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# EDITED TRANSCRIPT

ENB.TO - Q1 2016 Enbridge Inc and Enbridge Income Fund Holdings Inc. Earnings Call

EVENT DATE/TIME: MAY 12, 2016 / 1:00PM GMT



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## PRESENTATION

### Operator

Good morning, ladies and gentlemen, and welcome to the Enbridge, Inc., and Enbridge Income Fund Holding 2016 first-quarter financial results conference call. I would now like to turn the meeting over to Adam McKnight, Director, Investor Relations. You may begin.

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### Adam McKnight - Enbridge, Inc. - VP, IR

Good morning and welcome to Enbridge, Inc., and Enbridge Income Fund Holdings, Inc., joint 2016 first-quarter earnings call. With me this morning are Al Monaco, President and CEO; John Whelen, Executive Vice President and Chief Financial Officer; Guy Jarvis, President, Liquids Pipelines; Perry Schuldhaus, President, Enbridge Income Fund; Wanda Opeim, Senior Vice President, Finance; and Chris Johnson, Vice President and Controller.

This call is webcast and I encourage those listening on the phone to view the supporting slides which are available on our website. A replay and podcast of the call will be available later today and a transcript will be posted to our website shortly thereafter.

Additionally, we will be posting two supplemental financial packages to our website. The first is an update to the package we introduced on April 22, which provides the quarterly information for the 2015 results. We will also post a first-quarter supplemental package. You can expect this version to be released following our earnings calls going forward.



The Q&A format will be the same as always. We'll take questions from the analyst community first and then invite questions from the media. I would ask that you wait until the end of the call to queue up for questions. Please limit questions to two per person and re-enter the queue if you have additional queries. The investor relations team will be available after the call for any follow-up questions that you might have.

Before we begin, I would like to point out that we will refer to forward-looking information in connection with Enbridge and the subject matter of today's call. By its nature, this information contains forecasts, assumptions, and expectations about future outcomes, so we remind you that it is subject to the risks and uncertainties affecting every business, including ours. The slide includes a summary of the significant factors and risks that could affect Enbridge or could affect future outcomes for Enbridge, which are discussed more fully in our public disclosure filings available on both the SEDAR and EDGAR systems.

With that, I will now turn the call over to Al Monaco.

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**Al Monaco - Enbridge, Inc. - President & CEO**

Thank you, Adam. Good morning, everyone. You should be on the slide with the agenda on it for today's call. Given the situation in northern Alberta, I'm going to start with that topic. I will then go back and cover a few highlights for the quarter and what's going on in the business.

John will take you through the results and provide our usual funding update. He will also cover the results of Enbridge Income Fund.

Moving to slide 4, first some general comments about the wildfires. Obviously this has been a very challenging time for Alberta and our industry. It's been nothing short of a heroic effort by those fighting the fires, first responders, and thousands of citizens helping others, especially those that have been displaced. And it's been great to see the support from across Canada.

We have many Enbridge people who live and work in and around Fort Mac. They and their families are safe and I'm proud of how the rest of our staff rallied around them.

Our approach to these difficult events is the same as always. We really have three priorities. The first one has been to ensure the safety of our people, the community, and the environment.

As our assets are critical infrastructure, we then focus on making sure those assets are protected. In this case that involved close coordination with the provincial government and the agencies. Finally, we make a careful assessment of operability and detailed planning to affect restart of our operations. That means frequent discussions with customers and the regulator.

So let's move on to slide 5 for the status. A bit of background first. Because of the danger from the fire itself and upstream production outages, we undertook a controlled shutdown of our regional oil sands pipes on May 4, and we evacuated our Cheecham terminal, which is a major collection and distribution hub south of Fort Mac. Our Athabasca terminal to the north remains staffed with a small crew.

Our best estimate is that the shutdown affected about 900,000 barrels per day of volume that was nominated on our system. Beginning late Sunday we were granted limited access to our sites, which allowed us to assess the situation and get eyes on our aboveground facilities: the terminals, pump stations, and remote operated valves that sectionalize the pipe, primarily for safety purposes.

No damage to the Cheecham and Athabasca terminals. That's a good thing. Along the right-of-way there was some minor damage at a few locations along with lost power, which hampers restart plans, of course.

At the same time as this was going on our team was developing a comprehensive restart plan. We've made steady progress on this. Yesterday we assumed operations at the Cheecham Terminal and began injecting volumes into Waupisoo and Athabasca pipelines. Now that's not dependent on upstream volumes, because we are able to draw down inventory that is built up in the tanks.



As of this morning, we are ready to start up the Woodland Pipeline, but it looks like, just from recent reports, we won't get access to fly the right-of-way. Obviously, firefighting efforts are still in full swing and that is priority.

On Athabasca north of Cheecham, on that line there are still a few power supply issues we need to resolve, but we hope to get ready for start-up this weekend. Again, that will be subject to being permitted access to the right-of-way. And of course, just to expand on that when we start up these lines we need to make sure we have the ability to fly the right-of-way.

So good progress on getting our systems back in operation, but the process I will say isn't like turning on a tap I guess. You've got to probably expect some period of ramp up to full capacity.

As I said earlier, this was and still is a very difficult event for Fort Mac and the broader region and we're providing our full support to the communities. And that's the number one priority.

Just looking at the process so far and our assessment, it looks, at least in our view, that we have responded well in these difficult circumstances. Our evac plans ensured the safety of our people and their families. The fire breaks that we have established around stations and valve sites were effective and the coordination with provincial government and agencies was strong.

As for the financial impact, it's difficult to pinpoint an accurate estimate this early on given the number of factors at play here, you can imagine. But our preliminary estimate at this point is that it won't have a material impact on our 2016 outlook. John, though, will provide some color on that in a few minutes.

With that, I will move back to the usual part of the call agenda, beginning with the quarterly highlights on slide 6.

As you saw, we had a solid start to 2016. The businesses performed well, which translated to a strong first quarter. Major projects execution, of course a big focus for us, around the secure capital program is progressing well. At the same time, we're continuing to develop opportunities to extend our growth and we will talk about our offshore wind development investment in a few minutes.

We were successful in raising a significant amount of capital in the quarter, almost \$3 billion within the Enbridge Group overall. The goal here was to address our equity needs through 2017 and we've done that and then some.

Turning now to slide 7 to review the quarterly performance, at least at the top level. As you can see here, the numbers were strong.

Adjusted EBIT came in just shy of CAD1.4 billion, or 33%, over last year and that was in line as well with ACFFO growth. Earnings were up nicely by about the same amount, coming in at CAD0.76 per share versus CAD0.56 last year. The strong results were driven mainly by liquids pipelines and it's the strength of their business model that has allowed us to deliver on the picture that you see here.

Part of the performance related to new projects as well, the largest being Edmonton's Hardesty expansion, the Woodland Pipeline Extension, the reversal of Line 9, and the Southern Access Extension. Still early in the year, but at this point we're right where we expected to be, so guidance is unchanged, but again John will talk about the headwinds for the year.

Given the continued uncertainty in commodity markets, I'd like to spend a minute on what underpins the business. Slide 8 shows the strength and stability of the business model on one page.

The vast majority of cash flows, about 95%, are supported by strong commercial constructs. In the current environment, the creditworthiness of our customers is an issue and we are managing it very closely. The approach that we use to credit is conservative.

As you can see here, 95% of our counterparties have investment-grade credit ratings or equivalent rating support. 80% of liquids mainline revenue comes from 10 customers. These are the largest and best capitalized players in the energy space globally, many of course are also integrated downstream with refining operations, which obviously provides a natural hedge to this commodity environment.

And, finally, we managed market price exposure to less than 5%. That includes any residual commodity exposure that we have -- we generally we don't have much to start with -- foreign exchange, and interest rate risk.

Moving on to slide 9, equally important to our resiliency to downturns like this is the strategic and competitive positioning of the assets. I'm going to use liquids pipelines here to illustrate this, but it's similar to our other businesses.

First, it's the fact that we're directly connected to the massive resources in Alberta. Unlike other basins, the WCSB production is expected to grow from projects currently in execution. And remember, these are very long-lived reserves and industry I think has done a very good job of bringing down their costs over the last year.

At the same time, ex Alberta, pipe capacity is going to be constrained for the next wild source system is, as we like to call it, chock-full and we're looking at ways actually to expand it. Our totals are very competitive and stable, so the system provides customers with a very effective way to get to the market. And perhaps most important here, after completing various market access programs, our system is now even better connected to the largest and best North American crude markets to the tune of about 3.5 million barrels per day of market.

So all of what you see here is key to ensuring our customers are maximizing their netbacks, which is critical to them, particularly in this environment. Let's now turn to the business update beginning on slide 10.

The bar here shows that our CAD26 billion inventory of secured projects, about a third of which has been put into service, is working well. It's those projects and the remaining CAD17 billion that drive predictable and strong ACFFO and dividend growth.

In March, we completed the GTA project and that's the largest expansion in our gas distribution franchise history at almost CAD1 billion. And that's going to provide strong reinforcement to support growth in the franchise and it's going to lower the overall gas costs into the franchise for our customers.

April 25 we received the NEB's report on Line 3 which recommended approval to the federal government. We're obviously pleased with that decision. The project is going to benefit our customers, but also add critical infrastructure for Canada.

On the US side of the border, the EIS process in Minnesota has kicked off on schedule and, overall, the expected ISD, or in-service date, for Line 3 is early 2019.

Let me know review the investment we have made in Eolien Maritime France, or EMF, with our partner EDF EN. I'll start by reviewing more of the strategic context for our renewables business.

As you just saw, we have a large, secured capital program that on its own will drive transparent growth. While the five-year outlook is strong, a key priority of hours in the meantime is to extend and diversify that growth beyond that five-year period. Our liquids business will always be the crown jewel and we have lots in front of us on that front, but we think it makes sense to put some additional emphasis as we've said on expanding our natural gas and power generation footprints.

We're making some good headway on building out the inventory of gas opportunities as you saw with the acquisition of the Tupper plants. Over the last decade, as well, we have invested nearly CAD5 billion to grow our renewables investments. We now have about 2,000 megawatts of net generating capacity from 16 wind farms and four solar projects. That makes us one of the top players in Canada.

We see European offshore wind as a natural and timely extension of our existing wind business. And see on the right here on the table, when these are structured well, the investments have the same value proposition as our liquids and natural gas businesses.

Slide 12 captures the fundamentals that we see for offshore wind. A lot of jurisdictions here in North America and in Europe have accelerated retirement of coal and adopted renewables targets. Nearly half of Europe's generating capacity is going to come from renewables by 2025.

The cost of renewables is increasingly competitive given improved technology, understanding of the environment such as wake effects, and mega-scale facilities with 6 to 7 megawatt turbines now being the order of the day offshore. This is not a new business or industry. There are currently 88 projects, offshore projects in Europe, so it is a mature business with good supply chains now. And over CAD200 billion of investment is forecast in the European offshore wind industry through 2030.

The other thing about these projects is their strong commercial underpinnings in the offshore Europe wind space. Long-term PPAs, established power markets, and very important for this business, good transmission infrastructure. Those are the factors actually that drove our first investment, the 25% interest in the 400 megawatt ramping offshore project in the UK. On that project we're in the early stages of execution and the photo here shows the monopods. You see the size of them on the photo.

With that context, slide 13 outlines our EMF opportunity. Essentially, we're investing CAD280 million for 50% of EMF, which owns three advanced-stage wind projects planned for off the coast of France. You can see that on the map here. All three projects are well into the development phase and will have a combined capacity of 1,400 megawatts, actually slightly above.

We are now a co-developer of these projects with EDF EN and of course they are a global leader in renewable energy. What attracted us to these projects is actually how far along they are and the strength of the commercial framework. All three have been awarded 20-year PPAs. Frankly, they are the best PPAs that we have seen.

100% of capacity will be sold under the PPA at predetermined prices that are indexed and calibrated for the in-service date. What's unique is that the project are very well-insulated against volume risk with the PPA. The offtaker is EDF, which of course is France's national electric utility.

Most of the permits have been received and much of the capital cost has been derisked through fixed-price contracts. Each of the projects will move to sanctioning when the final capital cost estimate has been finalized. So here's how we look at the value of the investment.

First, it's a large-scale opportunity and, if all three projects are sanctioned, it could total up to CAD4.5 billion in investment through 2022. And by the way, the debt component of that will likely be nonrecourse project finance.

Projects are nicely spaced out and provide a good inventory of solid growth for us over the next several years. Commercially this investment is right in the middle of our fairway and comes with a very strong risk/return profile. Lastly, we had a great partner who we worked with in North America. That relationship and the co-development role will provide us with an opportunity to further build our expertise. And we're actually keen to bring our own knowledge and experience in renewable power, major projects execution, and remember that we have a fair bit of expertise ourselves in working offshore in the Gulf of Mexico in our case.

I am now going to pass this over to John for the financial review.

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**John Whelen** - Enbridge, Inc. - EVP & CFO

Thanks, Al, and good morning, everyone. I'm picking up on slide 14 with the results for the quarter.

Today's presentation reflects our new segmentation and reporting format which we discussed on a separate call a couple of weeks ago, and it aligns with the presentation of our results in our MD&A and news release that we filed earlier this morning. We've made these changes to more clearly illustrate the financial performance of our principle lines of business, irrespective of how they're owned within the Enbridge Group, and to better illuminate the drivers of consolidated cash flow and dividends.

We've eliminated the sponsored investment segment to provide a more operational and business-centric view of the Company. The performance of assets held by our sponsored vehicles are now captured and reported at the consolidated level within the business segments set out on the table.



We have also adopted earnings before interest and income taxes, or EBIT, as the key metrics for which we will measure the performance of the businesses at the business segment level. I should note EBIT generated by our US businesses is translated at the average exchange rate over the reporting period, so you will see fluctuations in EBIT of some segments period over period due to movements in the foreign exchange rates.

Having said that, we do hedge a very substantial portion of the US dollar earnings and cash flow generated by our investment in these US businesses back to Canadian dollars using FX derivatives to ensure a highly-predictable cash flow stream to support our Canadian dollar dividend payments. Under our new reporting format, any settlement on these contracts are now captured under eliminations and other, rather than being allocated to individual segments. I will point out the various places FX is playing out as I move through the results for each segment.

I should also note that this morning we filed amended financial statement notes and MD&A for the 2015 year, reflecting this revised reporting format. These will tie to the comparative figures for 2015 that you see on these slides and will help with the period-over-period comparisons over the balance of the year. And, as promised, we prepared a supplemental package for the first-quarter 2016 results, which will be posted to our website shortly after the call.

With all that by way of opening context, on to the results for the quarter, which AI has already noted were very strong. Consolidated EBIT came in at just under CAD1.4 billion, about 33% higher than the first quarter of last year. The big quarter-over-quarter increase was driven largely by liquids pipelines where EBIT was up CAD353 million over the comparable period for 2015.

The biggest contributor to the growth within liquids was higher throughput on the Canadian Mainline and Lakehead Systems, driven by growing production from the oil sands. Throughput ex-Gretna reached a record 2.5 million barrels per day for the quarter, an increase of 300,000 barrels per day above the first-quarter throughput of last year. Deliveries on the Lakehead System south of the border increased by almost 400,000 barrels per day.

These record pipeline throughput levels were enabled by expansions of the Mainline System, both north and south of the border, in the latter half of 2015 and were enhanced by the completion of the Line 9 reversal and Southern Access Extension projects, both of which served to draw additional volumes through the Mainline. The other main contributor to the strong liquids pipelines performance was the Seaway Flanagan South Pipeline system, which together benefited from lower upstream apportionment on the mainline as a result of those expansions that I just mentioned.

Also having a positive impact on liquids pipeline segment EBIT was the impact of a weaker Canadian dollar. Earnings of the US assets within this segment, which include the Lakehead and Mid-Continent and Gulf Coast systems, were translated at an average rate of CAD1.37 per US dollar in the first quarter of 2016 versus CAD1.24 in the first quarter of 2014.

This uptick from exchange rate movements was offset by the impact of settlements under the enterprise FX hedging program I mentioned a moment ago. And as I said, the corresponding realized losses on the related derivatives settlements are captured within eliminations and others, which I will come to in a moment.

Now moving down to gas distribution, first-quarter performance was up CAD42 million over the first quarter of 2015, primarily driven by the significant growth in Enbridge Gas Distribution's rate base arising from its investment in the Greater Toronto area reinforcement project. The quarter-over-quarter improvement also reflected more timely approval of applicable distribution rates at EGD. In the first quarter of 2015, EGD was booking revenue based on lower interim rates.

Gas pipelines and processing results were pretty flat relative to the first quarter of 2015, but there were some puts and takes within the segment. On the positive side, Alliance is performing very well under its new service model and toll structure. EBIT was up close to CAD9 million over quarter one of last year as a result of strong demand from interruptible capacity as well as lower O&A costs.

Our Gulf of Mexico offshore pipeline systems were also up quarter over quarter due to contributions from the new Heidelberg Lateral, which was placed into service in January of this year, and from higher volumes on some of our joint venture pipelines. On the negative side, Aux Sable continued to be challenged by low frac margins and EEP's midstream gas gathering and processing business continues to struggle in the face of low natural gas and NGL prices, which have curtailed drilling in a number of regions that it serves.



Moving on to green power and transmission, results were down CAD9 million compared to Q1 2015 due to weaker wind and solar resources and some disruptions experienced in the quarter caused by icing at a couple of our Eastern Canadian wind farms. Energy services was also down quarter over quarter, about CAD27 million on an EBIT basis.

You will recall that in the first quarter of last year our energy services business benefited from strong location differentials and opportunities to generate attractive margins through tank management and refinery supply optimization. Differentials have narrowed with lower crude oil prices and we simply saw fewer opportunities to generate margin during the first quarter of this year.

So to finish off this slide, the final line item, elimination and other, or E&O as we're starting to call it, reflects a net unfavorable variance of about CAD13 million. E&O picks up the elimination of intersegment transactions. It also includes the impact of investments held at the corporate level and corporate costs not charged out to the business segments.

But the bulk of the negative variance here is attributed to the impact of our enterprise hedging program that I referred to earlier. This is the spot where we now capture the impact of net segment of the derivatives that we use to hedge the earnings and cash flow from our US businesses.

With the weakening of the Canadian dollar, we paid out more on settlements under those contracts than we did in the first quarter of last year. However, unrealized losses on FX derivatives were more than offset by the favorable impact of translating the EBIT from our US businesses at the weaker Canadian/stronger US exchange rate. Net-net we benefited modestly from the weaker Canadian dollar as a small portion of our US dollar earnings and cash flow in 2016 remains unhedged.

So taken all together, a strong first-quarter performance from the businesses.

Now moving on to slide 15, this schedule summarizes how the EBIT generated by our businesses translated to bottom-line ACFFO for the quarter. Depreciation and amortization was up CAD85 million, driven by CAD8 billion of capital projects that we placed into service last year.

Maintenance capital was in line with the prior period. However, I would note that we do expect maintenance capital to ramp up in the second half of the year and to be in line with our annual guidance for the full year.

Interest expense was higher by about CAD100 million, reflecting debt incurred to fund projects that came into service last year and lower levels of capitalized interest. Current income taxes were higher year over year, primarily due to higher taxable earnings and some regulatory effects that resulted in lower cash taxes at EGD in the first quarter of last year. Distributions to non-controlling interests were up from the first quarter of last year due to higher per-unit distribution rates at both EEP and the Fund Group, as well as the reduction of Enbridge's interest in the fund as a result of ENF's common share offering last November.

Cash distributions from equity investments were actually up a little year over year; however, you will see a negative variance of CAD68 million here because the equity income from these investments was actually up substantially. Rounding out the story, we did see a large quarter-over-quarter variance with respect to non-cash items which are added back to EBIT to arrive at ACFFO. This variance is primarily the result of a one-time foreign exchange impact that is transitory in nature and it isn't indicative of future-period performance for this line item.

Taken all together, first-quarter consolidated ACFFO came in at just over CAD1.1 billion, largely tracking EBIT performance and up CAD315 million over Q1 of last year. Again, from a cash flow perspective, a very good start to the year with a few puts and takes, but very much in line with where we expected to be given the asset expansions undertaken last year in our liquids system and expected production and throughput on our pipeline.

Turning now to slide 16 and our outlook for the full year, which at this early stage remains unchanged from the guidance range we provided in December. We continue to project consolidated EBIT in the range of CAD4.4 billion to CAD4.8 billion, which is expected in turn to drive out ACFFO of CAD3.80 to CAD4.50 per share. But there are a couple of emerging headwinds and factors that we are responding to.



The CAD2.3 billion common equity issuance was a little larger and a little earlier in the year than we would've assumed late last year, so there will be a modest drag on projected EPS and ACFFO per share as a result of the higher average share count. Our liquids pipelines business is off to a record start and the full-year outlook is trending positively. However, the impact the wildfires that AI spoke to earlier could temper that a little.

It is really very early days to be trying to precisely quantify the impact of the shutdown of our regional oil sands pipeline system over the last few days and any corresponding impacts on volumes and revenue on our downstream pipelines. However, even before taking into account potential litigating actions, the overall impact is not expected to significantly affect our financial performance under a fairly wide range of restart scenarios and we're not contemplating a change in our 2016 earnings and cash flow guidance at this early stage.

Shifting perspectives for a moment and now turning to slide 17, I wanted to briefly summarize the results of Enbridge Income Fund and Enbridge Income Fund Holdings, Inc., or ENF.

As would be expected, following the transformational drop down of assets to the Fund Group in September of 2015, first-quarter results are up substantially over the same period last year. ACFFO generated by the Fund Group was up from CAD419 million, owing to the significantly larger asset base and the strong performance from the Canadian Mainline that I touched on a little earlier.

Distributions paid from the Fund Group to ENF increased to CAD52 million, up CAD21 million when compared with Q1 2015. The higher distributions received by the fund in turn supported a corresponding increase in the dividend paid by ENF. On a quarter-over-quarter basis ENF's dividend per share grew by close to 21%.

Moving now to slide 18. In January, we increased the monthly ENF dividend per share by 10% to approximately CAD0.156 per share per month, or CAD1.87 per share on an annualized basis, effective with the dividend payable in January 2016. The owner of Enbridge's regional oil sands system and the Canadian Mainline, the Fund Group is directly affected by the impact of the Alberta wildfires, but as I noted a moment ago, the projected impact is expected to be modest in the context of overall ACFFO generated by the fund.

We continue to project consolidated Fund Group ACFFO for 2016 of CAD1.75 billion to CAD2.05 billion, which should comfortably support the most recent 10% dividend increase at the ENF level. And our longer-term projections still continues to support annual dividend per share increases of approximately 10% through 2019.

Now turning to slide 19, As AI has already noted, we've made some good progress on the financing front thus far in 2016. In February, we raised a little over CAD2.3 billion of common equity at Enbridge, Inc., which was very well taken up and broadly distributed to Canadian, US, and international investors. We followed that up in April with an offering by Enbridge Income Fund Holdings, Inc., in the Canadian public market that brought in close to CAD600 million of common equity.

We were very pleased with the outcome of these transactions, which clearly have demonstrated Enbridge's ability to efficiently raise capital in size to support our growth program. We have also been busy on the debt side, looking to secure some funding from nontraditional sources. In that regard, we've recently secured commitments from a syndicate of Asian banks to provide term loans to Enbridge, Inc., in the aggregate amount of \$1 billion. There was strong demand from the banks to participate in this loan syndication and the all-in cost of US dollar funding came in at an attractive rate on a LIBOR-equivalent basis, relative to where we could've raised funds at Enbridge, Inc., through the Canadian or US public debt markets.

The transaction is expected to close in the middle of the month and proceeds will be used to pay down credit facilities that were drawn down to fund the Company's growth program. All in all, if you include the common equity raised through our DRIP programs at Enbridge, Inc., and ENF and EEP's payment-in-kind distributions, we have taken in over CAD4 billion of new long-term capital since the beginning of the year, which has substantially bolstered our balance sheet and further strengthened our liquidity position as we continue to build out our secure capital program.

So where does this financing activity leave us with respect to the longer-term funding plan? Turning now to slide 20.



The bar chart on the left-hand side provides a quick picture. It's a graphic depiction of the longer-term sources and uses perspective that we typically provide at Enbridge Days and update periodically as our capital investing plans evolve. It focuses on the funding required to execute Enbridge's secured capital growth program over our current planning period, which runs from the beginning of 2015 through 2019.

The bar on the left capture three broad categories of spend: the current portfolio of CAD26 billion of commercially-secured growth projects, which includes our recent investments in the Canadian natural gas midstream and the European offshore wind development company that AI just spoke to. It includes projected maintenance capital over the plan period. It also includes a contingency for investments that we believe are close to fruition and should be factored into our treasury team's current funding plans.

The equity funding we've raised thus far in 2016 is expected to be more than sufficient to meet the equity requirements of this capital program through the end of 2017. You can also see that from the bar on the right-hand side the remaining amount of the debt and equity required to fund the program over the next three to four years is really very manageable, given the Company's strong liquidity position and demonstrated access to capital.

The funding already completed this year also provides significant flexibility to respond to new investment opportunities as they arise. To the extent that we find attractive investment opportunities, we have a variety of ways we could bring in new capital to the Enbridge Group if needed, including further offerings in ENF to fund a larger share, the fund's core growth program, asset-level funding, or hybrid equity at the parent. Whatever the approach, the funding source for any new material investment will be highly transparent and will be secured in conjunction with the opportunity.

With that, I will turn you back to AI.

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**AI Monaco - Enbridge, Inc. - President & CEO**

Okay. Thanks, John. Just before we go to questions, slide 21 reiterates our secured growth outlook which hasn't changed. The outlook is driven by growth in the existing assets and the CAD26 billion in mostly organic projects.

Based on that secured program, ACFFO is expected to grow at an average CAGR of 12% to 14% through 2019. The outlook supports strong, stable dividend growth as well of 10% to 12% on average through that period, and that is while maintaining a conservative dividend payout, which I think is a key differentiator. So the strong outlook from our secured program.

In addition to that, as we've discussed in the past and most recently at Enbridge Day, we see a lot of opportunities in front of us and any new investments above the secured projects will drive incremental growth.

So to sum up on slide 22, first, coming back to northern Alberta, we continue to be focused on safety as the first priority. We are making progress on the restart of the regional systems in support of our customers.

On the quarter, a good start to the year, as John said. Right where we expected to be. Reflection of the strength of our assets and that CAD8 billion to CAD9 billion that we put into service last year. And I think we're making very good progress on the remaining CAD17 billion.

John noted the capital raise of CAD3 billion in equity, which further bolsters our financial position and gives us some flexibility as we move forward. ACFFO and dividend growth outlook through 2019 are intact. We have made good progress on our priority to extend and diversify growth and we talked about the offshore wind development opportunity.

With that part of the segment of the call here concluded we will now move to the Q&A. Operator?

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Paul Lechem, CIBC.

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### Paul Lechem - CIBC World Markets - Analyst

Thank you, good morning. Just wondering with the volume growth you've seen on the Mainline and the Lakehead system, where are you at at this point in time versus your capacity to further increase from here?

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### Guy Jarvis - Enbridge, Inc. - President, Liquids Pipelines

Paul, it's Guy. Right now our situation is we are apportioned on heavies, as you know. We're intending to continue to have some room on our system on the light side. So within kind of the current capacities and constraints, we are working hard to try and come up with a few crude slates that would allow us to relieve some of that heavy apportionment and get it moving into the lighter side of the system.

There's three things specifically we're looking at right now. They are all in an early development stage, which we hope might allow us to eke more capacity out of the existing system.

Looking forward, really the next opportunity for more capacity on the mainline in terms of additions would be post the completion of the Line 3 replacement. So we are talking out towards the end of this decade before there is anything further there.

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### Paul Lechem - CIBC World Markets - Analyst

Okay. So looking beyond the impact of the wildfires on Q2 volumes, how much further upside in terms of throughput could we expect in the back half of the year?

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### Guy Jarvis - Enbridge, Inc. - President, Liquids Pipelines

Again, I don't -- let me just step back. We have a process. We can't just turn -- pick a crude and put it on a different pipeline. We have to go through our own internal processes, largely from an integrity and an operability perspective.

Once we have satisfied ourselves with that, we need to engage our regulator about what we are doing. And as always, you have to have customers that can make that product available on supply end of the pipe and refiners who can take it on the downstream end. These processes don't move as fast as I think we would like them to happen, so it's still too difficult to predict what we might be able to do in the back half of the year and when.

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### Al Monaco - Enbridge, Inc. - President & CEO

I think just to clarify; I don't think we have any major planned expansions on the Mainline System. I think Guy's comments earlier, though, were right on because right now we're seeing a buildup of inventory. And to the extent we can use some of our light capacity to try and clear that out, I think that's where our capability comes in rather than a raw increase in capacity, Paul.

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### Operator

David Galison, Canaccord Genuity.



**David Galison** - *Canaccord Genuity - Analyst*

Good morning, everyone. I guess I had a couple questions on the wind acquisition. Considering that the PPAs are in place and I guess how far along these projects are, I'm just wondering what is behind the projects not having final investment decision yet?

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

Essentially it has to do with the final estimation of costs. As you can imagine, with such large projects there's a number of things you go through to determine what the cost estimate is and so we're just in the process of going through that. We expect to get to the first FID decision in early 2017.

I will say that through this process of finalizing the costs that also includes that we refer to as derisking the project. So we will get fixed quotes on various aspects, or packages we call them, for offshore wind projects. And so those, in most cases, will be binding and that will help us get greater clarity on what that final estimate will be.

It's a combination of getting more resiliency to the cost estimate, getting final binding bids on packages. And really that's what the process we're in, at least on the first FID decision coming up for Q1 2017.

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**David Galison** - *Canaccord Genuity - Analyst*

Then just on the funding. It looks like it's CAD800 million of equity required for I guess the first batch. Does that assume a 60% debt funding?

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

Well, our capitalization, you're not far off. At the end of the day, if you look at our model capitalization, it is around 60% debt overall. Keeping in mind that we're not raising debt dollar for dollar in the capital markets to fund that.

I think that's the point of the slide here: there's a tremendous amount of internally-generated cash flow and internally-generated equity that will be built up in the business. But, yes, looking at our capital structure, we target in the 60% to 65% debt-to-capital range.

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**Operator**

Linda Ezergailis, TD Securities.

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**Linda Ezergailis** - *TD Securities - Analyst*

Thank you, good morning. Congratulations on a strong quarter. Just to follow-up to David's question on your wind farm, it looks -- I don't totally understand offshore wind construction, but it looks like they have a good chance of getting to a positive FID, especially given the project anchor sponsor.

I'm just wondering if I look at your financing plans, how would that change assuming all three projects get to positive FID, realizing that some of this construction goes beyond 2019.

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

I will make a quick comment and then I will pass it to John for that. I think you're right in your observation that most of the factors I think are moving a positive direction. We talked about the cost estimate, but also on the regulatory front. And as we said earlier, the commercial construct here is very tight and certainly in line with what we like.

So I would say most of it is lining up for good opportunity to FID those projects at a very high level. John, what's your thought on that?

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

Not too much further to add. They are very strong commercial constructs at the end of the day. They are very financeable projects. The preference of our partner and our preference in this particular case would be to go to nonrecourse debt financing and actually we are reasonably well advanced with that.

But it is key, obviously, that we do get through FID. As Al said, there are cost estimates to be completed and so on and so forth. So it would be premature, if you will, to look too far forward with respect to the funding, although we will be keeping it in mind. And as those projects start to come closer to an FID and fruition, we will start to layer that into our plan.

They would kind of fall into that pending category, if you will, that we have out there for projects that are close to fruition. But you will see a significant component of the capital cost is planned to be raised through nonrecourse debt coming.

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**Linda Ezergailis** - *TD Securities - Analyst*

So if we assume, maybe just as a follow-up, around 40% equity funding, and I don't know if it warrants less or more than that, would it be reasonable to assume maybe around two-thirds of that would come through 2019, or should I be thinking of that differently?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

Let me see. Just in terms of the timeline, if we FID'd the first project in Q1 2017, it's likely a three-year total build. So I would say -- I mean, John, you can comment but you are not looking at equity, big equity requirements from this at least until 2018, 2019. And that's going to depend on obviously how we want to actually fund the capital.

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

That's right. I think you're pretty close, Al. I think 2018 and 2019 is when the equity requirement would start to roll in. I think you're probably maybe a little thick on your equity ratio as you go forward. The contracts are pretty airtight. The appealing part of these contracts is you are substantially immunized from fluctuations in wind resource as well as fluctuations in prices, so they are highly financeable contracts.

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**Linda Ezergailis** - *TD Securities - Analyst*

Great, thank you.

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**Operator**

Ben Pham, BMO.



**Ben Pham** - *BMO Capital Markets - Analyst*

Thanks, good morning. I wanted to follow-up on the French offshore wind, and it seems like you're getting in a little bit earlier than the Rampion project on the risk curve. And is this project return, is it higher than Rampion, and how does the returns compare to your existing portfolio?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

It's Al, Ben. First of all, I think you are partially right on your observation. Strictly speaking, it is in earlier development. However, I would say, though, that we are far along on most of the aspects of the project and frankly, that's what attracted us to it. If you can invest this kind of capital, including the pre-FID costs we're going to spend and that's the investment that we noted in the release, and you can get access to projects that are this far advanced, we think that provides a lot of optionality and a lot of upside potential for us without actually committing us to the project at this stage.

So we think, in terms of moving up in the development cycle, if you will, this is a very low-risk way to do that. When we look at the returns of this -- these projects, given the tightness of the contracts that John referred to, it lines right up with where we expect the rest of the business to be. Typically the low double-digit equity return profile that we have and target.

Remember, you got to look at the risk side of the equation as well, so given the contracts, we think that would be very attractive. Now having said that, we don't know yet because it is, as you know, dependent on the final capital cost estimate in each of the projects.

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**Ben Pham** - *BMO Capital Markets - Analyst*

Okay, thanks for that. Contract looks pretty good there. I'm wondering also perhaps some commentary on your target in the green business. It seems like if you FID these three, then you're almost doubling your business in renewable power and you seem to have some pretty bullish comments on that segment and the market going forward as well.

So is that doubling of renewal capacity, is that a stale target for you guys now or is it not and maybe you're looking at some other opportunities, maybe in natural gas and focusing on that more going forward?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

That's a good question. You're right; if it all gets sanctioned, we'd make a pretty big dent on that we have said is our general objective, although it's hard to put specific numbers on it. It would be nice to double our capacity within the next few years here, so this would make a big dent in it for sure.

Whether or not -- I'm not sure it's stale. Whether or not we exceed that going forward is really going to depend on the number of projects. Now, from what we have seen in the European offshore area, there's many projects that are in development that we'd have opportunities to look at, but again we'd be pretty prudent as to what we take on just given what we have here and what's out there and how strong it is.

So to get to the second part of the equation, I think that's a good observation too. We've made good progress on building out the inventory of gas opportunities, good progress here on renewables. Probably a little bit more emphasis on natural gas going forward would be our preference.

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**Operator**

Andrew Kuske, Credit Suisse.

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**Andrew Kuske** - *Credit Suisse - Analyst*

Thank you, good morning. Obviously over the years you've had a lot of growth on the liquids network just because of the Atha connectivity and the basin, and so that network effect has been very positive. But obviously given the situation with the wildfires, it also highlights maybe a little bit the concentration risk around having a lot of connectivity and a lot of assets in one area.

So how do you think about that balancing act of obviously the positivity of having a good network versus just the concentration risks?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

Good observation, Andrew. We think about that all the time in terms of our plan and how it's rolling out over the next three or four years and the amount of growth and earnings that we have from each of the businesses. You're right; we're weighted to liquids at this point.

But going back to the slide we showed in the deck there, we are very, very happy with the strength of the liquids business and there will be more opportunities -- there's three or four that we are looking at right now -- within the liquids business. So a very strong business. It's going to be around for a long time and we are excited to have more opportunities in it.

I think in terms of the concentration issues, it's such a competitive position that we have, as you saw. And in terms of what the supply source is, in terms of what the downstream markets are, we are very, very comfortable with it. Having said that, as we've talked about in the past, it does make sense to maybe put a little bit more emphasis on the other areas, natural gas generation. As we generate a lot of cash out of the liquids business, certainly makes sense to redeploy some of that into other areas to perhaps have a little bit more balance.

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**Andrew Kuske** - *Credit Suisse - Analyst*

I appreciate that. As you start to build out the other platforms, and they are admittedly getting a decent size at this stage and time, what attributes are you really looking for, whether it's in terms of geography to promote that network connectivity that gives you possibly a multiplier on growth on a longer-term basis as you've seen on the liquids side of things?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

I would say, generally speaking, there's two things. First of all, commercially and from a value proposition point of view, I think you know it just as well as anyone else. It's got to have that value proposition that we are happy with. Can we generate a return versus risk profile that is consistent with how we have always delivered value at Enbridge?

We need to keep to that principle, first of all. And if we can't reach that principle then I guess we have to look at other things to do with all of this cash flow that we're going to have and lot of options there. But, more generally, it really comes down to the fundamentals and one thing you mentioned is how we look at this integration.

For us, on the natural gas side, certainly we have been and most companies are focused on basins and moving supply out of basins. And that has been the mainstay. Going forward, to us it makes sense to have downstream market connectivity right to end-use markets.

I think one thing that we've concluded is that we really do have to be tied to the consumer. A great example of that is in our gas utility and how we build up our gas pipeline business with that strong anchor position in the gas utility. So getting to end-markets and being connected there we think is likely the best way to go fundamentally in the gas business going forward.

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**Operator**

Robert Kwan, RBC Capital.



**Robert Kwan** - *RBC Capital Markets - Analyst*

Good morning. Just to start on funding and how you have addressed the funding needs through 2017, I guess the messaging after you hit the CAD2.2 billion at the ENB level is that you were fully funded through 2017 and then ENF goes and issues the roughly CAD600 million. Just wondering how we think about that ENF piece.

Is that extending the horizon, I guess is the phrase used today, more than sufficient through the end of 2017 or do we think about it as dry powder, whether that's for acquisitions or, say, unsecured projects that are becoming more visible over and above the CAD800 million of pending investments that you've highlighted?

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

Robert, it's John. I would characterize it as flexibility at the end of the day. We took on some incremental funding, more than we typical would in one bite, partly to mitigate risk in a capital market which is pretty choppy at the end of the day. But also to create some flexibility on our -- to pursue opportunities when, and if, they should arise.

So taking down a new equity at ENF isn't counter that at the end of the day. We've always wanted the ENF vehicle to fund an increasing portion of that core investment that it now has in our liquids mainline system and all those growth projects. That's entirely in line at the end of the day.

If you look at the lens at the outset of this year, there were a number of unknowns out there and we felt comfortable taking down a fair amount of funding at Enbridge, knowing that there is a number of different ways we could put that funding to use. So if you look forward, capital markets get choppy again, we really have put ourselves in a good position for funding out the secured growth program, which AI pointed out drives a very attractive earnings and cash flow in its own right.

But as we go forward and we see opportunities to invest, if we also see opportunities -- clearly they will come with the capital that we need to raise for them, then we will put ourselves in a pretty good position. So I'd say it's really all about flexibility at the end of the day.

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**AI Monaco** - *Enbridge, Inc. - President & CEO*

Just a point to add on there, I think your point is good because this really -- what we've seen here illustrates, I think, the levers that we can pull. So when we did the equity at the Enbridge level, it gave us satisfaction that we could clear all the equity requirement through 2017. Then we had the flexibility and opportunity to sort of take another pull of the lever at the income fund level.

So strictly speaking, I guess it does provide the dry powder in this case, so I think the flexibility is being illustrated quite well with these two deals.

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**Robert Kwan** - *RBC Capital Markets - Analyst*

Understood. If I can just finish, looking at Enbridge Energy Partners or just kind of the US side in general, you've got the commentary in the MD&A that you don't see drop downs as being attractive in the current market environment. I'm just wondering: does that commentary include Eastern Access take-backs?

I guess with that have you looked at -- or thinking about other more creative financing alternatives for EEP, and I don't know if this wraps up in the Midcoast review, but maybe elevating Midcoast up to the ENB level's consideration to help facilitate a drop down into EEP.

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**AI Monaco** - *Enbridge, Inc. - President & CEO*

Well, there's a lot in that question. Let me start with the Eastern Access part of it.





That one is, perhaps, a little bit unique because it's a call that EEP has at essentially book value. If you think about it, it is an immediate injection of very stable cash so that's a pretty good opportunity, I would say, to further bolster EEP. And obviously subject to financing. But that is not a huge amount of financing involved.

In terms of your question around NEP and I think you used the term elevating it or something like that, I think it's probably just too early to tell on that, Robert, to be honest with you. The business is obviously under pressure there. Small part of Enbridge overall, but I think the team there has done a pretty good job in the last year of managing the cost structure, managing their capital investment requirements in light of what is a very dramatic turn down in the drilling cycle, as you know, in the Gulf Coast onshore.

So I think we're just going to have to wait and see. We're going to be pretty diligent and prudent about this review. That's what we're working on right now, so I don't want to speculate on what might happen until we complete that review.

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**Robert Kwan** - *RBC Capital Markets - Analyst*

That's great, thank you very much.

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**Operator**

Steven Paget, FirstEnergy Capital.

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**Steven Paget** - *FirstEnergy Capital - Analyst*

Thank you and good morning. One of the weaknesses in offshore wind is that you can't test the waters by doing a small project; you have to go big. So you've clearly benefited from the experience of other movers in the sector.

However, starting small probably remains the Enbridge way when testing new technology. Could you please confirm if that's the case? And do you have small interests in the potential technologies of the future such as hydrogen and electrical power storage?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

Okay, the answer to the last part is, yes, we do have some investments in that area because I think, as you are pointing out, I think it's going to be key the future. So that's that part, but I want to go back to the initial premise around the technology.

We actually don't see a lot of difference here, Steven, in terms of the technology around offshore wind. I will agree with you that these projects are going to be large, subject to our ability to sanction them. But really it's the same technology as we work with and the whole industry has worked with onshore for years.

The only real complication here -- you have to remember this is not like putting pipelines in the deep Gulf of Mexico waters where you have 7,000 feet of water to deal with before you get to the floor. These are really 20 or 30 meters generally, so the real issues in offshore wind have to do with foundations and making sure that those are solid and you have the right equipment for it.

As I said earlier, this isn't new either. There is 90 offshore projects in Europe. The most important thing I believe has to do with the supply chain. I think if you went back 10, 15 years ago it was a pretty infant business in terms of companies that could supply this kind of equipment and know-how.

That has totally changed. Supply chain now is well developed for this, so I actually don't see a lot of technology risk. If anything, the technology around wind farms generally has improved considerably and the size of them, the ones that we're talking about for this particular project, are in



the 6 megawatt range. And if you go back to the first wind farm we undertook in Saskatchewan, SunBridge project was 0.6 megawatt. So the size here and the ability of that scale to improve costs and improve overall capacity is pretty striking and that is what's led to the competitiveness.

So probably a long answer, but to us there is not a lot of technology risk here.

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**Operator**

Ted Durbin, Goldman Sachs.

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**Ted Durbin - Goldman Sachs - Analyst**

Thanks, just a point of clarification on the wind. Is the CAD4.5 billion, is that just your 50% share or is that 100% of the capital cost?

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**Al Monaco - Enbridge, Inc. - President & CEO**

It's the 50% share.

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**Ted Durbin - Goldman Sachs - Analyst**

Okay. So CAD9 billion for that amount of capacity sounds a bit expensive relative to maybe some competing fuel sources. I guess is there a regulatory approval or other things that you need to move forward on FID for these?

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**Al Monaco - Enbridge, Inc. - President & CEO**

First of all, your observation is right. I mean, if you look at the levelized cost of energy across the spectrum, offshore wind is not the cheapest.

But the second part of your question is, no, the contracts are, as we said, with EDF; that's the offtaker. So they are firmly committed. I think that is sort of the bottom line, Ted, on the contracts. Is that what you are getting at or --?

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**Ted Durbin - Goldman Sachs - Analyst**

No, that is exactly what I'm getting at: the contracts are what they are; they don't need regulatory approval. Is there a tax overlay or anything on the returns that they are dependent on?

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**Al Monaco - Enbridge, Inc. - President & CEO**

No, no, we haven't assumed any additional tax benefits other than what we would normally do for this kind of a project.

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**Ted Durbin - Goldman Sachs - Analyst**

Then in terms of, once the projects are up and running, recycling the cash back home, would there be any issues there as we start to kick off free cash flow?

**Al Monaco** - *Enbridge, Inc. - President & CEO*

No, I'm looking over to Wanda. Do you see anything on that front, Wanda?

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**Wanda Opheim** - *Enbridge, Inc. - SVP, Finance & CFO, Enbridge Income Fund Holdings, Inc.*

No, we -- under our structuring, no, we see no issue bringing the cash back to Canada.

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

You're talking about repatriation. No, I don't think there's any -- there's nothing we have experienced on that in the past.

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**Operator**

Thank you. At this time we would like to invite members of the media to join the queue for questions.

(Operator Instructions) Julie Gordon, Reuters.

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**Julie Gordon** - *Reuters - Media*

Thanks for taking the question. I am just wondering if you could give us a bit of an update on Northern Gateway and what, if any, changes you might need to make in order to get support from First Nations and other stakeholders, particularly those in northern British Columbia.

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

Well, I have to say that recent progress on Northern Gateway has been positive. In terms of additional support, let me just start with the fact that over the last several months we've actually increased the number of First Nations who support the project, and incidentally will be owners in the project, out to 31 First Nations. So that's very important.

In terms of changes, I would say the most impactful one has been the galvanization of these 31 First Nations and their support for the project. They're going to be owners and one of the changes that will come about is they will be bigger owners. At this point we are hoping that they'll be one-third owners in the project with us.

If you step back from it, this will be quite a change in how these types of projects are configured with First Nations and Metis communities, at least in this specific situation. So a significant ownership; obviously that comes with governance and we are quite pleased with that development.

In terms of other support, obviously some support, traditional support on the coast itself is going to be important for the project to move forward.

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**Julie Gordon** - *Reuters - Media*

Sorry, if I may also ask just about the government. Trudeau has said that there should be no tankers, oil tankers in the Great Bear Rainforest. How do you see yourselves overcoming that moratorium or getting past that idea that there should not be any oil shipments out of that area?

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

You know, that's a pretty complicated issue. I can't comment on the legalities of all of that; that will be up for the government to determine. What I can say though is that, getting back to my previous point, with 33 First Nations partners on the project, they are going to have a strong voice here and I've heard them talk about this. They're clear in their concern about the impact of a tanker ban on their communities and the opportunities.

So we're hoping to see is some engagement and consultation on this issue with First Nations. And I expect that will happen, because as the federal government has noted, increased engagement with First Nations is going to be pretty important to developing natural resources in Canada.

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**Julie Gordon** - *Reuters - Media*

Thank you.

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**Operator**

Ashok Dutta, Platts.

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**Ashok Dutta** - *Platts - Media*

Good morning. Two very quick questions, if I may please. Somewhere towards the end of 2015 there was a talk of a business plan for a greater footing in the US Gulf Coast. Any updates on that please?

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**Guy Jarvis** - *Enbridge, Inc. - President, Liquids Pipelines*

This is Guy Jarvis. We continue to evaluate that. We've been working on it for better part of six or eight months now. I want to go back to the message we delivered about that is our intent there is to try and create again a platform, an opportunity to have a business there.

We're really not interested in one-off investments and ending up with a disparate collection of assets. We have a plan that is starting to come together that is identifying a series of opportunities which we think, if we secure on some of them, would give us that foundation for what we're looking for. But I would say there's nothing imminent right now.

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**Ashok Dutta** - *Platts - Media*

Okay. Second is how has the response been so far on Line 9?

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**Guy Jarvis** - *Enbridge, Inc. - President, Liquids Pipelines*

The response has been fantastic. The throughputs have been strong on the line itself. It has also resonated back up through our Mainline and into our North Dakota systems. Our volumes out of North Dakota have pretty much been running flat out since Line 9 came into service and that is manifesting in higher volumes on the Lakehead system as well.

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

I will make a broader comment in that, if you step back from this, this has been a very big accomplishment for us, but also ensuring that the refineries in Eastern Canada, the two that are targeted with this line, have access to reliable supply and including Canadian supply. It's about protecting jobs in that area, the 4,000 people in the cluster of petchem businesses that are operating there. So I think it's a great outcome not just for us, but for the refiners and the broader Canadian context.



**Operator**

Elsie Ross, Daily Oil Bulletin.

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**Elsie Ross** - *Daily Oil Bulletin - Media*

I hate to go back to this, but on Northern Gateway, what would it take to start looking at a different location, a different terminus for that project? Is that something --? I think it's been sort of hinted as something you might be looking at.

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**Al Monaco** - *Enbridge, Inc. - President & CEO*

Maybe I will start, Elsie, by just reiterating that we have an approved project to Kitimat; that's what we're focused on. Remember that it's really the only project out there that actually has a certification today and that's, I think, quite important.

Now I think what you are pointing out is right in that -- you always have to be thinking of other opportunities and ways to sort of cut it, and that's a possibility. We're not really focused 100% on that. We're focused on making sure that we continue to work with First Nations along this route and in any event that will be important regardless of the ultimate destination. But as I said, right now we're focused on Kitimat.

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**Elsie Ross** - *Daily Oil Bulletin - Media*

Thank you.

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**Operator**

(Operator Instructions) Ashok Dutta.

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**Ashok Dutta** - *Platts - Media*

Sorry, thank you. John, you mentioned about Asian banks showing interest for about CAD1 billion of funding. Does banks signify anything important? When Northern Gateway is, of course, the context that I'm talking about.

You said Asian and I just wanted to know (multiple speakers).

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**John Whelen** - *Enbridge, Inc. - EVP & CFO*

I wouldn't read anything into that whatsoever. We were looking to diversify our sources of term debt funding and there was a nice pocket of demand there. So, no, I wouldn't try to drive any links there.

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**Ashok Dutta** - *Platts - Media*

Thank you.

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**Operator**

(Operator Instructions) As there are no further questions, I would now like to turn the call back to Adam McKnight for any closing remarks.

**Adam McKnight** - Enbridge, Inc. - VP, IR

Thank you. We've got no further comments at this time. I would like to remind everybody that the investor relations team will be available after the call to address any follow-up questions that you might have.

Thank you for joining us this morning and have a great day.

**Operator**

Thank you. Ladies and gentlemen, this concludes today's conference. Thank you for participating. You may now disconnect.

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