARDS

Clarifying the Definition of a Business in an Acquisition

Effective January 1, 2017, the Fund early adopted Accounting Standards Update (ASU) 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. The adoption of the pronouncement did not have a material impact on the Fund's financial statements.

Accounting for Intra-Entity Asset Transfers

Effective January 1, 2017, the Fund early adopted ASU 2016-16 on a modified retrospective basis. The new standard was issued with the intent of improving the accounting for the income tax consequences of intra-entity asset transfers other than inventory. Under the new guidance, an entity should recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The adoption of the pronouncement did not have a material impact on the Fund's financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Improvements to Accounting for Hedging Activities

ASU 2017-12 was issued in August 2017 with the main objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The amendments allow cash flow hedging of contractually specified components in financial and non-financial items and make fair value hedges of interest rate risks more effective in certain circumstances. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. The Fund is currently assessing the impact of the new standard on the financial statements. The accounting update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted, and is to be applied on a modified retrospective basis.

Accounting for Credit Losses
ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The amendment adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. The Fund is currently assessing the impact of the new standard on its financial statements. The accounting update is effective for annual and interim periods beginning on or after December 15, 2019.

3. RELATED PARTY TRANSACTIONS

DEMAND NOTES RECEIVABLE FROM ENBRIDGE COMMERCIAL TRUST

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Floating interest rate note, due on demand from ECT	**1,231**	654

LONG-TERM NOTES RECEIVABLE FROM ENBRIDGE COMMERCIAL TRUST

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
5.69% due June 22, 2017 from ECT	**—**	96
7.00% due November 12, 2020 from ECT	**100**	100
	100	196

4. LONG-TERM INVESTMENT

INVESTMENT IN ENBRIDGE COMMERCIAL TRUST
As at September 30, 2017, Enbridge Commercial Trust (ECT) assets consist primarily of an equity investment in Enbridge Income Partners LP (EIPLP) and affiliate receivables. ECT's liabilities are primarily comprised of preferred units of ECT (ECT Preferred Units), held by Enbridge Inc. (Enbridge), and affiliate loans. As at September 30, 2017, the carrying value of ECT's assets was $5,262 million and the carrying value of its liabilities was $3,008 million.

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Investment balance at beginning of period	**2,244**	1,781
Investment acquired	**—**	718
EIPLP's excess purchase price over historical carrying value acquired	**—**	(6)
Equity investment income	**363**	747
Equity investment other comprehensive loss	**2**	(51)
Equity investment dilution gain/(loss), net	**65**	(156)
Distributions	**(420)**	(789)
Investment balance at end of period	**2,254**	2,244

At September 30, 2017, the Fund owned 306 million common units of ECT (December 31, 2016 - 306 million), which is all of ECT's issued and outstanding common units.

Summarized financial information of ECT accounted for under the equity method was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Income from equity investment in EIPLP	**229**	108	**607**	510
Incentive fee - affiliate	**(31)**	(31)	**(92)**	(91)
Operating and administrative expense	**(1)**	(1)	**(2)**	(2)
Other income - affiliate	**6**	4	**13**	8
Interest expense - affiliate[1]	**(55)**	(53)	**(163)**	(155)
Earnings attributable to unitholder	**148**	27	**363**	270

1 Interest expense includes $47 million and $141 million for the three and nine months ended September 30, 2017, respectively, (2016 - $47 million and $141 million) of ECT Preferred Unit distributions to Enbridge and $8 million and $22 million for the three and nine months ended September 30, 2017, respectively, (2016 - $6 million and $14 million) of interest expense on notes payable to the Fund.

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Demand note receivable from EIPLP	**707**	229
Other current assets	**80**	75
Long-term note receivable from EIPLP	**100**	100
Long-term investment	**4,375**	4,360
Due to affiliates	**36**	33
Demand notes payable to the Fund	**1,231**	654
Distributions payable to affiliates	**63**	59
Long-term notes payable to the Fund	**100**	196
Preferred units	**1,578**	1,578
Trust units	**9,903**	9,905
Unitholder's deficit	**(7,649)**	(7,661)

INDIRECT INVESTMENT IN EIPLP

At September 30, 2017, the Fund, through its 100% common unit ownership of ECT, owned 382 million (December 31, 2016 - 382 million) of EIPLP's issued and outstanding EIPLP Class A units, representing an indirect ownership of 45.4% (2016 - 45.8%) of EIPLP's total issued and outstanding common units.

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Investment balance at beginning of period	**4,360**	3,902
Investment acquired	**—**	718
EIPLP's excess purchase price over historical carrying value acquired	**—**	(6)
Equity investment income	**608**	1,068
Equity investment other comprehensive loss	**2**	(51)
Equity investment dilution gain/(loss), net	**65**	(156)
Distributions	**(660)**	(1,115)
Investment balance at end of period	**4,375**	4,360

Summarized financial information of EIPLP accounted for under the equity method was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Revenues	**1,223**	853	**3,348**	3,135
Earnings	**565**	299	**1,515**	1,329

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

MARKET RISK

The Fund's earnings, cash flows and other comprehensive income (OCI) are subject to movements in interest rates and foreign exchange rates. The Fund acts as an intermediary to pass along the foreign exchange risks to EIPLP. 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 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 mitigate the volatility of short-term interest rates on interest expense with the execution of floating to fixed rate interest rate swaps at an average swap rate of 2.5%.

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 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 at an average swap rate of 3.1%.

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

TOTAL DERIVATIVE INSTRUMENTS

The following table summarizes the Statements of Financial Position location, carrying value and fair value of the Fund's derivative instruments. The Fund did not have any outstanding fair value hedges or net investment hedges as at September 30, 2017 or December 31, 2016.

The Fund enters into individual International Swaps and Derivatives Association, Inc. 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 Statements of Financial Position.

September 30, 2017	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
(millions of Canadian dollars)					
Current portion of derivative assets					
Foreign exchange contracts	**—**	**1**	**1**	**—**	**1**
	—	**1**	**1**	**—**	**1**
Current portion of derivative assets - affiliates					
Foreign exchange contracts	**—**	**11**	**11**	**(1)**	**10**
	—	**11**	**11**	**(1)**	**10**
Long-term portion of derivative assets - affiliates					
Foreign exchange contracts	**—**	**48**	**48**	**—**	**48**
	—	**48**	**48**	**—**	**48**
Current portion of derivative liabilities					
Interest rate contracts	**(2)**	**—**	**(2)**	**—**	**(2)**
Foreign exchange contracts	**—**	**(11)**	**(11)**	**—**	**(11)**
	(2)	**(11)**	**(13)**	**—**	**(13)**
Current portion of derivative liabilities - affiliates					
Interest rate contracts	**(24)**	**—**	**(24)**	**—**	**(24)**
Foreign exchange contracts	**—**	**(1)**	**(1)**	**1**	**—**
	(24)	**(1)**	**(25)**	**1**	**(24)**
Long-term portion of derivative liabilities					
Interest rate contracts	**(39)**	**—**	**(39)**	**—**	**(39)**
Foreign exchange contracts	**—**	**(48)**	**(48)**	**—**	**(48)**
	(39)	**(48)**	**(87)**	**—**	**(87)**
Long-term portion of derivative liabilities - affiliates					
Interest rate contracts	**(2)**	**—**	**(2)**	**—**	**(2)**
Foreign exchange contracts	**—**	**—**	**—**	**—**	**—**
	(2)	**—**	**(2)**	**—**	**(2)**
Total net derivative liability					
Interest rate contracts	**(67)**	**—**	**(67)**	**—**	**(67)**
Foreign exchange contracts	**—**	**—**	**—**	**—**	**—**
	(67)	**—**	**(67)**	**—**	**(67)**

December 31, 2016	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
(millions of Canadian dollars)					
Current portion of derivative assets					
Foreign exchange contracts	—	1	1	—	1
	—	1	1	—	1
Current portion of derivative assets - affiliates					
Foreign exchange contracts	—	18	18	(1)	17
	—	18	18	(1)	17
Long-term portion of derivative assets - affiliates					
Foreign exchange contracts	—	80	80	—	80
	—	80	80	—	80
Current portion of derivative liabilities					
Interest rate contracts	(5)	—	(5)	—	(5)
Foreign exchange contracts	—	(18)	(18)	—	(18)
	(5)	(18)	(23)	—	(23)
Current portion of derivative liabilities - affiliates					
Interest rate contracts	(48)	—	(48)	—	(48)
Foreign exchange contracts	—	(1)	(1)	1	—
	(48)	(1)	(49)	1	(48)
Long-term portion of derivative liabilities					
Interest rate contracts	(47)	—	(47)	—	(47)
Foreign exchange contracts	—	(80)	(80)	—	(80)
	(47)	(80)	(127)	—	(127)
Long-term portion of derivative liabilities - affiliates					
Interest rate contracts	(4)	—	(4)	—	(4)
	(4)	—	(4)	—	(4)
Total net derivative liability					
Interest rate contracts	(104)	—	(104)	—	(104)
Foreign exchange contracts	—	—	—	—	—
	(104)	—	(104)	—	(104)

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

September 30, 2017	2017	2018	2019	2020	2021	Thereafter
Interest rate contracts - short-term borrowings *(millions of Canadian dollars)*	**86**	**319**	**1**	**—**	**—**	**—**
Interest rate contracts - long-term borrowings *(millions of Canadian dollars)*	**800**	**350**	**—**	**—**	**—**	**—**
Foreign exchange contracts - United States dollar forwards - purchase *(millions of United States dollars)*	**25**	**92**	**57**	**63**	**72**	**150**
Foreign exchange contracts - United States dollar forwards - sell *(millions of United States dollars)*	**25**	**92**	**57**	**63**	**72**	**150**

December 31, 2016	2017	2018	2019	2020	2021	Thereafter
Interest rate contracts - short-term borrowings *(millions of Canadian dollars)*	326	319	1	—	—	—
Interest rate contracts - long-term borrowings *(millions of Canadian dollars)*	800	350	—	—	—	—
Foreign exchange contracts - United States dollar forwards - purchase *(millions of United States dollars)*	99	92	57	63	69	222
Foreign exchange contracts - United States dollar forwards - sell *(millions of United States dollars)*	99	92	57	63	69	222

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 earnings and comprehensive income.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Amount of unrealized gains/(loss) recognized in OCI				
Interest rate contracts	**31**	(19)	**34**	(130)
Amount of (gains)/loss reclassified from AOCI to earnings *(effective portion)*				
Interest rate contracts[1]	**1**	1	**4**	4
Amount of (gains)/loss reclassified from AOCI to earnings *(ineffective portion and amount excluded from effectiveness testing)*				
Interest rate contracts[1]	**(2)**	1	**(3)**	3

1 Reported within Interest expense in the Statements of Earnings.

The estimated net amount of existing losses reported in Accumulated other comprehensive income/(loss) (AOCI) that is expected to be reclassified to net income within the next 12 months is $4 million. Actual amounts reclassified to earnings depend on the interest rates in effect when derivative contracts that are currently outstanding are settled.

Non-Qualifying Derivatives
The net unrealized gains and losses associated with changes in the fair value of the Fund's non-qualifying derivatives was nil for the three and nine months ended September 30, 2017 and 2016.

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 its indirect investment in EIPLP, draws under committed credit facilities, issuance of medium-term notes (MTNs) and the issuance of the Fund's ordinary trust units (Fund Units). The Fund also maintains a current MTN shelf prospectus with Canadian securities regulators, which enables, subject to market conditions, ready access to Canadian public capital markets. Additional liquidity, if necessary, is expected to be available through intercompany transactions with Enbridge or other related entities.

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 credit exposure limits and contractual requirements, netting arrangements and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools.

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

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
European financial institutions	**1**	1
Due from affiliate	**58**	98
	59	99

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 September 30, 2017 or December 31, 2016.

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 did not have any financial instruments categorized as Level 3 as at September 30, 2017 or at December 31, 2016.

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 or foreign exchange) 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:

September 30, 2017	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets	**—**	**12**	**—**	**12**
Long-term derivative assets	**—**	**48**	**—**	**48**
Financial liabilities				
Current derivative liabilities	**—**	**(38)**	**—**	**(38)**
Long-term derivative liabilities	**—**	**(89)**	**—**	**(89)**
Total net liability	**—**	**(67)**	**—**	**(67)**

December 31, 2016	Level 1	Level 2	Level 3	Total Gross Derivative Instrument
(millions of Canadian dollars)				
Financial assets				
Current derivative assets	—	19	—	19
Long-term derivative assets	—	80	—	80
Financial liabilities				
Current derivative liabilities	—	(72)	—	(72)
Long-term derivative liabilities	—	(131)	—	(131)
Total net liability	—	(104)	—	(104)

The Fund's policy is to recognize transfers as at the last day of the reporting period. There were no transfers between levels as at September 30, 2017 or December 31, 2016.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

At September 30, 2017, the Fund's long-term debt had a carrying value of $2,575 million (December 31, 2016 - $2,299 million) before debt issuance costs and a fair value of $2,645 million (December 31, 2016 - $2,415 million). This fair value measurement has been classified as a Level 2 fair value measurement.

6. DEBT

CREDIT FACILITIES

		September 30, 2017		
	Maturity Dates	Total Facilities	Draws[1]	Available
(millions of Canadian dollars)				
Enbridge Income Fund	2020	**1,500**	**611**	**889**

1 Includes facility draws and letters of credit that are back-stopped by the credit facility.

As at September 30, 2017, credit facility draws of $600 million (December 31, 2016 - $225 million) and letters of credit of $11 million (December 31, 2016 - $11 million) were supported by the availability of a long-term committed credit facility and therefore have been classified as long-term debt.

DEBT COVENANTS

The Fund was in compliance with all terms and conditions of its committed credit facility agreement as at September 30, 2017.

7. TRUST UNITS

	2017		2016	
Nine months ended September 30,	Number of Units	Amount	Number of Units	Amount
(millions of Canadian dollars, number of units in millions)				
Fund units, beginning of period	**218**	**7,445**	191	5,266
Redemption value adjustment	**—**	**(569)**	—	1,283
Issued	**1**	**48**	27	753
Share issue costs	**—**	**—**	—	(24)
Fund units, end of period[1]	**219**	**6,924**	218	7,278

1 Enbridge owned 72 million trust units at September 30, 2017 (2016 - 94 million).

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

This Management's Discussion and Analysis (MD&A) dated November 2, 2017 should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto of Enbridge Income Partners LP (EIPLP) as at and for the three and nine months ended September 30, 2017, prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). It should also be read in conjunction with the audited consolidated financial statements and notes thereto and MD&A for the year ended December 31, 2016.

EIPLP is a member of the Fund Group, which also includes Enbridge Commercial Trust (ECT) and Enbridge Income Fund (the Fund). EIPLP holds all of the underlying operating entities of the Fund Group through its subsidiaries and investees. Enbridge Inc. (Enbridge), through its wholly-owned subsidiary Enbridge Management Services Inc. (the Manager or EMSI), is responsible for the operations and day-to-day management of the Fund Group. The Manager also provides administrative and general support services to the Fund Group. The limited partners of EIPLP are ECT and Enbridge and certain of its subsidiaries.

All financial measures presented in this MD&A are expressed in Canadian dollars, unless otherwise indicated. EIPLP supplements the Fund's financial statements and MD&A, and additional information related to EIPLP is available under the Fund's profile on SEDAR at www.sedar.com.

EIPLP conducts its business through three business segments: Liquids Pipelines, Gas Pipelines and Green Power.

LIQUIDS PIPELINES
Liquids Pipelines consists of common carrier and contract crude oil, natural gas liquids (NGL) and refined products pipelines, feeder pipelines, gathering systems and terminals in Canada, including Canadian Mainline, Regional Oil Sands System, Southern Lights Pipeline, which includes Southern Lights Canada Pipeline and Class A units of certain Enbridge subsidiaries which provide a defined cash flow stream from the United States portion of Southern Lights (Southern Lights US), Bakken System and Feeder Pipelines and Other.

GAS PIPELINES
Gas Pipelines includes EIPLP's 50% interest in the Alliance Pipeline system, which transports liquids-rich natural gas from northeast British Columbia, northwest Alberta and the Bakken area of North Dakota to Channahon, Illinois.

GREEN POWER
Green Power consists of wind facilities, solar facilities and waste heat recovery facilities located in the provinces of Alberta, Saskatchewan, Ontario and Quebec.

ELIMINATIONS AND OTHER
In addition to the segments noted above, Eliminations and Other includes operating and administrative costs and foreign exchange costs which are not allocated to business segments. Also included in Eliminations and Other are new business development activities, general corporate investments and elimination of transactions between segments required to present financial performance and financial position on a consolidated basis.

CONSOLIDATED EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Liquids Pipelines	**750**	344	**1,913**	1,633
Gas Pipelines	**51**	47	**156**	155
Green Power	**22**	28	**106**	103
Eliminations and Other	**(12)**	17	**(17)**	(10)
Earnings before interest and income taxes	**811**	436	**2,158**	1,881
Interest expense	**(107)**	(103)	**(308)**	(287)
Income tax expense	**(139)**	(34)	**(335)**	(265)
Special interest rights distributions - TPDR[1]	**(66)**	(66)	**(198)**	(196)
Special interest rights distributions - IDR[2]	**(12)**	(12)	**(36)**	(35)
Earnings attributable to general and limited partners	**487**	221	**1,281**	1,098

1 *Temporary Performance Distribution Right (TPDR) distributes Class D units of EIPLP and refers to the paid-in-kind component of the Special Interest Rights (SIR) distribution (see* Liquidity and Capital Resources – Distributions*).*

2 *Incentive Distribution Right (IDR) refers to the cash component of the SIR distribution (see* Liquidity and Capital Resources – Distributions*).*

EARNINGS BEFORE INTEREST AND INCOME TAXES

Earnings before interest and income taxes (EBIT) was $811 million and $2,158 million for the three and nine months ended September 30, 2017, respectively, compared with $436 million and $1,881 million for the three and nine months ended September 30, 2016.

The comparability of EIPLP's earnings were impacted by a number of unusual, non-recurring or non-operating factors that are listed in the Non-GAAP Reconciliation tables and discussed in the results for each reporting segment. Changes in the unrealized derivative fair value gains and losses is a significant non-operating factor. EIPLP has a comprehensive long-term economic hedging program to mitigate interest rate, foreign exchange and commodity price risks that create volatility in short-term earnings. Over the long term, EIPLP believes its hedging program supports reliable cash flows.

The majority of EIPLP's unrealized derivative fair value gains and losses are within its Liquids Pipelines segment, specifically within the Canadian Mainline. Financial derivative instruments are used to hedge exposure to fluctuations in foreign exchange rates, power costs and the price of allowance oil which are inherent in the Competitive Toll Settlement (CTS) which drives Canadian Mainline revenue. For the three months ended September 30, 2017 and 2016, Canadian Mainline recognized net unrealized derivative fair value gains of $326 million and a loss of $7 million, respectively. The nine months ended September 30, 2017 reflected a $747 million unrealized derivative fair value gain compared with $549 million in the corresponding 2016 period.

Also impacting the comparability of year-over-year EBIT were pipeline and facilities restart costs that resulted from the extreme wildfires that occurred in northeastern Alberta in the second quarter of 2016.

Excluding the impact of unusual, non-recurring or non-operating factors, EIPLP EBIT increased for the third quarter of 2017 compared with the third quarter of 2016, primarily driven by stronger performance from the Liquids Pipelines segment. Specifically, Canadian Mainline contributions increased due to a higher Canadian Mainline International Joint Tariff (IJT) Residual Benchmark Toll, which increased in April 2017 and July 2017. In addition, Canadian Mainline throughput was higher in the third quarter of 2017 following capacity optimizations implemented earlier in the year, as further discussed in *Non-GAAP Measures – Adjusted EBIT*.

For the first nine months of 2017, EIPLP EBIT was higher than the same period in 2016, largely driven by the stronger results within the Liquids Pipelines segment in the second and third quarters of 2017 compared with the corresponding period in 2016. Following the first quarter of 2017, Canadian Mainline revenues increased due to a higher Canadian Mainline IJT Residual Benchmark Toll and a higher foreign exchange hedge rate used to record United States dollar denominated revenues compared to the second and third quarters of 2016, respectively. The Canadian Mainline also benefitted from stronger throughput on a year-to-date basis in 2017 compared to 2016, as further discussed in *Non-GAAP Measures – Adjusted EBIT*.

EARNINGS ATTRIBUTABLE TO GENERAL AND LIMITED PARTNERS

Earnings attributable to the general and limited partners of EIPLP were $487 million for the three months ended September 30, 2017 compared with $221 million for the three months ended September 30, 2016. For the nine months ended September 30, 2017, earnings attributable to the general and limited partners of EIPLP were $1,281 million compared with $1,098 million for the nine months ended September 30, 2016.

In addition to the factors discussed in *Consolidated Earnings – Earnings Before Interest and Income Taxes* above, the change in earnings attributable to general and limited partners period-over-period was also impacted by an increase in interest expense due to higher levels of debt outstanding in both periods of 2017 as well as lower capitalized interest. Income tax expense in both periods reflects the increase in earnings before income taxes compared with the respective corresponding prior year periods.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this MD&A to provide information about EIPLP and EIPLP's subsidiaries and affiliates, including management's assessment of EIPLP's plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: earnings/(loss) or adjusted earnings/(loss); EBIT or adjusted EBIT; effect of the increase or decrease of the Canadian Mainline IJT Residual Benchmark Toll on adjusted EBIT; available cash flow from operations (ACFFO); cash flows; distributions and policy; costs related to announced projects and projects under construction; in-service dates for announced projects and projects under construction; capital expenditures; recovery of the costs of the Canadian portion of the Line 3 Replacement Program (Canadian L3R Program) through the use of surcharges; actions of regulators; commodity prices; supply forecasts; impact of hedging program; impact of the Canadian L3R Program on existing integrity programs; outcome of proceedings in respect of the Canadian L3R Program; and sources of liquidity and sufficiency of financial resources.

Although EIPLP believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: supply of and demand for crude oil, natural gas, NGL and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; exchange rates; inflation; Canadian pipeline export capacity; levels of competition; interest rates; availability and price of labour and construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for EIPLP's projects (including the Canadian L3R Program); anticipated in-service dates; weather; credit ratings; capital project funding; earnings/(loss) or adjusted earnings/(loss); EBIT or adjusted EBIT; cash flows and ACFFO; and distributions. Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for EIPLP's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which EIPLP operates and may impact levels of demand for EIPLP's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to earnings/(loss), adjusted earnings/(loss), EBIT, adjusted EBIT, ACFFO, cash flows and distributions. The most relevant assumptions associated with forward-looking statements on announced projects and projects under *construction, including estimated completion dates and expected capital expenditures, include the following: availability and price of labour and construction materials; effects of inflation and foreign exchange rates on labour and material costs; effects of interest rates on borrowing costs; and impact of weather and customer, government and regulatory approvals on construction and in-service schedules and cost recovery regimes.*

EIPLP's forward-looking statements are subject to risks and uncertainties pertaining to distribution policy, operating performance, regulatory parameters, project approval and support, renewals of rights of way, weather, economic and competitive conditions, public opinion, changes in tax laws and tax rates, exchange rates, interest rates, commodity prices, political decisions and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this MD&A. 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 EIPLP's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by applicable law, EIPLP 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 EIPLP or persons acting on EIPLP's behalf, are expressly qualified in their entirety by these cautionary statements.

NON-GAAP MEASURES

This MD&A contains references to adjusted EBIT, adjusted earnings and ACFFO. Adjusted EBIT represents EBIT adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. Adjusted earnings represent earnings adjusted for unusual, non-recurring or non-operating factors included in adjusted EBIT, as well as adjustments for unusual, non-recurring or non-operating factors in respect of interest expense and income taxes on a consolidated basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections for the affected business segments.

ACFFO represents cash available to fund distributions on Class A and Class C units, as well as for debt repayments and reserves. ACFFO consists of adjusted EBIT further adjusted for non-cash items, representing cash flow from EIPLP's underlying businesses, less deductions for maintenance capital expenditures, interest expense, applicable taxes and further adjusted for unusual, non-recurring or non-operating factors not indicative of the underlying or sustainable cash flows of the business. ACFFO is important to unitholders as the Fund Group's objective is to provide a predictable flow of distributions to unitholders.

The Manager believes the presentation of adjusted EBIT, adjusted earnings and ACFFO give useful information to partners and unitholders as they provide increased transparency and insight into the performance of EIPLP. The Manager uses adjusted EBIT, adjusted earnings and ACFFO to set targets and to assess the performance of EIPLP. Adjusted EBIT, adjusted earnings and ACFFO are not measures that have standardized meaning prescribed by U.S. GAAP and are not U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers.

The tables below provide a reconciliation of the GAAP and non-GAAP measures.

NON-GAAP RECONCILIATION – EBIT TO ADJUSTED EBIT

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Earnings before interest and income taxes	**811**	436	**2,158**	1,881
Adjusting items[1]:				
Changes in unrealized derivative fair value (gains)/loss[2]	**(346)**	8	**(791)**	(589)
Unrealized (gains)/loss on translation of United States dollar intercompany loan receivable	**25**	(2)	**51**	53
Leak remediation costs	**3**	—	**15**	—
Leak insurance recoveries	**(2)**	—	**(6)**	(5)
Make-up rights adjustments[3]	**—**	(4)	**—**	30
Northeastern Alberta wildfires pipelines and facilities restart costs	**—**	18	**—**	39
Other	**—**	—	**—**	6
Adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415

1 The above table summarizes adjusting items by nature. For a detailed listing of adjusting items by segment, refer to individual segment discussions.
2 Changes in unrealized derivative fair value gains and losses are presented net of amounts realized on the settlement of derivative contracts during the applicable period.
3 Effective January 1, 2017, EIPLP no longer makes such an adjustment to its EBIT.

NON-GAAP RECONCILIATION – ADJUSTED EBIT to ADJUSTED EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Liquids Pipelines	**408**	366	**1,142**	1,129
Gas Pipelines	**49**	48	**149**	144
Green Power	**21**	27	**102**	99
Eliminations and Other	**13**	15	**34**	43
Adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415
Interest expense[1]	**(108)**	(92)	**(312)**	(276)
Income taxes[1]	**(50)**	(42)	**(132)**	(144)
Special interest rights distributions - TPDR	**(66)**	(66)	**(198)**	(196)
Special interest rights distributions - IDR	**(12)**	(12)	**(36)**	(35)
Adjusted earnings attributable to general and limited partners	**255**	244	**749**	764

1 These balances are presented net of adjusting items.

Adjusted EBIT

Adjusted EBIT increased in the third quarter of 2017 compared to the corresponding period in 2016. The quarter-over-quarter increase was mainly driven by stronger contributions from the Liquids Pipelines segment. The Liquids Pipelines segment revenues increased due to a higher average Canadian Mainline IJT Residual Benchmark Toll in the third quarter of 2017 as well as throughput growth on the Canadian Mainline and Regional Oil Sands System. Liquids pipelines throughput in the third quarter of 2017 returned to levels achieved earlier in the year following temporary, unusual events in the second quarter, as discussed below. Canadian Mainline throughput was further strengthened in the third quarter of 2017 by capacity optimizations implemented in the first half of the year.

The year-to-date increase in adjusted EBIT was largely driven by the stronger results in the second and third quarters of 2017 compared to the corresponding periods in 2016. Beginning in April 2017, the

Liquids Pipelines segment benefitted from an increase in the Canadian Mainline IJT Residual Benchmark Toll from US$1.47 to US$1.62, which was further increased to US$1.64 in July 2017. In addition, United States dollar denominated Canadian Mainline revenues were recorded at a higher foreign exchange hedge rate in the second and third quarters of 2017 compared with the corresponding 2016 periods. The IJT Benchmark Toll and its components are set in United States dollars, and the majority of EIPLP's foreign exchange risk on Canadian Mainline revenues is hedged. The effective hedge rate for the translation of Canadian Mainline United States dollar transactional revenues for the second and third quarters of 2017 were $1.04 and $1.07 compared with $1.03 and $1.05 for the corresponding periods in 2016, respectively.

Canadian Mainline throughput was also stronger on a year-to-date basis in 2017 compared to 2016, driven by strong oil sands production in western Canada along with increased pipeline capacity realized in the third quarter of 2017, as discussed above. The year-to-date periods were also impacted by temporary, unusual events in the second quarters of both years. In the second quarter of 2017, volumes were impacted by an unexpected outage and accelerated maintenance at a customer's upstream facility, while in the second quarter of 2016, throughput was lower due to the impacts of the northeastern Alberta wildfires. Based on the positive impacts of Canadian Mainline capacity optimizations implemented in the first half of the year along with new projects coming into service in the remainder of the year, liquids pipelines throughput is expected to remain strong through the fourth quarter of 2017.

Adjusted Earnings Attributable to General and Limited Partners

Adjusted earnings attributable to general and limited partners, referred to as adjusted earnings, increased by $11 million and decreased by $15 million for the third quarter and first nine months of 2017 as compared to the prior year periods, respectively. The period-over-period change was largely due to the factors discussed in *Non-GAAP Measures – Adjusted EBIT* above as well as an increase in interest expense due to higher levels of debt outstanding in both periods of 2017 and lower capitalized interest. Income tax expense in the third quarter and first nine months of 2017 reflects the increase and decrease in adjusted earnings before income taxes compared with the respective corresponding prior year periods.

NON-GAAP RECONCILIATION – ACFFO

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
EIPLP adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415
Depreciation and amortization expense	**167**	156	**490**	475
Cash distributions in excess of/(less than) equity earnings	**6**	2	**13**	(8)
Maintenance capital expenditures[1]	**(13)**	(38)	**(42)**	(71)
Interest expense[2]	**(101)**	(86)	**(294)**	(263)
Current income taxes[2]	**(19)**	16	**(49)**	(32)
Special interest rights distributions - IDR	**(12)**	(12)	**(36)**	(35)
Other adjusting items[3]	**21**	8	**57**	27
EIPLP ACFFO	**540**	502	**1,566**	1,508

1 Maintenance capital expenditures are expenditures that are required for the ongoing support and maintenance of the existing pipeline system or that are necessary to maintain the service capability of the existing assets (including the replacement of components that are worn, obsolete or completing their useful lives). For the purpose of ACFFO, maintenance capital excludes expenditures that extend asset useful lives, increase capacities from existing levels or reduce costs to enhance revenues or provide enhancements to the service capability of the existing assets. Maintenance capital expenditures occur primarily within EIPLP's Liquids Pipelines segment.

2 These balances are presented net of adjusting items.

3 Primarily relates to cash received for revenue that is deferred, including make-up rights recognized for certain take-or-pay tolling arrangements. Prior to January 1, 2017, EIPLP included make-up rights recognized for certain take-or-pay tolling arrangements in its determination of adjusted EBIT.

Available Cash Flow from Operations
ACFFO increased by $38 million and $58 million for the three and nine months ended September 30, 2017 compared with the corresponding 2016 periods, respectively.

The increase in ACFFO in the third quarter of 2017 was driven by stronger contributions from EIPLP's Liquids Pipelines segment following the increases in the Canadian Mainline IJT Residual Benchmark Toll in April 2017 and July 2017, along with higher throughput on the Canadian Mainline following capacity optimizations implemented in the first half of 2017.

For the first nine months of 2017, ACFFO increased compared with the same period of 2016 driven by strong operating results in the second and third quarters of 2017 discussed in *Non-GAAP Measures – Adjusted EBIT*, which included a higher Canadian Mainline IJT Residual Benchmark Toll and higher liquids pipelines throughput, which was partially offset by temporary, unusual events in the second quarter of 2017. In addition, ACFFO increased due to greater distributions from Alliance Pipeline and lower maintenance capital expenditures in both periods of 2017.

RECENT DEVELOPMENTS

Alberta Clipper (Line 67) Presidential Permit
On October 16, 2017, Enbridge received a Presidential Permit for Line 67, following a nearly five-year process of review. Line 67 currently operates under an existing Presidential Permit that was issued by the State Department in 2009 and the 2017 Presidential Permit authorizes Enbridge to fully utilize its capacity across the border.

Line 67 is a key component of Enbridge's mainline system, which United States refineries rely on to provide vital products to consumers across the midwest United States. The amended Presidential Permit will ensure that EIPLP can utilize the full restored capacity on the Canadian portion of Line 3 once the replacement project comes into service.

For additional information on Line 67, refer to *Growth Projects – Liquids Pipelines – Canadian Line 3 Replacement Program.*

Renewal of Line 5 Easement
On January 4, 2017, the Tribal Council of the Bad River Band of Lake Superior Tribe of Chippewa Indians (the Band), located in Wisconsin, issued a press release indicating that the Band had passed a resolution not to renew its interest in certain Line 5 easements through the Bad River Reservation. Line 5 is included within Enbridge's mainline system and it runs from Superior, Wisconsin to Sarnia, Ontario. The Canadian portion of Line 5 is owned by EIPLP and is located within the Canadian Mainline. The Band's resolution calls for decommissioning and removal of the pipeline from all Bad River tribal lands and watershed and could impact EIPLP's ability to operate the Canadian portion of Line 5. Since the Band passed the resolution, the parties have agreed to ongoing discussions with the objective of understanding and resolving the Band's concerns on a long-term basis.

GROWTH PROJECTS

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

	Estimated Capital Cost[1]	Expenditures to Date[2]	Expected In-Service Date	Status
(Canadian dollars)				
LIQUIDS PIPELINES				
1. Norlite Pipeline System	$1.3 billion	$1.1 billion	2017	Complete
2. JACOS Hangingstone Project	$0.2 billion	$0.2 billion	2017	Complete
3. Regional Oil Sands Optimization Project	$2.6 billion	$2.3 billion	2017 (in phases)	Substantially complete
4. Canadian Line 3 Replacement Program	$5.3 billion	$1.9 billion	2019	Under construction

1 These amounts are estimates and are subject to upward or downward adjustment based on various factors. Where appropriate, the amounts reflect EIPLP's share of joint venture projects.
2 Expenditures to date reflect total cumulative expenditures incurred from inception of the project up to September 30, 2017.

The description of each of the above projects is provided in EIPLP's 2016 annual MD&A. Any significant updates since February 17, 2017, the filing of EIPLP's 2016 annual MD&A for the year ended December 31, 2016, are discussed below.

Norlite Pipeline System
Norlite Pipeline System (Norlite), a diluent pipeline originating at Enbridge's Stonefell Terminal, was placed into commercial service on May 1, 2017. To meet the needs of multiple producers in the Athabasca oil sands region, the 24-inch diameter pipeline provides an initial capacity of approximately 218,000 barrels per day (bpd) of diluent, with the potential to be further expanded to approximately 465,000 bpd of capacity with the addition of pump stations. Keyera Corp. has elected to participate in Norlite as a 30% non-operating owner.

JACOS Hangingstone Project
The Japan Canada Oil Sands Limited (JACOS) Hangingstone Project, a new pipeline connecting the JACOS Hangingstone project site to EIPLP's existing Cheecham Terminal, was placed into service on August 29, 2017. The 53-kilometre (33-mile), 12-inch diameter pipeline provides capacity of 40,000 bpd to the partners in the project, JACOS and Nexen Energy ULC, a wholly-owned subsidiary of China National Offshore Oil Corporation Limited.

Canadian Line 3 Replacement Program
In 2014, Enbridge and Enbridge Energy Partners, L.P. (EEP) jointly announced that shipper support was received for investment in the Line 3 Replacement Program. The Canadian L3R Program will complement existing integrity programs by replacing approximately 1,084 kilometres (673 miles) of the remaining line segments of the existing Line 3 pipeline between Hardisty, Alberta and Gretna, Manitoba.

In April 2016, the National Energy Board (NEB) found that the Canadian L3R Program is in the Canadian public interest and issued final conditions and a recommendation to the Federal Cabinet to approve the issuance of the Certificate of Public Convenience and Necessity (the Certificate) for the construction and operation of the pipeline and related facilities. Approval was received from the Government of Canada on November 29, 2016, with no material changes to permit conditions and on December 1, 2016, the NEB issued the Certificate. Once the Certificate was issued, Natural Resources Canada (NRCan) released the final assessment of the upstream greenhouse gas emissions, as well as reports summarizing the additional Crown Consultation with Indigenous groups and the public online survey conducted by NRCan.

In December 2016, the Manitoba Metis Federation (MMF) and the Association of Manitoba Chiefs (AMC) applied to the Federal Court of Appeal (FCA) for leave, which was subsequently granted, to judicially review the Government of Canada’s decision to approve the Canadian L3R Program. On July 4, 2017, the MMF discontinued its judicial review application. On October 25, 2017, the AMC discontinued its judicial review application. As a result, no further challenges to the Government of Canada's decision to approve the Canadian L3R Program may be brought by any party.

On July 7, 2017, the NEB approved the Plan, Profile and Book of Reference for the Canadian L3R Program, meaning that the detailed route for the Canadian L3R Program has been approved. All required pre-construction filings have been approved by the NEB and construction commenced in early August 2017.

Based on the updated execution plan, the revised cost of the project is $5.3 billion. This is roughly 8% above prior estimates and reflects the ongoing delays in the regulatory process, as well as some additional scope, route modifications and other changes as a result of the extensive consultation efforts and obligation to meet permit conditions. The impact of these additional costs is fully offset by lower estimated operating costs and a stronger United States dollar relative to the original project assumptions.

The United States portion of the Line 3 Replacement Program (U.S. L3R Program) is being executed by EEP and will complement existing integrity programs by replacing approximately 576 kilometres (358 miles) of the remaining line segments of the existing Line 3 pipeline between Neche, North Dakota and Superior, Wisconsin. EEP has the authorization to replace Line 3 in North Dakota and Wisconsin. EEP is in the process of obtaining the appropriate permits for constructing the U.S. L3R Program in Minnesota. The project requires both a Certificate of Need and an approval of the pipeline's route (Route Permit) from the Minnesota Public Utilities Commission (MNPUC). The MNPUC found both the Certificate of Need and Route Permit applications for the U.S. L3R Program through Minnesota to be complete. On February 1, 2016, the MNPUC issued a written order requiring the Minnesota Department of Commerce (DOC) to prepare an Environmental Impact Statement (EIS) before the Certificate of Need and Route Permit processes commence. The DOC issued the final EIS on August 17, 2017. The MNPUC will determine its adequacy by December 2017. In the parallel Certificate of Need and Route Permit dockets, progress continues according to schedule with public hearings currently under way. The MNPUC is expected to issue a ruling in the second quarter of 2018. Construction commenced on the Wisconsin portion of U.S. L3R Program in late June 2017.

On October 16, 2017, the United States Department of State issued a Presidential Permit to EEP to operate Line 67 at its design capacity of 888,889 barrels per day at the border of the United States and Canada near Neche, North Dakota.

FINANCIAL RESULTS

LIQUIDS PIPELINES

Earnings Before Interest and Income Taxes

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Canadian Mainline	**265**	206	**736**	692
Regional Oil Sands System	**106**	105	**290**	286
Southern Lights Pipeline	**26**	24	**73**	69
Bakken System	**2**	6	**15**	17
Feeder Pipelines and Other	**9**	25	**28**	65
Adjusted earnings before interest and income taxes	**408**	366	**1,142**	1,129
Canadian Mainline - changes in unrealized derivative fair value gains/(loss)	**326**	(7)	**747**	549
Canadian Mainline - leak remediation costs	**(3)**	—	**(15)**	—
Regional Oil Sands System - leak insurance recoveries	**2**	—	**6**	5
Regional Oil Sands System - northeastern Alberta wildfires pipelines and facilities restart costs	**—**	(18)	**—**	(39)
Regional Oil Sands System - make-up rights adjustment[1]	**—**	3	**—**	(31)
Southern Lights Pipeline - changes in unrealized derivative fair value gains/(loss)	**17**	(1)	**33**	25
Bakken System - make-up rights adjustment[1]	**—**	1	**—**	1
Feeder Pipelines and Other - derecognition of regulatory balances	**—**	—	**—**	(6)
Earnings before interest and income taxes	**750**	344	**1,913**	1,633

1 Effective January 1, 2017, EIPLP no longer makes such an adjustment to its EBIT.

Additional details on items impacting Liquids Pipelines EBIT include:

- Canadian Mainline EBIT for each period reflected changes in unrealized fair value gains and losses on derivative financial instruments used to manage foreign exchange and commodity price risk inherent within the CTS.
- Canadian Mainline EBIT for 2017 included charges related to the crude oil release on Line 2A, which occurred in February 2017.
- Regional Oil Sands System EBIT for each period included insurance recoveries associated with the Line 37 crude oil release, which occurred in June 2013.
- Southern Lights Pipeline EBIT for each period reflected changes in unrealized fair value gains and losses on derivative financial instruments used to manage foreign exchange risk on United States dollar cash flows from Class A units of certain Enbridge subsidiaries which provide a defined cash flow stream from Southern Lights US.

Canadian Mainline

Canadian Mainline adjusted EBIT increased in the third quarter of 2017, compared with the corresponding 2016 period, primarily due to a higher average Canadian Mainline IJT Residual Benchmark Toll, higher toll surcharges and higher average throughput. The Canadian Mainline also benefitted from a higher foreign exchange hedge rate used to record Canadian Mainline revenues. For the third quarter of 2017, the effective hedged rate for the translation of Canadian Mainline United States dollar transactional revenues was \$1.07, compared with \$1.05 for the corresponding 2016 period. The higher surcharge revenue in the third quarter of 2017 resulted from the recovery of hydrotest costs and the recovery of costs on certain expansion projects.

Higher average throughput in the third quarter of 2017, compared with the corresponding 2016 period, was driven by continued strong oil sands production and downstream demand. The additional throughput was realized through the capacity optimization initiatives enabled in the third quarter of 2017. This resulted in significantly lower heavy crude oil apportionment and incremental heavy crude oil barrels shipped.

Canadian Mainline adjusted EBIT increased for the nine months ended September 30, 2017, compared with the corresponding 2016 period, primarily due to strong third quarter results discussed above. This increase was partially offset by lower first half results due to the absence of hydrostatic test surcharge revenue and a lower foreign exchange hedge rate used to record Canadian Mainline revenues. For the first half of 2017, the effective hedged rate for the translation of Canadian Mainline United States dollar transactional revenues was $1.04 compared with $1.07 for the corresponding 2016 period. Relative to 2016, throughput volumes were slightly higher in the first quarter of 2017 and significantly higher in the second quarter of 2017 due to the non-recurrence of the negative impact of the northeastern Alberta wildfires experienced in 2016. The wildfires resulted in a curtailment of production from oil sands facilities and certain of EIPLP's upstream pipelines and terminal facilities were shut down, decreasing second quarter 2016 adjusted EBIT by approximately $30 million. Second quarter 2017 throughput volumes were negatively affected by the unexpected outage and accelerated maintenance program at a customer's upstream facility.

Supplemental information related to the Canadian Mainline for the three and nine months ended September 30, 2017 and 2016 is provided below:

September 30,	**2017**	2016
(United States dollars per barrel)		
IJT Benchmark Toll[1]	**$4.07**	$4.05
Lakehead System Local Toll[2]	**$2.43**	$2.58
Canadian Mainline IJT Residual Benchmark Toll[3]	**$1.64**	$1.47

1 The IJT Benchmark Toll is per barrel of heavy crude oil transported from Hardisty, Alberta to Chicago, Illinois. A separate distance adjusted toll applies to shipments originating at receipt points other than Hardisty and lighter hydrocarbon liquids pay a lower toll than heavy crude oil. Effective July 1, 2016, this toll decreased to US$4.05. Effective July 1, 2017 this toll increased to US$4.07.

2 The Lakehead System Local Toll is per barrel of heavy crude oil transported from Neche, North Dakota to Chicago, Illinois. Effective April 1, 2016, this toll increased to US$2.61 and effective July 1, 2016, this toll decreased to US$2.58. Effective April 1, 2017, this toll decreased to US$2.43.

3 The Canadian Mainline IJT Residual Benchmark Toll is per barrel of heavy crude oil transported from Hardisty, Alberta to Gretna, Manitoba. For any shipment, this toll is the difference between the IJT Benchmark Toll and the Lakehead System Local Toll. Effective April 1, 2016, this toll decreased to US$1.46, coinciding with the revised Lakehead System Local Toll. Effective July 1, 2016, this toll increased to US$1.47. Effective April 1, 2017, this toll increased to US$1.62, coinciding with the revised Lakehead System Local Toll. Effective July 1, 2017 this toll increased to US$1.64.

Throughput Volume

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(thousands of bpd)				
Average throughput volume[1]	**2,492**	2,353	**2,511**	2,379

1 Throughput volume represents mainline deliveries ex-Gretna, Manitoba which is made up of United States and eastern Canada deliveries originating from western Canada.

Regional Oil Sands System

Regional Oil Sands System adjusted EBIT was comparable in the third quarter and first nine months of 2017 compared with the same periods in 2016. Additional EBIT was generated in the nine-month period of 2017 as a result of new projects coming into service in 2017. This growth was partially offset by a change in practice whereby EIPLP no longer includes cash received under certain take-or-pay contracts with make-up rights in its determination of adjusted EBIT.

Feeder Pipelines and Other
Feeder Pipelines and Other adjusted EBIT decreased for the three and nine months ended September 30, 2017 compared with the corresponding periods in 2016, primarily reflecting the absence of EBIT from the South Prairie Region assets that were sold in December 2016.

GAS PIPELINES
Earnings Before Interest and Income Taxes

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Gas Pipelines	**49**	48	**149**	144
Adjusted earnings before interest and income taxes	**49**	48	**149**	144
Gas Pipelines - changes in unrealized derivative fair value gains/(loss)	**2**	(1)	**7**	11
Earnings before interest and income taxes	**51**	47	**156**	155

Gas Pipelines adjusted EBIT, which comprises equity earnings from EIPLP's 50% equity investment in Alliance Pipeline, was comparable for the third quarter and first nine months of 2017 with the corresponding 2016 periods.

Throughput Volume

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of cubic feet per day)				
Average throughput volume				
Alliance Pipeline Canada	**1,530**	1,544	**1,559**	1,571
Alliance Pipeline US	**1,643**	1,683	**1,663**	1,709

GREEN POWER
Earnings Before Interest and Income Taxes

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Green Power	**21**	27	**102**	99
Adjusted earnings before interest and income taxes	**21**	27	**102**	99
Green Power - changes in unrealized derivative fair value gains	**1**	1	**4**	4
Earnings before interest and income taxes	**22**	28	**106**	103

Green Power adjusted EBIT decreased for the third quarter of 2017 and increased for the first nine months of 2017. On a year-to-date basis, the increase in adjusted EBIT was primarily attributable to stronger wind resources at the facilities located in Ontario in the second quarter of 2017, which was partially offset by weaker wind resources in the third quarter of 2017.

Production

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(thousands of megawatt hours produced)				
Wind Facilities	**471**	525	**1,829**	1,832
Solar Facilities	**51**	52	**126**	132
Waste Heat Facilities	**22**	20	**72**	70

ELIMINATIONS AND OTHER
Earnings Before Interest and Income Taxes

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Dividend income from affiliate	**10**	10	**29**	30
Realized gains on translation of United States dollar intercompany loan receivable	**4**	3	**11**	10
Other	**(1)**	2	**(6)**	3
Adjusted earnings before interest and income taxes	**13**	15	**34**	43
Unrealized gains/(loss) on translation of United States dollar intercompany loan receivable	**(25)**	2	**(51)**	(53)
Earnings/(loss) before interest and income taxes	**(12)**	17	**(17)**	(10)

Eliminations and Other primarily includes dividend income from EIPLP's Series A Preferred Shares investment in Enbridge Employee Services Canada Inc. and realized foreign exchange gains generated from repayments received from a subsidiary on an intercompany loan receivable denominated in United States dollars.

LIQUIDITY AND CAPITAL RESOURCES

EIPLP's primary uses of cash are distributions to its partners, administrative and operational expenses, maintenance and growth capital spending, as well as interest and principal repayments on its long-term debt. EIPLP generates cash from operations, commercial paper issuances and credit facility draws, through the periodic issuance of public term debt and issuance of units to its partners. Additionally, to ensure ongoing liquidity and to mitigate the risk of capital market disruption, EIPLP maintains a level of committed bank credit facilities. In addition to ensuring adequate liquidity, EIPLP actively manages its bank funding sources to optimize pricing and other terms. All of the above noted debt, commercial paper and credit facilities are held through EIPLP's wholly-owned subsidiary, Enbridge Pipelines Inc. (EPI). Additional liquidity, if necessary, is expected to be available through intercompany transactions with Enbridge, the Fund or other related entities.

BANK CREDIT AND LIQUIDITY

Long-term debt primarily consists of committed credit facilities and medium-term notes. As at September 30, 2017, EIPLP's subsidiary, EPI, had $3,005 million (December 31, 2016 - $3,005 million) of committed credit facilities, of which $1,506 million (December 31, 2016 - $1,973 million) were unutilized. EPI must adhere to covenants under its credit facility agreement and Trust Indenture. Under the terms of EPI's Trust Indenture, in order to continue to issue long-term debt, EPI must maintain a ratio of Consolidated Funded Obligations to Total Consolidated Capitalization of less than 75%. Total Consolidated Capitalization consists of shareholder's equity, long-term debt and deferred income taxes. As at September 30, 2017, EPI was in compliance with all debt covenants.

EIPLP's net available liquidity of $1,833 million, as at September 30, 2017, was inclusive of $327 million of unrestricted cash and cash equivalents. The net available liquidity, together with cash from operations, intercompany funding and proceeds of debt capital market transactions, is expected to be sufficient to finance capital expenditures requirements, fund liabilities as they become due, fund debt retirements and pay distributions.

SOURCES AND USES OF CASH

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Operating activities	**516**	225	**1,697**	1,322
Investing activities	**(238)**	(424)	**(1,048)**	(1,864)
Financing activities	**(60)**	218	**(441)**	563
Effect of translation of foreign denominated cash and cash equivalents	**(2)**	—	**(3)**	(1)
Increase in cash and cash equivalents	**216**	19	**205**	20

Significant sources and uses of cash for the three and nine months ended September 30, 2017 and September 30, 2016 are summarized below:

Operating Activities

- Cash provided by operating activities for the three and nine months ended September 30, 2017 reflects the operating factors discussed under *Consolidated Earnings – Earnings Before Interest and Income Taxes*.
- EIPLP's operating assets and liabilities fluctuate in the normal course due to various factors including the timing of tax payments, general variations in activity levels within EIPLP's businesses, as well as timing of cash receipts and payments.

Investing Activities

- Cash used in investing activities primarily relates to capital expenditures to execute EIPLP's growth capital program, which is further described in *Growth Projects*. The timing of capital expenditures is impacted by project approval, construction and in-service dates.
- For the third quarter and first nine months of 2017, capital expenditures totalled $253 million and $998 million, respectively, compared with $426 million and $1,827 million in the corresponding 2016 periods. The decrease was primarily due to higher spending on the Canadian L3R Program and Regional Oil Sands Optimization Project in 2016.

Financing Activities

- Cash provided by financing activities primarily relates to issuances and repayments of external debt and loans from affiliates, along with cash distributions to partners.
- In both periods of 2017, cash provided by financing activities was lower due to a decrease in term notes issuances and affiliate loans issued at EIPLP compared with the corresponding 2016 periods, which was partially offset by an increase in credit facility draws.
- The first nine months of 2017 also reflects the Class A unit issuance to ECT for gross proceeds of $718 million in April 2016.
- In addition, distributions to partners increased for the third quarter and first nine months of 2017 compared with the same periods of 2016.

Distributions
The following tables summarize the cash and non-cash distributions declared by EIPLP for the three and nine months ended September 30, 2017 and 2016.

Class A Units

	2017		2016	
	Distribution per Unit[1]	Total	Distribution per Unit[1]	Total
(millions of Canadian dollars, except distribution rate)				
Three months ended March 31,	**0.5760**	**220**	0.5585	199
Three months ended June 30,	**0.5760**	**220**	0.5667	217
Three months ended September 30,	**0.5760**	**220**	0.5667	217
Nine months ended September 30,	**1.7280**	**660**	1.6919	633

1 Class A unit distributions are declared monthly and paid in cash in the following month.

Class C Units

	2017		2016	
	Distribution per Unit[1]	Total	Distribution per Unit[1]	Total
(millions of Canadian dollars, except distribution rate)				
Three months ended March 31,	**0.5376**	**238**	0.5376	237
Three months ended June 30,	**0.5376**	**238**	0.5376	239
Three months ended September 30,	**0.5376**	**238**	0.5376	238
Nine months ended September 30,	**1.6128**	**714**	1.6128	714

1 Class C unit distributions are declared monthly and paid in cash in the following month.

Class D Units

	2017		2016	
	Distribution per Unit[1]	Total	Distribution per Unit[1]	Total
(millions of Canadian dollars, except distribution rate)				
Three months ended March 31,	**0.5376**	**6**	0.5376	1
Three months ended June 30,	**0.5376**	**7**	0.5376	3
Three months ended September 30,	**0.5376**	**9**	0.5376	4
Nine months ended September 30,	**1.6128**	**22**	1.6128	8

1 Class D unit distributions are declared monthly and paid-in-kind with the issuance of additional Class D units in the following month.

Special Interest Rights – TPDR

	2017	2016
	Total[1]	Total[1]
(millions of Canadian dollars)		
Three months ended March 31,	**66**	64
Three months ended June 30,	**66**	66
Three months ended September 30,	**66**	66
Nine months ended September 30,	**198**	196

1 TPDR distributions are declared monthly and paid-in-kind to holders of the SIR with the issuance of additional Class D units in the following month.

Special Interest Rights – IDR

	2017	2016
	Total[1]	Total[1]
(millions of Canadian dollars)		
Three months ended March 31,	**12**	11
Three months ended June 30,	**12**	12
Three months ended September 30,	**12**	12
Nine months ended September 30,	**36**	35

1 IDR distributions are declared monthly and paid in cash to holders of the SIR in the following month.

CAPITAL EXPENDITURE COMMITMENTS

EIPLP has signed contracts for the purchase of services, pipe and other materials totalling $948 million, which are expected to be paid over the next five years.

LITIGATION

EIPLP and its subsidiaries and investees are subject to various legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges to regulatory approvals and permits by special interest groups. While the final outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on its interim consolidated financial position or results of operations.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Maintaining a reliable and low risk business model is central to EIPLP's objective of paying out a predictable cash flow to unitholders. The Fund Group actively manages both financial and non-financial risk exposures. The Fund Group 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 Group has adopted a Cash Flow at Risk (CFAR) policy to manage exposure to movements in interest rates, foreign exchange rates and commodity prices. 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 Group's CFAR limit has been set at 2.5% of forward annual ACFFO of the Fund Group.

EIPLP's earnings, cash flows and other comprehensive income (OCI) are subject to movements in foreign exchange rates, interest rates and commodity prices. EIPLP uses a combination of qualifying and non-qualifying derivative instruments to manage these risks. Refer to 2016 Annual MD&A for further details on financial instrument risk management.

THE EFFECT OF DERIVATIVE INSTRUMENTS ON THE CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

The following table presents the effect of derivative instruments on EIPLP's consolidated earnings and consolidated comprehensive income.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Amount of unrealized gain/(loss) recognized in OCI				
Cash flow hedges				
Foreign exchange contracts	**(1)**	—	**(1)**	(1)
Interest rate contracts	**36**	147	**39**	(100)
Commodity contracts	**4**	13	**16**	10
	39	160	**54**	(91)
Amount of (gain)/loss reclassified from Accumulated other comprehensive income (AOCI) to earnings *(effective portion)*				
Interest rate contracts[1]	**7**	5	**19**	11
Commodity contracts[2]	**(2)**	(2)	**(6)**	(7)
	5	3	**13**	4
Amount of (gain)/loss reclassified from AOCI to earnings *(ineffective portion and amount excluded from effectiveness testing)*				
Interest rate contracts[1]	**(2)**	10	**(2)**	10
	(2)	10	**(2)**	10
Amount of unrealized gain/(loss) from non-qualifying derivatives included in earnings				
Foreign exchange contracts[3]	**357**	13	**771**	621
Commodity contracts[2]	**4**	(16)	**27**	(23)
	361	(3)	**798**	598

1 Reported within Interest income/(expense) in the Consolidated Statements of Earnings.

2 Reported within Transportation and other services revenues, Electricity sales revenues, Operating and administrative expense and Other income/(expense) in the Consolidated Statements of Earnings.

3 Reported within Transportation and other services revenues and Other income/(expense) in the Consolidated Statements of Earnings.

LIQUIDITY RISK

Liquidity risk is the risk that EIPLP will not be able to meet its financial obligations, including commitments and guarantees, as they become due. In order to mitigate this risk, EIPLP forecasts cash requirements over a 12 month rolling time period to determine whether sufficient funds will be available. EIPLP maintains a level of committed bank credit facilities and actively manages its bank funding sources to optimize pricing and other terms. Additional liquidity, if necessary, is expected to be available through intercompany transactions with Enbridge or other related entities. EIPLP's subsidiary, EPI, is in compliance with all the terms and conditions of its committed credit facilities as at September 30, 2017.

CREDIT RISK

Entering into derivative financial instruments may result in exposure to credit risk from the possibility that a counterparty will default on its contractual obligations. Credit risk also arises from trade and other long-term receivables. These risks are mitigated through credit exposure limits and contractual requirements, netting arrangements and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools. Refer to EIPLP's 2016 Annual MD&A for further details on EIPLP credit risk management.

CHANGES IN ACCOUNTING POLICIES

ADOPTION OF NEW STANDARDS

Simplifying the Measurement of Goodwill Impairment

Effective January 1, 2017, EIPLP early adopted Accounting Standards Update (ASU) 2017-04 and applied the standard on a prospective basis. Under the new guidance, goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value; this amount should not exceed the carrying amount of goodwill. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

Clarifying the Definition of a Business in an Acquisition

Effective January 1, 2017, EIPLP early adopted ASU 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

Accounting for Intra-Entity Asset Transfers

Effective January 1, 2017, EIPLP early adopted ASU 2016-16 on a modified retrospective basis. The new standard was issued with the intent of improving the accounting for the income tax consequences of intra-entity asset transfers other than inventory. Under the new guidance, an entity should recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Improvements to Accounting for Hedging Activities

ASU 2017-12 was issued in August 2017 with the main objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The amendments allow cash flow hedging of contractually specified components in financial and non-financial items and make fair value hedges of interest rate risks more effective in certain circumstances. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. EIPLP is currently assessing the impact of the new standard on the consolidated financial statements. The accounting update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted, and is to be applied on a modified retrospective basis.

Accounting for Credit Losses

ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The amendment adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. EIPLP is currently assessing the impact of the new standard on its consolidated financial statements. The accounting update is effective for annual and interim periods beginning on or after December 15, 2019.

Recognition of Leases
ASU 2016-02 was issued in February 2016 with the intent to increase transparency and comparability among organizations. It requires lessees of operating lease arrangements to recognize lease assets and lease liabilities on the statement of financial position and disclose additional key information about lease agreements. The accounting update also replaces the current definition of a lease and requires that an arrangement be recognized as a lease when a customer has the right to obtain substantially all of the economic benefits from the use of an asset, as well as the right to direct the use of the asset. EIPLP is currently gathering a complete inventory of its lease contracts in order to assess the impact of the new standard on its consolidated financial statements. The accounting update is effective for fiscal years beginning after December 15, 2018 and is to be applied using a modified retrospective approach.

Revenue from Contracts with Customers
ASU 2014-09 was issued in 2014 with the intent of significantly enhancing consistency and comparability of revenue recognition practices across entities and industries. The new standard establishes a single, principles-based five-step model to be applied to all contracts with customers and introduces new and enhanced disclosure requirements. The standard is effective January 1, 2018. The new revenue standard permits either a full retrospective method of adoption with restatement of all prior periods presented, or a modified retrospective method with the cumulative effect of applying the new standard recognized as an adjustment to opening retained earnings in the period of adoption. EIPLP has decided to adopt the new revenue standard using the modified retrospective method.

EIPLP has reviewed a sample of its revenue contracts in order to evaluate the effect of the new standard on its revenue recognition practices. Based on EIPLP’s initial assessment, estimates of variable consideration which will be required under the new standard for certain contracts may result in changes to the pattern or timing of revenue recognition for those contracts. While EIPLP has not yet completed the assessment, EIPLP's preliminary view is that it does not expect these changes will have a material impact on revenue or earnings. EIPLP has also developed and tested processes to generate the disclosures required under the new standard.

QUARTERLY FINANCIAL INFORMATION[1]

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(millions of Canadian dollars)								
Revenues	**1,223**	1,104	1,021	787	853	742	1,540	747
Earnings attributable to general and limited partners	**487**	431	363	890	221	172	705	228

1 Revenues and Earnings attributable to general and limited partners are impacted by changes in unrealized derivative fair value gains and losses on derivatives.

Several factors impact comparability of EIPLP’s financial results on a quarterly basis, including, but not limited to, fluctuations in market prices such as foreign exchange rates and commodity prices, disposals of investments or assets and the timing of in-service dates of new projects.

EIPLP actively manages its exposure to market risks including, but not limited to, commodity prices, interest rates and foreign exchange rates. To the extent derivative instruments used to manage these risks are non-qualifying for the purposes of applying hedge accounting, changes in unrealized derivative fair value gains and losses on these instruments will impact earnings.

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

- Included in the fourth quarter of 2016 was a pre-tax gain of $850 million related to the disposition of the South Prairie Region assets within the Liquids Pipelines segment.
- Included in the second and third quarters of 2016 were after-tax costs of $15 million and $13 million, respectively, incurred in relation to the restart of certain of EIPLP’s pipelines and facilities following the northeastern Alberta wildfires.

- EIPLP issued 25.4 million Class A units to ECT in April 2016. The proceeds were used to fund EIPLP's secured growth program.
- EIPLP's Green Power segment is subject to seasonal variations. This is driven by generally 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.

Finally, EIPLP undertook a substantial capital program in recent years and the timing of construction and completion of growth projects may impact the comparability of quarterly results. EIPLP's capital expansion initiatives, including construction commencement and in-service dates, are described in *Growth Projects.*

EIPLP OWNERSHIP

The following presents the partners' ownership of EIPLP:

	As at October 20, 2017
(number of units outstanding)	
Class A Units	
Held by Enbridge Income Partners GP Inc.	38,226
Held by Enbridge Commercial Trust	382,225,941
	382,264,167
Class C units[1]	
Held by Enbridge Inc.	442,923,363
Class D units[2]	
Held by Enbridge Inc.	17,366,760
Class E unit	
Held by Enbridge Inc.	1
Special Interest Rights - SIR	
Held by Enbridge Inc.	1,000

1 *Class C units may, at the option of the holder, be exchanged in whole or in part for preferred units of ECT, Fund Units or Enbridge Income Fund Holdings Inc. common shares.*

2 *The Class D units may, at the option of the holder, be exchanged for Class C units commencing on the fourth anniversary of the year of issuance.*

CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Revenues				
Transportation and other services	**1,156**	773	**3,119**	2,895
Electricity sales	**59**	67	**195**	200
Revenues - affiliates	**8**	13	**34**	40
	1,223	853	**3,348**	3,135
Expenses				
Operating and administrative	**223**	235	**625**	637
Operating and administrative, net - affiliates	**88**	101	**281**	339
Depreciation and amortization	**167**	156	**490**	475
Environmental costs, net of recoveries	**(2)**	—	**(6)**	(5)
	476	492	**1,390**	1,446
	747	361	**1,958**	1,689
Income from equity investments	**48**	47	**152**	147
Other income/(expense)	**(8)**	3	**(26)**	(31)
Other income - affiliates	**24**	25	**74**	76
Interest expense	**(37)**	(35)	**(105)**	(89)
Interest expense - affiliates	**(70)**	(68)	**(203)**	(198)
	704	333	**1,850**	1,594
Income tax expense	**(139)**	(34)	**(335)**	(265)
Earnings	**565**	299	**1,515**	1,329
Special interest rights distributions				
Temporary performance distribution rights	**(66)**	(66)	**(198)**	(196)
Incentive distribution rights	**(12)**	(12)	**(36)**	(35)
Earnings attributable to general and limited partners	**487**	221	**1,281**	1,098
Earnings attributable to general partner interest	**—**	—	**—**	—
Earnings attributable to limited partners' interests	**487**	221	**1,281**	1,098
	487	221	**1,281**	1,098

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Earnings	**565**	299	**1,515**	1,329
Other comprehensive income/(loss), net of tax				
Change in unrealized gain/(loss) on cash flow hedges	**28**	(31)	**40**	(210)
Reclassification to earnings of loss on cash flow hedges	**2**	10	**6**	10
Foreign currency translation adjustments	**(22)**	5	**(42)**	(28)
Other comprehensive income/(loss), net of tax	**8**	(16)	**4**	(228)
Comprehensive income attributable to general and limited partners	**573**	283	**1,519**	1,101

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	Nine months ended September 30,	
	2017	2016
(unaudited; millions of Canadian dollars)		
General partner's capital deficit		
Balance at beginning of period	**(8,758)**	(6,420)
Allocation from limited partners	**—**	(2,187)
Balance at end of period	**(8,758)**	(8,607)
Limited partners' capital - Enbridge Commercial Trust		
Balance at beginning of period	**—**	—
Units issued	**—**	718
Excess purchase price over historical carrying value acquired allocation	**—**	(6)
Redemption value adjustment attributable to Class C and D units	**1,127**	(2,776)
Earnings allocation	**608**	510
Distributions	**(661)**	(633)
	1,074	(2,187)
Allocation to general partner	**—**	2,187
Balance at end of period	**1,074**	—
Special interest rights		
Balance at beginning and end of period	**2,565**	2,565
Accumulated other comprehensive loss *(Note 7)*		
Balance at beginning of period	**(196)**	(84)
Other comprehensive loss, net of tax	**4**	(228)
Balance at end of period	**(192)**	(312)
Total partners' capital deficit	**(5,311)**	(6,354)

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars)				
Operating activities				
Earnings	**565**	299	**1,515**	1,329
Adjustments to reconcile earnings to net cash provided by operating activities:				
Depreciation and amortization	**167**	156	**490**	475
Deferred income tax expense	**120**	5	**286**	189
Changes in unrealized (gains)/loss on derivative instruments, net *(Note 8)*	**(361)**	3	**(798)**	(598)
Cash distributions in excess of/(less than) equity earnings	**6**	2	**13**	(8)
Hedge ineffectiveness *(Note 8)*	**(2)**	10	**(2)**	10
Unrealized (gains)/loss on foreign intercompany loan	**24**	(2)	**50**	53
Other	**(2)**	6	**4**	25
Changes in operating assets and liabilities	**(1)**	(254)	**139**	(153)
Net cash provided by operating activities	**516**	225	**1,697**	1,322
Investing activities				
Capital expenditures	**(253)**	(426)	**(998)**	(1,827)
Joint venture financing	**25**	7	**(16)**	2
Long-term investments	**—**	—	**1**	—
Restricted long-term investments	**(11)**	(13)	**(42)**	(39)
Additions to intangible assets	**—**	—	**(3)**	(1)
Long-term receivable from affiliate	**1**	5	**10**	14
Acquisition	**—**	—	**—**	(13)
Changes in restricted cash	**—**	3	**—**	—
Net cash used in investing activities	**(238)**	(424)	**(1,048)**	(1,864)
Financing activities				
Affiliate loans, net	**9**	305	**491**	852
Net change in commercial paper and credit facility draws	**402**	(416)	**484**	(443)
Debenture and term note issues, net of issue costs	**—**	796	**—**	796
Debenture and term note repayments	**—**	—	**(7)**	(6)
Class A units issued	**—**	—	**—**	718
Distributions to partners	**(471)**	(467)	**(1,409)**	(1,354)
Net cash provided by/(used in) financing activities	**(60)**	218	**(441)**	563
Effect of translation of foreign denominated cash and cash equivalents	**(2)**	—	**(3)**	(1)
Increase in cash and cash equivalents	**216**	19	**205**	20
Cash and cash equivalents at beginning of period	**111**	97	**122**	96
Cash and cash equivalents at end of period	**327**	116	**327**	116

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2017	December 31, 2016
(unaudited; millions of Canadian dollars)		
Assets		
Current assets		
Cash and cash equivalents	**327**	122
Accounts receivable and other	**494**	550
Accounts receivable from affiliates	**91**	42
Loans to affiliates	**7**	3
	919	717
Property, plant and equipment, net	**23,096**	22,455
Long-term receivable from affiliate	**714**	782
Investment in affiliated company	**514**	514
Long-term investments	**440**	470
Restricted long-term investments	**125**	83
Deferred amounts and other assets	**1,916**	1,736
Intangible assets, net	**103**	103
Goodwill	**29**	29
Deferred income taxes	**166**	202
Total assets	**28,022**	27,091
Liabilities and partners' capital		
Current liabilities		
Accounts payable and other	**1,000**	824
Accounts payable to affiliates	**317**	487
Distributions payable to affiliates	**182**	179
Interest payable	**56**	56
Loans from affiliates *(Note 10)*	**932**	441
Current portion of long-term debt	**17**	16
	2,504	2,003
Long-term debt	**6,501**	6,043
Other long-term liabilities	**1,380**	1,939
Loans from affiliates *(Note 10)*	**5,801**	5,801
Deferred income taxes	**2,198**	1,774
	18,384	17,560
Contingencies		
Class C units *(Note 6)*	**13,952**	15,104
Class D units *(Note 6)*	**522**	341
Class E unit	**475**	475
	14,949	15,920
Partners' capital		
General partner's capital deficit	**(8,758)**	(8,758)
Limited partners' capital	**1,074**	—
Special interest rights	**2,565**	2,565
Accumulated other comprehensive loss *(Note 7)*	**(192)**	(196)
	(5,311)	(6,389)
Total liabilities and partners' capital	**28,022**	27,091

See accompanying notes to the interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Enbridge Income Partners LP (EIPLP) have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) for interim consolidated financial information. They do not include all of the information and notes required by U.S. GAAP for annual consolidated financial statements and should therefore be read in conjunction with EIPLP's audited annual consolidated financial statements and notes for the year ended December 31, 2016. In the opinion of management, the interim consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly EIPLP's financial position, results of operations and cash flows for the interim periods reported. These interim consolidated financial statements follow the same significant accounting policies as those included in EIPLP's annual consolidated financial statements for the year ended December 31, 2016, except for the adoption of new standards *(Note 2)* and the presentation of Cash and cash equivalents to include Bank indebtedness, discussed below. Amounts are stated in Canadian dollars unless otherwise noted.

Effective September 30, 2017, EIPLP combined Cash and cash equivalents and amounts previously presented as Bank indebtedness where the corresponding bank accounts are subject to cash pooling arrangements. As at September 30, 2017, $196 million (December 31, 2016 - $171 million) of Bank indebtedness has been combined within Cash and cash equivalents. Net cash provided by/(used in) financing activities in EIPLP's Consolidated Statements of Cash Flows for the three and nine month periods ended September 30, 2016 have increased by $91 million and decreased by $3 million, respectively, to reflect this change.

EIPLP's operations and earnings for interim periods can be affected by seasonal fluctuations such as the supply of and demand for crude oil and natural gas, and may not be indicative of annual results.

2. CHANGES IN ACCOUNTING POLICIES

ADOPTION OF NEW STANDARDS

Simplifying the Measurement of Goodwill Impairment

Effective January 1, 2017, EIPLP early adopted Accounting Standards Update (ASU) 2017-04 and applied the standard on a prospective basis. Under the new guidance, goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value; this amount should not exceed the carrying amount of goodwill. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

Clarifying the Definition of a Business in an Acquisition

Effective January 1, 2017, EIPLP early adopted ASU 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

Accounting for Intra-Entity Asset Transfers

Effective January 1, 2017, EIPLP early adopted ASU 2016-16 on a modified retrospective basis. The new standard was issued with the intent of improving the accounting for the income tax consequences of intra-entity asset transfers other than inventory. Under the new guidance, an entity should recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The adoption of the pronouncement did not have a material impact on EIPLP's consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Improvements to Accounting for Hedging Activities

ASU 2017-12 was issued in August 2017 with the main objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The amendments allow cash flow hedging of contractually specified components in financial and non-financial items and make fair value hedges of interest rate risks more effective in certain circumstances. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. EIPLP is currently assessing the impact of the new standard on the consolidated financial statements. The accounting update is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted, and is to be applied on a modified retrospective basis.

Accounting for Credit Losses

ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The amendment adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. EIPLP is currently assessing the impact of the new standard on its consolidated financial statements. The accounting update is effective for annual and interim periods beginning on or after December 15, 2019.

Recognition of Leases

ASU 2016-02 was issued in February 2016 with the intent to increase transparency and comparability among organizations. It requires lessees of operating lease arrangements to recognize lease assets and lease liabilities on the statement of financial position and disclose additional key information about lease agreements. The accounting update also replaces the current definition of a lease and requires that an arrangement be recognized as a lease when a customer has the right to obtain substantially all of the economic benefits from the use of an asset, as well as the right to direct the use of the asset. EIPLP is currently gathering a complete inventory of its lease contracts in order to assess the impact of the new standard on its consolidated financial statements. The accounting update is effective for fiscal years beginning after December 15, 2018 and is to be applied using a modified retrospective approach.

Revenue from Contracts with Customers

ASU 2014-09 was issued in 2014 with the intent of significantly enhancing consistency and comparability of revenue recognition practices across entities and industries. The new standard establishes a single, principles-based five-step model to be applied to all contracts with customers and introduces new and enhanced disclosure requirements. The standard is effective January 1, 2018. The new revenue standard permits either a full retrospective method of adoption with restatement of all prior periods presented, or a modified retrospective method with the cumulative effect of applying the new standard recognized as an adjustment to opening retained earnings in the period of adoption. EIPLP has decided to adopt the new revenue standard using the modified retrospective method.

EIPLP has reviewed a sample of its revenue contracts in order to evaluate the effect of the new standard on its revenue recognition practices. Based on EIPLP's initial assessment, estimates of variable consideration which will be required under the new standard for certain contracts may result in changes to the pattern or timing of revenue recognition for those contracts. While EIPLP has not yet completed the assessment, EIPLP's preliminary view is that it does not expect these changes will have a material impact on revenue or earnings. EIPLP has also developed and tested processes to generate the disclosures required under the new standard.

3. SEGMENTED INFORMATION

Three months ended September 30, 2017	Liquids Pipelines	Gas Pipelines	Green Power	Eliminations and Other	Consolidated
(millions of Canadian dollars)					
Revenues	**1,157**	**—**	**66**	**—**	**1,223**
Operating and administrative	**(293)**	**—**	**(17)**	**(1)**	**(311)**
Depreciation and amortization	**(140)**	**—**	**(27)**	**—**	**(167)**
Environmental costs, net of recoveries	**2**	**—**	**—**	**—**	**2**
	726	**—**	**22**	**(1)**	**747**
Income from equity investments	**—**	**49**	**(1)**	**—**	**48**
Other income/(expense)	**24**	**2**	**1**	**(11)**	**16**
Earnings/(loss) before interest and income taxes	**750**	**51**	**22**	**(12)**	**811**
Capital expenditures	**251**	**—**	**2**	**—**	**253**

Three months ended September 30, 2016	Liquids Pipelines	Gas Pipelines	Green Power	Eliminations and Other	Consolidated
(millions of Canadian dollars)					
Revenues	780	—	73	—	853
Operating and administrative	(320)	—	(18)	2	(336)
Depreciation and amortization	(129)	—	(27)	—	(156)
	331	—	28	2	361
Income from equity investments	—	47	—	—	47
Other income	13	—	—	15	28
Earnings before interest and income taxes	344	47	28	17	436
Capital expenditures	425	—	1	—	426

Nine months ended September 30, 2017	Liquids Pipelines	Gas Pipelines	Green Power	Eliminations and Other	Consolidated
(millions of Canadian dollars)					
Revenues	**3,114**	**—**	**234**	**—**	**3,348**
Operating and administrative	**(854)**	**—**	**(47)**	**(5)**	**(906)**
Depreciation and amortization	**(408)**	**—**	**(82)**	**—**	**(490)**
Environmental costs, net of recoveries	**6**	**—**	**—**	**—**	**6**
	1,858	**—**	**105**	**(5)**	**1,958**
Income from equity investments	**—**	**152**	**—**	**—**	**152**
Other income/(expense)	**55**	**4**	**1**	**(12)**	**48**
Earnings/(loss) before interest and income taxes	**1,913**	**156**	**106**	**(17)**	**2,158**
Capital expenditures	**993**	**—**	**5**	**—**	**998**

Nine months ended September 30, 2016	Liquids Pipelines	Gas Pipelines	Green Power	Eliminations and Other	Consolidated
(millions of Canadian dollars)					
Revenues	2,903	—	232	—	3,135
Operating and administrative	(928)	—	(48)	—	(976)
Depreciation and amortization	(394)	—	(81)	—	(475)
Environmental costs, net of recoveries	5	—	—	—	5
	1,586	—	103	—	1,689
Income from equity investments	—	147	—	—	147
Other income/(expense)	47	8	—	(10)	45
Earnings/(loss) before interest and income taxes	1,633	155	103	(10)	1,881
Capital expenditures	1,825	—	2	—	1,827

TOTAL ASSETS

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Liquids Pipelines	**24,434**	23,623
Gas Pipelines	**394**	423
Green Power	**2,170**	2,254
Eliminations and Other	**1,024**	791
	28,022	27,091

4. DEBT

CREDIT FACILITIES

		September 30, 2017		
	Maturity Dates	Total Facilities	Draws[1]	Available
(millions of Canadian dollars)				
Enbridge Pipelines Inc.	2019	**3,000**	**1,499**	**1,501**
Enbridge Southern Lights LP	2019	**5**	**—**	**5**
Total committed credit facilities		**3,005**	**1,499**	**1,506**

1 Includes facility draws and commercial paper issuances that are back-stopped by the credit facility.

Certain credit facilities serve as a back-stop to the commercial paper programs and EIPLP has the option to extend the facilities, which are currently set to mature in 2019.

As at September 30, 2017, commercial paper and credit facility draws of $1,499 million (December 31, 2016 - $1,032 million) are supported by the availability of long-term committed credit facilities and therefore have been classified as long-term debt.

DEBT COVENANTS
EIPLP's subsidiary, Enbridge Pipelines Inc. (EPI), was in compliance with all terms and conditions of its committed credit facility agreements and Trust Indenture as at September 30, 2017.

5. ASSET RETIREMENT OBLIGATION

During the nine months ended September 30, 2017, EIPLP recognized asset retirement obligations (ARO) in the amount of $46 million (2016 - $43 million), primarily relating to the Canadian portion of the Line 3 Replacement Program.

EIPLP records ARO at fair value in the period in which they can be reasonably determined. Fair value is determined based on expected future cash flows and estimated retirement periods, as well as discount and inflation rates. As at September 30, 2017, ARO of $117 million (December 31, 2016 - $71 million) was classified within Other long-term liabilities on the Consolidated Statements of Financial Position.

6. PARTNERS' CAPITAL

EXCHANGEABLE UNITS
Class C Units

	2017		2016	
Nine months ended September 30,	Number of units	Amount	Number of units	Amount
(millions of Canadian dollars; number of units in millions)				
Balance at beginning of period	**443**	**15,104**	443	12,189
Excess purchase price over historical carrying value acquired allocation	**—**	**—**	—	(7)
Earnings allocation	**—**	**649**	—	578
Class C unit distribution	**—**	**(714)**	—	(714)
	443	**15,039**	443	12,046
Fair market value adjustment	**—**	**(1,087)**	—	2,748
Balance at end of period	**443**	**13,952**	443	14,794

Class D Units

	2017		2016	
Nine months ended September 30,	Number of units	Amount	Number of units	Amount
(millions of Canadian dollars; number of units in millions)				
Balance at beginning of period	**10**	**341**	1	38
Class D units issued[1]	**6**	**219**	7	196
Earnings allocation	**—**	**24**	—	10
Class D unit distribution[2]	**1**	**(22)**	—	(8)
	17	**562**	8	236
Fair market value adjustment	**—**	**(40)**	—	28
Balance at end of period	**17**	**522**	8	264

1 Class D units issued on payment of Temporary Performance Distribution Right distributions.
2 0.6 million (2016 - 0.2 million) Class D units issued on payment of Class D unit distributions.

7. COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in Accumulated other comprehensive loss (AOCI) for the nine months ended September 30, 2017 and 2016 are as follows:

	Cash Flow Hedges	Cumulative Translation Adjustment	Total
(millions of Canadian dollars)			
Balance at January 1, 2017	**(269)**	**73**	**(196)**
Other comprehensive income/(loss) retained in AOCI	**56**	**(42)**	**14**
Other comprehensive (income)/loss reclassified to earnings			
Interest rate contracts[1]	**15**	**—**	**15**
Commodity contracts[2]	**(6)**	**—**	**(6)**
	65	**(42)**	**23**
Tax impact			
Income tax on amounts retained in AOCI	**(16)**	**—**	**(16)**
Income tax on amounts reclassified to earnings	**(3)**	**—**	**(3)**
	(19)	**—**	**(19)**
Balance at September 30, 2017	**(223)**	**31**	**(192)**

	Cash Flow Hedges	Cumulative Translation Adjustment	Total
(millions of Canadian dollars)			
Balance at January 1, 2016	(172)	88	(84)
Other comprehensive loss retained in AOCI	(287)	(28)	(315)
Other comprehensive (income)/loss reclassified to earnings			
Interest rate contracts[1]	21	—	21
Commodity contracts[2]	(7)	—	(7)
	(273)	(28)	(301)
Tax impact			
Income tax on amounts retained in AOCI	77	—	77
Income tax on amounts reclassified to earnings	(4)	—	(4)
	73	—	73
Balance at September 30, 2016	(372)	60	(312)

1 Reported within Interest expense in the Consolidated Statements of Earnings.
2 Reported within Electricity sales revenues and Other income/(expense) in the Consolidated Statements of Earnings.

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

MARKET RISK

EIPLP's earnings, cash flows and other comprehensive income (OCI) are subject to movements in foreign exchange rates, interest 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 EIPLP is exposed and the risk management instruments used to mitigate them. EIPLP uses a combination of qualifying and non-qualifying derivative instruments to manage the risks noted below.

Interest Rate Risk
EIPLP'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 commercial paper. Pay fixed-receive floating interest rate swaps are used to hedge against the effect of future interest rate movements. EIPLP 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 with an average swap rate of 2.2%.

EIPLP'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 are used to hedge against the effect of future interest rate movements. EIPLP 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 rate interest rate swaps with an average swap rate of 3.1%.

EIPLP's portfolio mix of fixed and variable rate debt instruments is managed at the Fund Group level, which is comprised of Enbridge Income Fund, Enbridge Commercial Trust, EIPLP and its subsidiaries and investees.

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

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

Commodity Price Risk
EIPLP's earnings, cash flows and OCI are exposed to changes in commodity prices as a result of its ownership interest in certain assets and investments. These commodities primarily consist of crude oil and power. EIPLP employs financial derivative instruments to fix a portion of the variable price exposures that arise from physical transactions involving these commodities. EIPLP may use a combination of qualifying and non-qualifying derivative instruments to manage commodity price risk.

TOTAL DERIVATIVE INSTRUMENTS
The following table summarizes the Consolidated Statements of Financial Position location and carrying value of EIPLP's derivative instruments.

EIPLP generally has a policy of entering into individual International Swaps and Derivatives Association, Inc. agreements, or other similar derivative agreements, with the majority 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 EIPLP'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.

September 30, 2017	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
(millions of Canadian dollars)					
Accounts receivable and other					
Foreign exchange contracts	**—**	**13**	**13**	**(1)**	**12**
Interest rate contracts	**5**	**—**	**5**	**(1)**	**4**
Commodity contracts	**8**	**—**	**8**	**(7)**	**1**
	13	**13**	**26** [1]	**(9)**	**17**
Deferred amounts and other assets					
Foreign exchange contracts	**1**	**17**	**18**	**—**	**18**
Interest rate contracts	**3**	**—**	**3**	**(2)**	**1**
Commodity contracts	**19**	**—**	**19**	**(17)**	**2**
	23	**17**	**40**	**(19)**	**21**
Accounts payable and other					
Foreign exchange contracts	**—**	**(257)**	**(257)**	**1**	**(256)**
Interest rate contracts	**(2)**	**—**	**(2)**	**1**	**(1)**
Commodity contracts	**—**	**(33)**	**(33)**	**7**	**(26)**
	(2)	**(290)**	**(292)** [2]	**9**	**(283)**
Other long-term liabilities					
Foreign exchange contracts	**—**	**(757)**	**(757)**	**—**	**(757)**
Interest rate contracts	**(95)**	**—**	**(95)**	**2**	**(93)**
Commodity contracts	**—**	**(140)**	**(140)**	**17**	**(123)**
	(95)	**(897)**	**(992)**	**19**	**(973)**
Total net derivative asset/(liability)					
Foreign exchange contracts	**1**	**(984)**	**(983)**	**—**	**(983)**
Interest rate contracts	**(89)**	**—**	**(89)**	**—**	**(89)**
Commodity contracts	**27**	**(173)**	**(146)**	**—**	**(146)**
	(61)	**(1,157)**	**(1,218)**	**—**	**(1,218)**

December 31, 2016	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
(millions of Canadian dollars)					
Accounts receivable and other					
Foreign exchange contracts	—	5	5	(1)	4
Interest rate contracts	1	—	1	(1)	—
Commodity contracts	9	—	9	(6)	3
	10	5	15 [1]	(8)	7
Deferred amounts and other assets					
Foreign exchange contracts	2	—	2	—	2
Commodity contracts	8	—	8	(7)	1
	10	—	10	(7)	3
Accounts payable and other					
Foreign exchange contracts	—	(405)	(405)	1	(404)
Interest rate contracts	(2)	—	(2)	1	(1)
Commodity contracts	—	(36)	(36)	6	(30)
	(2)	(441)	(443)[2]	8	(435)
Other long-term liabilities					
Foreign exchange contracts	—	(1,355)	(1,355)	—	(1,355)
Interest rate contracts	(128)	—	(128)	—	(128)
Commodity contracts	—	(164)	(164)	7	(157)
	(128)	(1,519)	(1,647)	7	(1,640)
Total net derivative asset/(liability)					
Foreign exchange contracts	2	(1,755)	(1,753)	—	(1,753)
Interest rate contracts	(129)	—	(129)	—	(129)
Commodity contracts	17	(200)	(183)	—	(183)
	(110)	(1,955)	(2,065)	—	(2,065)

1 Reported within Accounts receivable and other (2017 - $12 million; 2016 - $10 million) and Accounts receivable from affiliates (2017 - $14 million; 2016 - $5 million) on the Consolidated Statements of Financial Position.

2 Reported within Accounts payable and other (2017 - $5 million; 2016 - $10 million) and Accounts payable to affiliates (2017 - $287 million; 2016 - $433 million) on the Consolidated Statements of Financial Position.

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

September 30, 2017	2017	2018	2019	2020	2021	Thereafter
Interest rate contracts - short-term borrowings *(millions of Canadian dollars)*	**173**	**1,227**	**81**	**25**	**25**	**191**
Interest rate contracts - long-term debt *(millions of Canadian dollars)*	**—**	**1,170**	**200**	**—**	**—**	**—**
Foreign exchange contracts - United States dollar forwards - sell *(millions of United States dollars)*	**739**	**1,612**	**1,807**	**2,060**	**565**	**222**
Foreign exchange contracts - United States dollar forwards - purchase *(millions of United States dollars)*	**421**	**2**	**2**	**2**	**—**	**—**
Commodity contracts - power *(megawatts per hour (MW/H))*	**35**	**30**	**31**	**35**	**(3)**	**(43)**

December 31, 2016	2017	2018	2019	2020	2021	Thereafter
Interest rate contracts - short-term borrowings *(millions of Canadian dollars)*	736	1,227	81	25	25	191
Interest rate contracts - long-term debt *(millions of Canadian dollars)*	—	1,170	200	—	—	—
Foreign exchange contracts - United States dollar forwards - sell *(millions of United States dollars)*	1,859	1,612	1,807	1,826	565	222
Foreign exchange contracts - United States dollar forwards - purchase *(millions of United States dollars)*	317	2	2	2	—	—
Commodity contracts - power *(MW/H)*	40	30	31	35	(3)	(43)

The Effect of Derivative Instruments on the Statements of Earnings and Comprehensive Income
The following table presents the effect of cash flow hedges on EIPLP's consolidated earnings and consolidated comprehensive income, before the effect of income taxes.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Amount of unrealized gains/(loss) recognized in OCI				
Cash flow hedges				
Foreign exchange contracts	**(1)**	—	**(1)**	(1)
Interest rate contracts	**36**	147	**39**	(100)
Commodity contracts	**4**	13	**16**	10
	39	160	**54**	(91)
Amount of (gains)/loss reclassified from AOCI to earnings *(effective portion)*				
Interest rate contracts[1]	**7**	5	**19**	11
Commodity contracts[2]	**(2)**	(2)	**(6)**	(7)
	5	3	**13**	4
Amount of (gains)/loss reclassified from AOCI to earnings *(ineffective portion and amount excluded from effectiveness testing)*				
Interest rate contracts[1]	**(2)**	10	**(2)**	10
	(2)	10	**(2)**	10

1 Reported within Interest income/(expense) in the Consolidated Statements of Earnings.
2 Reported within Electricity sales revenues and Other income/(expense) in the Consolidated Statements of Earnings.

EIPLP estimates that a gain of $11 million of AOCI related to cash flow hedges will be reclassified to earnings in the next 12 months. 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 mature. For all forecasted transactions, the maximum term over which EIPLP is hedging exposures to the variability of cash flows is 27 months at September 30, 2017.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
(millions of Canadian dollars)				
Foreign exchange contracts[1]	**357**	13	**771**	621
Commodity contracts[2]	**4**	(16)	**27**	(23)
Total unrealized derivative fair value gain/(loss)	**361**	(3)	**798**	598

1 For the respective nine months ended period, reported within Transportation and other services revenues (2017 - $725 million gain; 2016 - $580 million gain) and Other income/(expense) (2017 - $46 million gain; 2016 - $41 million gain) in the Consolidated Statements of Earnings.
2 For the respective nine months ended period, reported within Transportation and other services revenues (2017 - $5 million gain; 2016 - $4 million loss) and Operating and administrative expense (2017 - $22 million gain; 2016 - $19 million loss) in the Consolidated Statements of Earnings.

LIQUIDITY RISK
Liquidity risk is the risk EIPLP will not be able to meet its financial obligations, including commitments and guarantees, as they become due. In order to manage this risk, EIPLP forecasts cash requirements over the near and long term to determine whether sufficient funds will be available when required. EIPLP generates cash from operations, commercial paper issuances and credit facility draws, through the periodic issuance of public term debt and issuance of units to its partners. Additionally, to ensure ongoing liquidity and to mitigate the risk of market disruption, EIPLP maintains a level of committed bank credit facilities. EIPLP actively manages its bank funding sources to optimize pricing and other terms. Additional liquidity, if necessary, is expected to be available through intercompany transactions with Enbridge Inc. (Enbridge) or other related entities.

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. In order to mitigate this risk, EIPLP enters into risk management transactions primarily with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by credit exposure limits and contractual requirements, netting arrangements and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools.

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

	September 30, 2017	December 31, 2016
(millions of Canadian dollars)		
Canadian financial institutions	**10**	1
United States financial institutions	**1**	1
European financial institutions	**17**	2
Other[1]	**11**	5
	39	9

1 Other is comprised of primarily Enbridge and its affiliates.

Derivative assets are adjusted for non-performance risk of EIPLP's counterparties using their credit default swap spread rates, and are reflected in the fair value. For derivative liabilities, EIPLP's non-performance risk is considered in the valuation.

Credit risk also arises from trade and other long-term receivables, and is mitigated through credit exposure limits, contractual requirements, assessment of credit ratings and netting arrangements. Generally, EIPLP classifies and provides for receivables older than 30 days as past due. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

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

FAIR VALUE OF FINANCIAL INSTRUMENTS
EIPLP categorizes its derivative instruments 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 derivatives 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 derivative is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. EIPLP does not have any financial instruments valued using Level 1 inputs.

Level 2
Level 2 includes derivative valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivatives 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 derivative. Derivatives valued using Level 2 inputs include non-exchange traded derivatives such as over-the-counter foreign exchange forward contracts and interest rate swaps for which observable inputs can be obtained.

EIPLP has also categorized the fair value of its Investment in affiliated company and long-term debt as Level 2. The fair value is based on quoted market prices for instruments of similar yield, credit risk and tenor.

Level 3
Level 3 includes derivative valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the derivatives' fair value. Generally, Level 3 derivatives 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. EIPLP has developed methodologies, benchmarked against industry standards, to determine fair value for these derivatives based on extrapolation of observable future prices and rates. Derivatives valued using Level 3 inputs include long-dated derivative power contracts, basis swaps, commodity swaps, power and energy swaps, options and long-dated commodity derivative contracts.

EIPLP uses the most observable inputs available to estimate the fair value of its derivatives. When possible, EIPLP estimates the fair value of its derivatives based on quoted market prices. If quoted market prices are not available, EIPLP uses estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, EIPLP uses standard valuation techniques to calculate the estimated fair value. These methods include discounted cash flows for forwards and swaps and Black-Scholes-Merton pricing models for options. Depending on the type of derivative and nature of the underlying risk, EIPLP uses observable market prices (interest, foreign exchange and commodity) and volatility as primary inputs to these valuation techniques. Finally, EIPLP 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.

Fair Value of Derivatives

EIPLP has categorized its derivative assets and liabilities measured at fair value as follows:

September 30, 2017	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Foreign exchange contracts	**—**	**13**	**—**	**13**
Interest rate contracts	**—**	**5**	**—**	**5**
Commodity contracts	**—**	**—**	**8**	**8**
	—	**18**	**8**	**26**
Long-term derivative assets				
Foreign exchange contracts	**—**	**18**	**—**	**18**
Interest rate contracts	**—**	**3**	**—**	**3**
Commodity contracts	**—**	**—**	**19**	**19**
	—	**21**	**19**	**40**
Financial liabilities				
Current derivative liabilities				
Foreign exchange contracts	**—**	**(257)**	**—**	**(257)**
Interest rate contracts	**—**	**(2)**	**—**	**(2)**
Commodity contracts	**—**	**(1)**	**(32)**	**(33)**
	—	**(260)**	**(32)**	**(292)**
Long-term derivative liabilities				
Foreign exchange contracts	**—**	**(757)**	**—**	**(757)**
Interest rate contracts	**—**	**(95)**	**—**	**(95)**
Commodity contracts	**—**	**—**	**(140)**	**(140)**
	—	**(852)**	**(140)**	**(992)**
Total net financial liability				
Foreign exchange contracts	**—**	**(983)**	**—**	**(983)**
Interest rate contracts	**—**	**(89)**	**—**	**(89)**
Commodity contracts	**—**	**(1)**	**(145)**	**(146)**
	—	**(1,073)**	**(145)**	**(1,218)**

December 31, 2016	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Foreign exchange contracts	—	5	—	5
Interest rate contracts	—	1	—	1
Commodity contracts	—	—	9	9
	—	6	9	15
Long-term derivative assets				
Foreign exchange contracts	—	2	—	2
Commodity contracts	—	—	8	8
	—	2	8	10
Financial liabilities				
Current derivative liabilities				
Foreign exchange contracts	—	(405)	—	(405)
Interest rate contracts	—	(2)	—	(2)
Commodity contracts	—	(2)	(34)	(36)
	—	(409)	(34)	(443)
Long-term derivative liabilities				
Foreign exchange contracts	—	(1,355)	—	(1,355)
Interest rate contracts	—	(128)	—	(128)
Commodity contracts	—	—	(164)	(164)
	—	(1,483)	(164)	(1,647)
Total net financial liability				
Foreign exchange contracts	—	(1,753)	—	(1,753)
Interest rate contracts	—	(129)	—	(129)
Commodity contracts	—	(2)	(181)	(183)
	—	(1,884)	(181)	(2,065)

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

September 30, 2017	Fair Value	Unobservable Input	Minimum Price	Maximum Price	Weighted Average Price	Unit of Measurement
(fair value in millions of Canadian dollars)						
Commodity contracts - financial[1]						
Power	(145)	Forward power price	24.25	62.88	46.73	$/MW/H

1 *Financial and physical 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 EIPLP's Level 3 derivative instruments. The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments include forward commodity prices and for option contracts, price volatility. Changes in forward commodity prices could result in significantly different fair values for EIPLP's Level 3 derivatives. Changes in price volatility would change the value of the option contracts. Generally, a change in the estimate of forward commodity prices is unrelated to a change in the estimate of price volatility.

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

	Nine months ended September 30,	
	2017	2016
(millions of Canadian dollars)		
Level 3 net derivative liability at beginning of period	**(181)**	(173)
Total gains/(loss), unrealized		
Included in earnings[1]	**26**	(15)
Included in OCI	**10**	2
Level 3 net derivative liability at end of period	**(145)**	(186)

1 Reported within Transportation and other services revenues and Operating and administrative expense in the Consolidated Statements of Earnings.

EIPLP's policy is to recognize transfers as at the last day of the reporting period. There were no transfers between levels as at September 30, 2017 or 2016.

Fair Value of Other Financial Instruments

EIPLP has Restricted long-term investments held in trust totalling $125 million as at September 30, 2017 (December 31, 2016 - $83 million) which are recognized at fair value.

At September 30, 2017, EIPLP's long-term debt had a carrying value of $6,537 million (December 31, 2016 - $6,078 million) before debt issuance costs and a fair value of $6,887 million (December 31, 2016 - $6,549 million).

At September 30, 2017, EPI, a subsidiary of EIPLP, had an investment of $514 million (December 31, 2016 - $514 million) in non-voting, redeemable Series A Preferred Shares in Enbridge Employee Services Canada Inc., a subsidiary of Enbridge. EIPLP has classified this investment in affiliated company as available-for-sale debt security and carries it at fair value, with changes in fair value recorded in OCI. As at September 30, 2017, the fair value of this investment approximates its cost and redemption value.

EIPLP holds Southern Lights Class A Units, providing defined, scheduled and fixed distributions that represent the equity cash flows derived from the core rate base of Southern Lights US until June 30, 2040. At September 30, 2017, EIPLP's investment had a carrying value of $733 million (December 31, 2016 - $801 million) included in Accounts receivable from affiliates and Long-term receivable from affiliate on the Consolidated Statements of Financial Position and a fair value of $667 million (December 31, 2016 - $756 million).

9. INCOME TAXES

The effective income tax rates for the three and nine months ended September 30, 2017 were 19.7% and 18.1% (2016 - 10.2% and 16.7%), respectively. The period-over-period increase in the effective tax rate for the three months ended September 30, 2017 is primarily due to the effects of rate-regulated accounting and other permanent items relative to higher earnings in 2017.

10. RELATED PARTY TRANSACTIONS

LOANS FROM AFFILIATES

The following loans from affiliates are evidenced by formal loan agreements:

		September 30, 2017		December 31, 2016	
	Maturity	**Weighted Average Interest Rate**	**Amount**	Weighted Average Interest Rate	Amount
(millions of Canadian dollars)					
Enbridge	2020-2064	**4.6%**	**4,191**	4.5%	4,191
Enbridge	2025	**4.0%**	**124**	4.0%	124
Enbridge	Current	**—%**	**134**	—%	134
ENF	Current	**4.3%**	**91**	4.3%	78
ECT	Current	**2.4%**	**707**	2.0%	229
ECT	2020	**7.1%**	**100**	7.1%	100
Enbridge	2045	**4.0%**	**734**	4.0%	734
Enbridge	2045	**4.0%**	**652**	4.0%	652
			6,733		6,242
Current portion of loans from affiliates			**(932)**		(441)
			5,801		5,801

11. CONTINGENCIES

LITIGATION

EIPLP and its subsidiaries and investees are subject to various legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges to regulatory approvals and permits by special interest groups. While the outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on its interim consolidated financial position or results of operations.

HIGHLIGHTS

	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	2017	2016	**2017**	2016
(unaudited; millions of Canadian dollars, except per share amounts)				
ENBRIDGE INCOME FUND HOLDINGS INC.				
Earnings				
Distribution and other income[1]	**79**	67	**227**	187
Income taxes	**(2)**	(1)	**(6)**	(2)
Earnings	**77**	66	**221**	185
Earnings per common share	**0.52**	0.53	**1.60**	1.64
Diluted earnings per common share	**0.52**	0.53	**1.57**	1.60
Cash flow data				
Cash provided by operating activities	**80**	67	**222**	177
Dividends				
Dividends declared	**76**	58	**215**	161
Dividends per common share	**0.5133**	0.4665	**1.5399**	1.3995
Shares outstanding *(millions)*				
Common shares outstanding	**147**	124	**147**	124
Weighted average common shares outstanding	**147**	123	**138**	113
AVAILABLE CASH FLOW FROM OPERATIONS				
EIPLP Adjusted EBIT				
Liquids Pipelines	**408**	366	**1,142**	1,129
Gas Pipelines	**49**	48	**149**	144
Green Power	**21**	27	**102**	99
Eliminations and Other	**13**	15	**34**	43
Adjusted earnings before interest and income taxes	**491**	456	**1,427**	1,415
Depreciation and amortization expense	**167**	156	**490**	475
Cash distributions in excess of/(less than) equity earnings	**6**	2	**13**	(8)
Maintenance capital expenditures	**(13)**	(38)	**(42)**	(71)
Interest expense	**(101)**	(86)	**(294)**	(263)
Current income taxes	**(19)**	16	**(49)**	(32)
Special interest rights distributions - IDR	**(12)**	(12)	**(36)**	(35)
Other adjusting items	**21**	8	**57**	27
EIPLP ACFFO	**540**	502	**1,566**	1,508
Fund and ECT interest expense, net	**(18)**	(23)	**(59)**	(68)
ECT incentive fee	**(31)**	(31)	**(92)**	(91)
Fund and ECT operating and administrative expense	**(3)**	—	**(4)**	(3)
Fund Group ACFFO	**488**	448	**1,411**	1,346
Distributions to Enbridge[2]	**325**	335	**984**	1,007
Distributions to ENF	**79**	67	**225**	185
Fund Group distributions declared	**404**	402	**1,209**	1,192
Fund Group payout ratio			**86%**	89%
EIPLP OPERATING RESULTS				
Liquids Pipelines - Average deliveries (*thousands of bpd*)				
Canadian Mainline[3]	**2,492**	2,353	**2,511**	2,379
Regional Oil Sands System[4]	**1,329**	1,201	**1,262**	1,059
Gas Pipelines - Average throughput *(millions of cubic feet per day)*				
Alliance Pipeline Canada	**1,530**	1,544	**1,559**	1,571
Alliance Pipeline US	**1,643**	1,683	**1,663**	1,709
Green Power *(thousands of megawatt hours produced)*				
Wind Facilities	**471**	525	**1,829**	1,832
Solar Facilities	**51**	52	**126**	132
Waste Heat Facilities	**22**	20	**72**	70

1 Includes Fund Unit distributions.
2 Includes EIPLP Class C unit, ECT Preferred Unit and Fund Unit distributions paid to Enbridge.
3 Canadian Mainline average throughput volume represents deliveries ex-Gretna, Manitoba, which is made up of United States and eastern Canada deliveries originating from western Canada.
4 Volumes are for the Athabasca mainline, Athabasca Twin, Waupisoo Pipeline and Woodland Pipeline and exclude laterals on the Regional Oil Sands System.

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