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PRESENTATION

Operator

Good morning, ladies and gentlemen. Welcome to the Enbridge Incorporated third quarter 2013 financial results conference call. My name is Ellen and I will be your operator for today's call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session. Please note that this conference is being recorded.

I would now like to turn the call over to Jody Balko, Vice President, Investor Relations and Enterprise Risk. Jody, you may begin.

Jody Balko - *Enbridge Inc. - VP of IR and Enterprise Risk*

Thank you, Ellen. Well, good morning and welcome to Enbridge Inc's third quarter of 2013 earnings call. With me this morning are Al Monaco, President and CEO; Richard Bird, Executive Vice President and Chief Financial Officer and Corporate Development; Stephen Wuori, President of Liquids Pipelines; and John Whelen, Senior Vice President and Controller.

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



The Q&A format will be the same as always. We will take questions from the analyst community first and then invite questions from the media. I would ask that for everyone's benefit you wait until the end of the call to queue up for your questions and that questions are limited to two per person. Please reenter the queue if you do have additional queries.

Lastly, I would also remind you that Adam McKnight and I will be available after the call for any follow-up questions you may have.

Before we begin, I would like to point out that we may refer to forward-looking information during the call. By its nature, this information implies certain assumptions and expectations about future outcomes. We remind you it is subject to the risks and uncertainties affecting every business, including ours.

This slide includes a summary of the more significant factors and risks that might affect future outcomes for Enbridge, which are also discussed more fully in our public disclosure filings available on both the SEDAR and EDGAR system.

Before I turn it over to Al, as you are aware, during the second quarter we filed a registration statement relating to the proposed initial offering -- public offering of Midcoast Energy Partners LP. Midcoast is in registration and in the quiet period for disclosure purposes. As a result, we will not be answering questions regarding the IPO. Reference should be made to the registration statements that we have on file with the SEC.

I will now turn the call over to Al Monaco.

Al Monaco - Enbridge Inc. - President & CEO

Thanks, Jody. Good morning, everybody. I am going to start off by recapping our quarterly numbers and our full-year outlook, which Richard will review in-depth in a few minutes.

More broadly, we outlined our long-term plans just a few weeks ago at Enbridge days, but in light of our announcement last week of two significant regional oil sands pipelines projects, I will spend a few minutes putting those in context. Finally, given the importance of executing our capital program and delivering the superior growth outlook over the next five years I will provide a brief update on major projects' execution.

Turning to slide 4, our third-quarter adjusted earnings came in at CAD278 million or CAD0.34 per share, while year to date is CAD1.072 billion or CAD1.34 a share. The year-to-date results represent EPS growth of 13%.

We are pleased with the results, particularly given the equity pre-funding actions on our capital program that we undertook this year, which are impacting EPS by almost CAD0.04 per share. In terms of the full-year outlook, we are tracking to be within our EPS guidance range of CAD1.74 to CAD1.90. However, as Richard will elaborate on, the headwinds we are experiencing relative to original expectations are stronger than the tailwinds, so the upper end of the range, we would say at this point, is looking largely out of play.

Longer-term, to reiterate, we expect to generate average annual EPS growth through 2017 of 10% to 12% with dividend growth that should follow at least that same trajectory. In fact, the two projects I will talk about next will factor favorably into where we will be in that 10% to 12% range, since it depends primarily on successful securement of the risked unsecured component of our growth plan.

Let me now take you to the two oilsands projects. Slide 5 illustrates our competitive position in the Alberta Oil Sands, so let's start there. Although we are often associated with our cross-continental lines, our regional position both here and in the Bakken form a very big part of our Liquids Pipelines business and strategies. The goal is to extend our mainline capability upstream to connect growing supply with the best markets. The scale and scope of our operations in Alberta allows us to provide customers with cost-effective transportation and an ability to bridge their interim needs as volumes ramp up from phased oilsands projects.

And the two main pipeline corridors you see in the slide here provide shippers access to both the Edmonton and Hardisty hubs, and those corridors also allow us to minimize our footprint and give us and our customers a high degree of confidence we can execute on time and on budget. And it's really those factors that drove our ability to win these two important projects.



On slide 6 we are pleased to have been selected by the Fort Hills Partners and Suncor to develop the CAD1.6 billion Wood Buffalo extension. The project extends our recently commissioned Wood Buffalo line and builds on our strong relationship with Suncor and Total and now Teck Resources.

The new 30-inch line that is seen here in dotted red will move up to 490,000 barrels per day of dilbit from the Athabasca region to the Hardisty Hub. The Fort Hills mine will be the 11th project we've connected to our infrastructure. Commercially, the investment is underpinned by an initial 25-year throughput commitment by Fort Hills and Suncor with annual five-year options to extend after that. The Wood Buffalo extension will bring our capacity out of the oilsands to about 2.5 million barrels per day, about the same as our mainline capacity out of Western Canada.

Turning now to Norlite on slide 7, it's clear that oil sands growth will require new supplies of diluent, and our forecast actually has over 600,000 barrels per day of incremental diluent demand over the next decade. Norlite will move diluent from our Stonefell Terminal to the Athabasca region and be in service in 2017, around the midpoint of the year. The cost of the project is CAD1.4 billion. However, Keyera has the right to back in for 30%, as the plan is to use their existing infrastructure between Edmonton and Stonefell. And that provides a very cost-effective solution and access to various sources of condensate.

Again, the project here is underpinned by another 25-year throughput agreement with Fort Hills and Suncor and successive five-year renewal options apply here as well.

Those commitments fully support proceeding with a 16-inch line, but there's a very good chance now that we will sign up additional commitments that will support a 24-inch solution size for 270,000 barrels per day and ultimately 400,000 barrels per day with more power. So very good progress, by the way, in discussions with the other shippers potentially here.

Strategically, Norlite is important for us for a couple of reasons. First, it initiates an industry diluent solution with a base project supported by firm commitments and we will have an advantage in attracting new volumes, the same strategy basically as we have used on the dilbit side of the business. Second, along with the Southern Lights pipeline, we will have built a diluent pathway all the way from Chicago to the heart of the oil sands.

I should also mention here that in late September, we announced a new project to connect the Hangingstone Oil Sands project, which JACOS and Nexen are developing jointly to our Cheecham terminal. And that project involves construction of a 50-kilometer line and includes long-term commitments as well.

This next slide on slide 8 here now captures the key takeaways of these developments, in our view. First, we have leveraged our strong position I talked about earlier and our ability to execute in winning these important projects. Strategically, they build our existing blend position and initiate an industry diluent strategy for Enbridge. The commercial structure highlights our investment discipline. Both are underpinned with 25-year throughput commitments with the highest of quality customers.

These investments fit squarely in the middle of the fairway for us, generating solid risk-adjusted returns with predictable earnings and cash flow. With these two new projects, our regional oil sands lineup climbs to CAD7 billion, and all of that capital is slated to go into service between 2014 and 2017. And with this new CAD3 billion coming into service in 2017, there is even more transparency into our ability to extend growth beyond 2017.

Finally, just a comment on what these developments mean in the broader provincial and Canadian picture. The Fort Hills mine and the supporting infrastructure like ours represent a significant investment in Canada's oilsands, creating jobs and delivering substantial economic value for Canada. However, the economic value is only half the equation. We are pleased to be working with partners here on these projects who share our commitment to safety and environmental protection, which is just as important as the economic benefits.

So onto slide 9 -- with those projects, what you see here really updates the enterprisewide growth capital we showed at Enbridge days last month. Two noteworthy items -- first, even though we've rolled our plan forward by a year, we've actually been able to increase our total inventory of growth capital from CAD35 billion to CAD36 billion. We think that's a good accomplishment.



Second, since last year, we have increased the secured capital bucket from CAD18 billion to CAD29 billion. With this level of secured capital we are very well positioned to generate 10% to 12% average annual EPS growth that I mentioned earlier. CAD7 billion remains in the unsecured category, which, as you know, is our probability-weighted estimate of projects that we could see in the future. So there's even upside beyond what we have with the 10% to 12%. Remember that our funding plans account for both secured and unsecured capital, and Richard is going to update the funding plan in a moment.

Just switching gears for an update on major projects execution, those are summarized on slide 10. So far this year, we have brought 10 projects into service. The ones highlighted in the yellow box are third-quarter completions. All but one of these came in either on or below budget and on or ahead of schedule. The exception was the Montana Alberta Electricity Transmission Line, or MATL, as we call it, which was delayed due to permitting issues. But the line is now energized and operational. We also commissioned the 300-megawatt Lac Alfred Wind Farm in Quebec and the Ajax Processing Plant in the Anadarko region. By the way, on Ajax, that also allowed the Texas Express NGL Pipeline from Skellytown to Mont Belvieu to go into service just last week, so we are pleased with that.

The pies on the right give you the big picture progress on our capital programs through to Q3 and then to the end of 2014. So looking ahead to the rest of this year and then next, we have 14 projects that will come into service. And as we are showing there, we are pleased with the progress. As you can see, the majority of projects are running on or ahead of schedule and are pretty much on budget in aggregate.

We usually highlight a couple of projects on these calls, so let me do that now. On slide 11, the Flanagan South and Seaway projects drive our Gulf Coast access strategy. On Flanagan South, we received the final permits in September and we've actually made very good progress in the field on that one, and the Seaway twin is also moving very well. At this point, we expect that the entire Flanagan South and Seaway system route will be in service by the first half of next year.

On the offshore Gulf, we have two large projects underway, the Walker Ridge Gathering System, which serves -- that's the gas gathering system, by the way. That serves the Jack and St. Melo and Big Foot ultra-deepwater developments. Those are in up to 7000 feet of water. That's well into pipe lay and should be completed later this year. Construction on the Big Foot oil line -- that's a 100,000-barrel-per-day line which runs from the Big Foot platform to the subsea Amberjack line, will kick off in January. Both projects there are running under budget and will be ready for service as scheduled later next year.

So now let me turn it over to Richard for the financial update.

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

Thanks, Al. So I will pick up the story on slide 12.

Liquids Pipelines was up CAD28 million for the quarter relative to last quarter, but flat compared to last year. The mainline was responsible for most of the uptrend from the prior quarter on the strength of stronger volumes, and we expect this trend to continue. However, mainline volumes and earnings remain weaker than expected in Q3 due to continued shortfalls in Midwestern refinery demand, which should abate as we head into 2014.

Although up from the prior quarter, mainline third-quarter earnings were down from the prior year for the same primary reason as last quarter, that being lower IJT residual tolls partially offset by higher volume, just not as much higher volume as we expected.

The regional oilsands system continued as a strong contributor, consistent with expectations, and Southern Lights also helped the quarter. Seaway was below our expectations for the quarter with minimal spot volumes due to tight differentials between Cushing and the Gulf coast.

Gas Distribution, though down for the quarter, is on track based on the first nine months to be a little better than flat for the full year. Gas pipelines processing and energy services had another strong quarter, mostly on the strength of energy services, which continued to make gains relative to last year, though tapering off from the very favorable arbitrage opportunities in the first half. The party does appear to be over on this front, but for the year as a whole this continues as a strong tailwind.



The sponsored investments segment was the continued source of strength in the third quarter, primarily driven by the Enbridge Income Fund as a result of the contribution from the assets dropped down to the fund late last year. Enbridge Energy Partners, although up on a year-over-year basis, is behind expectations due to weak volumes and prices in its gathering and processing business and weak volumes in the North Dakota crude system. The Midcoast Energy Partners IPO was in marketing as we speak, which should support a better picture from this business going forward. And we have seen volumes on the North Dakota system starting to rebuild as the location basis has narrowed in putting pressure on rail shipments, which completion of our Eastern access program will further reinforce.

Corporate continues to be a drag on earnings relative to prior year due to the significant amount of additional preferred shares issued in the last 12 months. I will come back to how the full year is shaping up versus our guidance range in a few minutes.

Turning to slide 13, funding and liquidity actions continued at a healthy pace during the quarter with now CAD5 billion of capital markets issuances enterprise-wide so far this year and CAD2.8 billion of additional credit facilities. We have especially focused on bolstering our equity as our capital program has continued to remain robust.

Turning to slide 14, that slide updates the perspective I covered at Enbridge day on how our secured growth capital is divided between the immediate gratification flat return profile projects and the patient money tilted return profile projects. With the Fort Hills and Norlite projects having more or less flat profiles, achieving low double-digit returns within the first full year, we are at now a nearly even split. These recent additions to our secured growth pipeline are targeted to come into service in 2017 and will make a modest contribution to EPS accretion out of the gate, but more so in 2018, the first full year, and thereafter.

Moving then to slide 15, our funding plan is largely unchanged in the month since Enbridge day. A Fort Hills and Norlite project were in the risked unsecured category at that point but were fully provided for. So, although they have moved up into the secured category, the total funding requirement hasn't changed. As I pointed out at Enbridge days, the internal cash flow net of dividends is significantly larger in this five-year plan than in the previous one, so a larger portion of the capital program will be funded internally.

The external funding requirements remain very manageable on both the debt side and the equity side, and as we turn to slide 16 it depicts the extensive array of alternatives to meet our CAD2.1 billion equity funding requirements, roughly CAD3 of potential sources for every CAD1 of funding required not including issuance of Enbridge common shares. We will execute these alternatives selectively over the next four years to achieve the lowest possible cost of funding.

Moving to slide 17, our long-term growth perspective, Al mentioned that as our risked unsecured projects under development continue to firm up, such as the two recent oilsands pipelines that he referred to, that does factor favorably into where we will be within our 10% to 12% long-term average growth rate guidance. Two other aspects of this picture bear mention. First, as mentioned earlier, while the Wood Buffalo extension and Norlite projects provide a partial benefit in 2017, the more significant benefit is the contribution they will make to maintenance of our industry-leading growth rate post-2017 as they reach their first full year in service.

And the second aspect I will reiterate from Enbridge day is that the 10% to 12% average growth rate doesn't mean that the growth will fall within this range in any particular year. In fact, the annual growth rates will be quite lumpy given that the volume of capital going into service each year will be lumpy. In particular, we will be carrying a record level of work in progress through next year, most of which won't begin contributing until late in the year and therefore will provide a strong boost to 2015, but not a lot for 2014.

I will finish up on slide 18 with some color on the full-year outlook which, as Al mentioned, is trending well within our guidance range but with the headwinds blowing a little fresher than the tailwinds. In particular, we are seeing a little larger shortfall on Seaway from our expectations, and EEP is now a definite headwind versus original expectations. I will turn it back to Al to wrap up.



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

Okay, thanks, Richard. This slide here on 19 now captures at a very high level the three priorities that are always at the forefront for us. The number one priority remains the safety and operational reliability of our systems. That's simply because that priority enables everything else that we do, including all the growth that we just talked about.

I am proud with the progress that we have made towards that goal that we have of industry leadership. There's tangible evidence of that on many fronts. The second priority is to ensure good execution of the capital program. This is not just execution in the field, but also ensuring we have the financial and human capital that we need to make it happen.

Finally, we will continue to extend and diversify our sources of growth. That will come naturally with our tilted return projects, as we often talk about, and will bring along our new growth platforms in a measured and disciplined way as we move through this very frothy growth over the next few years on the liquids side. Overall, we are very pleased with the progress we have made on these priorities.

Just to wrap up now, on slide 20 we are on track for full-year adjusted earnings per share to be well within our guidance range. We continue to build our inventory of new projects, which now stands at CAD29 billion in secured investments, with the two recent additions being both financially beneficial and very notable strategically. It's a challenging project execution environment. But overall, as you saw, we are pretty much on track as far as our overall capital program.

Our funding plan and liquidity are progressing well and we have multiple alternatives available to optimize the cost of the remaining capital requirement to support that growth plan.

Finally, there is a very high degree of transparency to our expectation of delivering average annual EPS growth of 10% to 12% over the next five years and continued industry-leading growth thereafter.

So that wraps up our prepared remarks. I will now turn it back to Ellen for the Q&A portion.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Juan Plessis, Canaccord Genuity.

Juan Plessis - *Canaccord Genuity - Analyst*

You mentioned that the narrowing of WTI and Louisiana light prices is discouraging spot volumes on Seaway. Can you provide a bit of color on the magnitude of the spot volume decline you are seeing on Seaway because of this?

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

Steve, do you want to take that? By the way, just before he answers, as far as the spot volume, remember that most of the pipeline is committed with long-term movements. So we do reserve a bit for spot. But Steve, do you have a figure on it?



Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Yes, I think that's right, Al. The spot movements, of course, will move somewhat with the differential, a lot with the differential, and the availability of any other pathways to the Gulf. There's also the issue, of course, of competing volumes essentially moving into Houston from the Eagle Ford and the Permian, and all that is working together.

I don't have a specific number, Juan, with regard to exactly what the spot volume in barrels per day is. I think it moves around a lot and so it's pretty hard to pin it and say that this is what it is. But pretty soft spot movements is what we have seen and, quite frankly, right now continue to see.

Juan Plessis - *Canaccord Genuity - Analyst*

Okay, fair enough. Just maybe a larger, bigger picture question -- just wondering what options or recourse you might consider pursuing, should the FERC uphold the administrative law judge's decision for lower committed/uncommitted rates on that line.

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Well, I think the ALG decision is certainly flawed. The various pipeline associations have weighed in on that. I think that it attempts to tear into the fabric that has been upheld for many, many years, and that is that committed rates between sophisticated parties in commercial arrangements need to be upheld. And I think that we have every expectation that that is what will be upheld ultimately.

Juan Plessis - *Canaccord Genuity - Analyst*

Okay, thank you.

Operator

Linda Ezergailis, TD Securities.

Linda Ezergailis - *TD Newcrest/Waterhouse Securities - Analyst*

With respect to your Eastern Gulf crude access initiatives, you mentioned in your write-up that you are going to be revising the JV now that the MOU has expired. Can you provide some more color on timing and how that might look similar or different to your most recent iterations? of that?

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Really, what happened there is that the southern access extension open season closed at the end of September. We did get some additional interest in southern access extension and we are working through that right now as to whether we will be able to accept it or not.

Concurrently with that, Energy Transfer ran the trunk line or the Eastern Gulf coast access pipeline open season. That also closed on September 30, and they would have to speak to the results of that. At the moment, we are not moving forward with that joint venture. However, the Eastern Gulf remains an important market, in our view, for barrels, certainly once pad 2 and the Houston Port Arthur market have been served, and so we may revisit that project down the road.

But where we sit right now is that we are processing the southern access extension open season results as we move toward construction of that line.



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

Linda, I think the Eastern Gulf is important to the producing community and to us. We think it needs to be accessed. I think the issue here really is one of timing and the availability of crude that could be available to be move on that pathway. So that's where we are at the moment and it's possible that we reenter that process at a different time.

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

I think the other important thing, Linda, is that the southern access extension as it's configured right now is really designed to serve a new market for Canadian and Bakken crude, and that is the Eastern Gulf -- or, sorry -- the Eastern PADD II refineries in Kentucky and Ohio. And that really is where the interest has come in the extension project. And then, as Al said, it could be a matter of timing as to whether that then becomes movements South from Patoka as well as East from Patoka.

Linda Ezergailis - *TD Newcrest/Waterhouse Securities - Analyst*

Great, thank you. And then just a follow-up question while we're on the subject of project initiatives. Maybe you could just provide more color on Sandpiper. You have filed some permit applications in North Dakota. I guess the discussions with potential shippers continue. Can you talk about the tone of those discussions and what sort of bottlenecks, if any, you expect with that project?

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

Actually, I guess Steve can chime in here as well. We are very encouraged with the discussions so far, and we would expect, as we mentioned earlier at Enbridge days, that we will have long-term throughput commitments to support the line. The line is so important vis-a-vis getting light barrels not just to the Patoka market through southern access, but also eastward on the reverse line 9. So we think it's very important.

Yes, we did file the permits earlier, last week, actually. And that's because we want to get a head start on this because we are confident that it will go forward.

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

And what we are really targeting is the early 2016 in-service state and that's why we filed with the North Dakota PSC, and we will be doing the same thing with Minnesota and Wisconsin. And in the meantime, the interest level is very high and we are now using the contract pipeline model versus common carrier. And that is what will be used as the basis for refiling the position for declaratory order with the FERC.

Linda Ezergailis - *TD Newcrest/Waterhouse Securities - Analyst*

Great, thank you.

Operator

Paul Lechem, CIBC.

Paul Lechem - *CIBC World Markets - Analyst*

My questions are about the transmission business, power transmission. And I just wanted to get some thoughts about the expansion of MATL -- if that going to happen is and when it might go forward, the issues around that. The same in terms of the East-West time line in Ontario, time frames and costs around that.



And then more broadly, what your interests are in growing that business. Would you even be interested in looking at Alphalink, which SNC has put on the block?

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

Okay. Well, maybe I will start with the last one and then this is in Richard's area, so I will let him speak to the MATL and East-West line. But as far as how that business sits overall, as I mentioned earlier, Paul, we have got a lot going on right now on the liquids side of the business. And we are going to prosecute the projects over these next few years and we are certainly seeing a lot of opportunity on the liquids side.

Having said that, we are going to bring these other potential sources of growth along at the same time. The transmission business is very consistent with the risk profile and meets our investment criteria that we've set for our overall business. So I think in the case of MATL and the East-West line, they fit well geographically and strategically for us. And importantly, they represent organic growth. Obviously, we look at every opportunity like the one you mentioned, and that's our job, to make sure that we are on top of these things. We don't tend to fare that well in auction processes. But having said that, we will make sure we are on top of every opportunity.

Richard, do you want to talk about MATL specifically?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

Sure. Well, as we laid out at Enbridge days, the strategy for the transmission business is basically to continue with a measured pace of development, and our focus is on three areas. That does include expansion of MATL. And now that it's in-service work is moving ahead on both the commercial and the front end development of that project.

The other focus areas are Ontario and Alberta. So as we have indicated, we have been a part of the consortium in Ontario that was selected as the lead group to develop and East-West high line opportunity. And I guess just stay tuned for continued progress on the measured growth plan for this particular business.

Paul Lechem - *CIBC World Markets - Analyst*

If I can sneak one more question in, on Gateway, yesterday some commentary between BC and Alberta about a framework agreement for allowing oil pipes to the sea. Just wondering if you have any commentary on that, what that might mean for your chances of getting Gateway through.

And then also in your MD&A, you have written for a couple of quarters now that you are undergoing FEED work and you expect pricing or costs on Gateway to go up significantly. Just wondering at what point does it become uneconomic to compete versus other options? Can Gateway cost go up to the point where it no longer makes sense?

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

Okay. Well, just generally speaking on the announcement yesterday, we think it's quite positive, actually, that we are seeing some good collaboration between the provinces. I think it shows leadership by both of the premiers. And certainly what I take away and what we take away as a Company is that this is a very good pathway, I think, to getting to a yes answer here. And I think it's an excellent development.

We have been confident for up while in for Gateway is going to head, and that the project will move forward. I think, obviously, it's important to all Canadians that we diversify the markets. We are leaving a lot of money on the table today. You just have to look at where WCS trades relative to other benchmarks for heavy. So it's critical that we get to those markets. We have got tremendous resources in Canada and we are an export-based economy, so we do need access to the Asian markets, which are clearly the growth market going forward.

As far as the work on FEED, we are working through that right now in terms of trying to come to a revised estimate. As you know, the estimate that we had previously done is quite outdated now. And we will be looking at that as we move forward here. So I think it's probably too early to answer the economics part of your question. Obviously, with the current pricing out there, there's certainly a lot of room if you look at it from that perspective. But we will be doing more work as we move forward.

Paul Lechem - *CIBC World Markets - Analyst*

Thanks very much.

Operator

Carl Kirst, BMO.

Carl Kirst - *BMO Capital Markets - Analyst*

I guess my residual questions here -- the first, maybe if I could just ask a question on the broader maintenance capital that's outlined in the budget. And I know, as we move forward in time, some of the surge in integrity spend might come off. But as we look at it today, for the planned CAD6.6 billion, maybe around CAD1.3 billion a year, is it possible to comment what you think that may wind up going to at the end of the five-year budget as far as what assets are envisioned in the five-year budget plan?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

So if you go back to our Enbridge days material, which I don't actually have in front of me, there is a graphic in that Enbridge days material which portrays directionally the forward trend of that spend relative to 2013 both on an absolute basis and, more importantly, as a percentage of our overall physical plant, both the absolute and the percentage are declining; the absolute declining modestly, moderately, but the percentage declining quite significantly. And off the top of my head, I think we are declining from something in the range of 6% of property, plant and equipment down to something in the vicinity of 2% to 3% over that period of time.

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

Yes. And as I recall, the peak number is \$2.6 billion. And remember, that's enterprisewide. So it's a little bit different than what Richard has on his funding summary there. But enterprisewide it's CAD2.6 billion. That's the peak in 2013 and then it goes down to, as I recall, CAD1.6 billion by 2017, once again enterprisewide.

Carl Kirst - *BMO Capital Markets - Analyst*

Excellent. No, I appreciate that. And then maybe just one quick follow-up. Sticking with the funding plan -- and, Richard, you are looking at CAD2.1 billion of remaining equity over the next four years. Does the sanctioning, if you will, of the CAD3 billion of regional oil sands this past week -- does that weight you more towards continuing a pre-funding effort, shall we say, or should we think about that ratably over the next several years?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

Well, it doesn't really affect that perspective at all because it was built into the CAD10 billion of unsecured capital that were part of the enterprisewide funding land. So it doesn't really change the picture at all.



On the equity side, I would say we are just about at the balance point now where our attention moving forward will be about equally split between equity and debt. We are actually pre-funded a bit on both of those fronts, but more significantly pre-funded on the equity front. So there will be more focus on the debt side going forward.

Carl Kirst - *BMO Capital Markets - Analyst*

Great, thanks so much for the comments, guys.

Operator

Ted Durbin, Goldman Sachs.

Ted Durbin - *Goldman Sachs - Analyst*

I'm wondering if you can talk about all the new project announcements we've had for rail loading facilities in Alberta and Western Canada. We've always got the wide WCS differentials. I'm wondering as we look into 2014, even, the impact that we should expect on the mainline volumes.

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

Steve, do you have a comment?

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Well, I think the mainline volumes should be strong, especially with the BP-Whiting conversion coming on by the early part of 2014. That's an incremental 250,000 barrels a day of heavy demand in the Chicago market. So that, coupled, frankly, with increased production, for example, from the Kearl project should really keep the system full.

Lots of rail talked about, some rail being built, and I think basically these are being built as relief valves for the eventuality that pipe access isn't available. We participate in the rail business also, but our job number one is to ensure that pipe capacity is available to the right markets and that that pipe capacity shows the barrel to as many refineries as possible for flexibility for the future.

So I think you will see these rail projects get announced, some of them getting built. They provide a good outlet for a period of time, at least. But I think what we will see is that there are markets that should be pipeline markets and there are markets that should be rail markets. And those will tend to differentiate as we go through the next 2 to 3 years. But right now, rail loading capacity is very popular for obvious reasons because there's pipe constraints. But as pipe capacity to the right markets becomes available, that should be full. It has an economic advantage at all times, especially for large volumes over long distances. And rail will be complementary as we go forward to markets that pipes just can't or won't be able to serve.

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

And one of those, Ted, is the Philadelphia market, which is properly serviced by rail, we think. But just to go a little bit broader into what Steve just said, if you look at our plans over the next 3 to 4 years, we are basically opening up new markets for Western Canadian Bakken and crude, somewhat on the order of 1.7 million barrels per day. And through that period over the next 3, 4 years, you are going to see the basis differentials come back into line, and that will obviously mean that pipes in the ground, and certainly that will be the most cost-effective solution to those markets that we can get to.



Ted Durbin - *Goldman Sachs - Analyst*

That's very helpful, thanks. If I could shift over to the dividend and how you are thinking about that, I know in some years we have increased that faster than earnings. But obviously, now that the capital backlog is making a big call on capital, I'm just wondering how you are thinking about the dividend as we go into 2014.

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

Well, the policy range hasn't changed, 60% to 70% payout is where we have it and intend to keep it unless something else happens, I guess. We're just at about the high end of that range right now. We don't really see the necessity to change that. I think the dividend flow will match EPS that we have.

But I think, more importantly, although Richard referred to a bit of lumpiness in the EPS, I think dividend rate we would look to have a more constant and steady increase. And I think, importantly, as we look beyond the next 4 or 5 years, we are obviously going to be flush with a lot of cash. So that gives us a bit of an opportunity to accelerate beyond the current rate that we have. So that's an opportunity for later as well.

Ted Durbin - *Goldman Sachs - Analyst*

That's great. And then just the last one is more housekeeping for me. I was just noticing that at EGD, you had, I think you mentioned, a CAD15 million gas transportation charge that I don't think you backed out. Is there -- can you just give us a little bit more color there?

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

Sure. Richard?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

Sure. So in the quarter, we have corrected our gas costs portion of the gas costs which have previously been deferred for recovery in rates from the future, which we concluded was not the appropriate outcome for those gas costs. So the portion of that correction which relates to prior years you see being adjusted out in adjusted earnings. The portion which applies to the current year, and in particular to the first half of this year, is going through the quarter. And as a result, you see EGD's performance weaker in the quarter than it is on a year-to-date basis. That's basically behind us now, as I said before. Looking forward to the full-year, we actually expect EGD to pull ahead of last year and be a modest tailwind to our overall results.

Ted Durbin - *Goldman Sachs - Analyst*

Got it, okay, that's it for me, thank you.

Operator

Robert Catellier, Macquarie.

Robert Catellier - *Macquarie Capital Securities - Analyst*

I would like to follow up a little bit on the AltaLink discussion. You do have the MATL opportunity and the opportunities in Ontario and your desire to move forward at a measured pace here. But obviously, AltaLink could be a significantly larger chunk of capital. And I'm wondering, in keeping



with your desire to move at a measured pace, would you consider a consortium bid? Or is your preference really to go it alone for these types of assets?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

So I think, as Al mentioned, generally we are not particularly interested in wide-open auctions. Our capital discipline, our capital pricing approach, our focus on trying to maintain a pretty decent spread between our cost of equity and the returns from any particular investment generally finds us not the highest bidder for an asset. So I think in the case of AltaLink, we would have to -- if that were something we were going to pursue, it would be on the basis that we thought we had some particular competitive or financial advantage that we could bring to bear in that situation. That strategic and competitive advantage, if it were to be the case, could possibly result from partners that we might partner up with and what we collectively might bring to the table. But that is yet to be determined whether we would even pursue that approach.

Robert Catellier - *Macquarie Capital Securities - Analyst*

Okay, and one question here on the funding strategy. You have mentioned, obviously, the potential for a new US co-funding vehicle. I'm wondering when we can hear about updates from that. And specifically, are they -- is it really tied to the success or lack thereof or however the outcome plays out for the gas MLP in the US as to how you would size that?

Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

Well, I guess in a very broad way it is, in that we have, as I mentioned before, lined up and under development roughly CAD3 of alternatives for every dollar of incremental equity that we need. So the degree of success or the attractiveness of the cost of funding on any of those fronts will influence the extent to which we would want to pursue any of the others, our objective always being to capture the most attractive funding from amongst that group of alternatives.

I guess that's one of the downsides of portraying a five-year funding plan is that it immediately generates interest on when particular components of that plan might manifest themselves. I don't want to get people thinking that they should expect a quarterly progress report on any of these particular alternatives. They are all under development. They are required over the next four years or some subset of them is required. And I think we will just leave it at that until we've got something more specific to announce.

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

I think this is just adding another lever, I guess, in the overall picture, as Richard said. We are very focused on making sure we can fund at the lowest cost, and that is another opportunity. That one is focused perhaps a little bit more on projects that would be in construction, given and that we have a very large buildout. But I guess just we will have to stay tuned on that.

Robert Catellier - *Macquarie Capital Securities - Analyst*

Okay, got it, thank you.

Operator

Andrew Kuske, Credit Suisse.



Andrew Kuske - *Credit Suisse - Analyst*

I guess my first question is probably for Steve. And it is just, how you see the evolution of potential regulations coming down, and I guess maybe pun intended in this case, down the pipeline, for the pipeline industry; and also from the rail perspective on the shipments of crude rail on both sides of the border, the US and in Canada?

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Well, I think generally there isn't a question that regulatory -- the regulatory environment is going to become more and more stringent, and that would be for any mode of transportation. Pipelines on either side of the border and for rail. It will be a little bit different because the solutions are different. I think with rail, a lot of attention is going to be paid to grading the product that is moving in the cars and also ensuring that the cars are robust enough to withstand derailments and things that are the natural risk of rail operations as well as some risk on the loading and unloading side, a lot from a personnel statement perspective. But those are really the things that rail regulation are going to change that they're going to center around.

On the pipeline side, I really think that it comes down to technology, largely. And that is the ability with greater technology to attack the two frontiers in pipelining, which is the ability to detect smaller and smaller defects in pipe and the ability to detect smaller and smaller leaks. And that's where the industry is heading very aggressively. That's where we are heading very aggressively. And I think that is where regulation is going to hit as well.

So I think that is all largely positive. It is very important that the regulator be seen as a proxy for the people, not the other way around with the people feeling that they need to be the regulator because the regulator isn't regulating. So a strong regulator is a good thing in the industry and I think I see us heading that way, driven a lot by technology, as it should be, but also with a sense of realism as to exactly the network that we have in North America of oil and gas pipelines, and the reality of what that network is like. It isn't all brand-new, and it can't be. So the issue is, how can technology enhance the industry and regulators' ability to know that those pipes remain safe? That's where I see it heading.

But there's no question that the regulatory environment will become more stringent. And quite frankly, we are embracing that rather than dreading it.

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

I think that's the point, in that what we see, certainly, is both the NEB instance -- they always were active, obviously, but even more so today. And our plan is really to try and be on the leading edge of that. And so we think we will be at the forefront. Our operational risk management program, as we've been talking about, is intended to get us to that industry-leading position because, frankly, that's where this industry is going. So it will be very active going forward, but I think we are well-positioned to be at the leading edge.

Andrew Kuske - *Credit Suisse - Analyst*

And just as a follow-up, do you see the changes in regulations being more detrimental to the economics of rail? And I make that statement in part because in some cases you are going to have actual new tanker specs, very significant changes in processes versus the pipeline side, where really it's smarter picks, maybe increased activity of integrity management. But it seems like from a capital basis, there's probably not a whole lot.

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

I suppose you could look at it that way. I think we are pretty early in the process, actually, for rail from where we sit. There's a lot of study being done, so we are going to have to wait to see exactly what it all means.



But I think, as you've seen in our outlook for integrity, there's a lot of capital to be spent there as well. It's a very large and complex system. So I wouldn't want to draw a distinction between the two at this point.

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

I do think one of the key differences is that the pipeline is owned by one entity or one company, in most cases, whereas in the rail value chain you have multiple pieces of ownership. You have the loading facility ownership, you have the cars that don't belong to the railway company; you have the tracks that do. You have the locomotives that do, and then you have other ownership at the far end as well. So there's a lot more disjointed ownership in the rail value chain and, honestly, other commodities competing for the same tracks, and nobody is laying new tracks.

So I think that's part of the equation in the whole crude by rail question as we go forward is the fact that nobody's laying new tracks. The loading and unloading facilities actually are pretty reasonably priced insurance for flexibility because it doesn't cost that much relatively to build a loading or an unloading facility. But I think track congestion, track maintenance, all those things are going to be a big part of the overall chain. But it is different from the pipelines in that the pipeline owns and operates the pipe that's in the ground all the way.

Andrew Kuske - *Credit Suisse - Analyst*

Okay, that's very helpful, thank you.

Operator

David McColl, Morningstar.

David McColl - *Morningstar - Analyst*

Just jumping back to the mainline right now and some volumes, so given the past apportionments on the system, when the Whiting refinery starts to take heavy crude in the first quarter, do you expect to see an increase in the volume? And really more importantly, can the system handle the higher volumes, or should we be thinking more a shift in the composition of the barrels? I'm thinking within this 1.7 million to 1.8 million barrel a day range, and of course all this in the context of the ongoing expansions to the mainline of the entire system.

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

Steve, go ahead.

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

I think you will certainly see more heavy crude movements. And part of the issue that we are seeing right now, and we did announce a mid-month apportionment in November, is the fact that the heavy crude doesn't always have a good home. And so that's why you've seen the differentials rise in the last -- especially in the last couple weeks. There was a fire at one of the refineries in Chicago that has taken down their ability to take heavy crude.

I think what Whiting's conversion will do is open up that path of demand in the Chicago area that will then be supplemented by our Flanagan South project when it comes on in mid-2014 that provides a whole new high-volume pathway for heavy crude down to the Gulf coast. And that's when I think you will see the system really moving its maximum capability of heavy crude. And right now, it has been somewhat market constrained and also some production issues.



But I think what you will see as we head into 2014 is that that path of demand is there and, therefore, the pipeline will fill more so on the heavy crude side. That will displace some light crude demand. Most of that displacement will be what's coming northbound on other pipelines from the Gulf coast right now or from Cushing feeding that refinery. You will see that tend to curtail as the heavy crude takes over the crude mix in Chicago.

But I think we are preparing for that, but at the same time that's why we are pursuing our Alberta Clipper expansion aggressively, and that is because of the need for more heavy crude capacity, which will take that line from 450,000 barrels a day to 800,000 barrels a day, ultimately.

David McColl - *Morningstar - Analyst*

Great, thank you, that helps a lot.

Operator

At this time we would like to invite members from the media to join the queue for questions. (Operator Instructions). Our last and final analyst question comes from Steven Paget, First Energy.

Steven Paget - *FirstEnergy Capital - Analyst*

Thank you. I am the last one, it seems. Could you please comment on the initiative to expand deliverability with existing infrastructure? When the Midwest refineries come back on and the Midwest cokers start coking, how much additional crude volumes can you bring onstream with the same steel?

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

Well, I think right now our system has a capacity constrained by various things of somewhere around 2 million barrels a day. We are moving about 1.75 million, so there's about 250,000 barrels a day of capacity that does not require capital, for the most part, that we are working to unlock. And I talked before about our work with the industry to streamline feeder pipeline schedules, refiner delivery schedules and our own terminal streamlining to try to unlock that capacity. That's the goal, Steven, is to unlock that 250,000-plus barrels per day of capacity in advance of the Alberta Clipper expansion that is technically available but practically not, just because of various terminal constraints. So that's, I think, the number I would put to it that we are very much seeking on behalf of the industry and ourselves.

Steven Paget - *FirstEnergy Capital - Analyst*

And do you think we could get to that within six months?

Stephen Wuori - *Enbridge Inc. - EVP - Liquids Pipelines*

I wouldn't follow you quite there, Steven. I think we are working hard. It does depend on the whole industry. A lot of that does depend on the behavior of all the players in the value chain, including feeder pipelines other than our own, refinery behavior and so on; our ability to commingle various types of crudes that are very much alike. All of that is being worked and it's underway, but I wouldn't want to just pin it to a specific date. We are working hard and then, especially with the Whiting conversion very much coming to the fore.

Steven Paget - *FirstEnergy Capital - Analyst*

Right. Well, it sounds like an exercise in herding cats. Second question -- could you please elaborate on the flat tilted return profile of the new Fort Hills projects? Are they going to be flat or tilted, or do customers have the option to pick right before the projects come online?



Richard Bird - *Enbridge Inc. - EVP, CFO and Corporate Development*

So I will take that one. There are two alternative tolling structures that form the agreement with the shippers, and they do have the option to choose between one or the other. They have that option for not an indefinite period of time; I think it's about another three months or so. One is just a conventional cost of service, so it would be perfectly flat returns.

The other is a capital multiplier approach which has a very modest tilt to it, so for all intents and purposes the full-life returns on these projects are low-double digits. And the first full year in service, they are already achieving low-double digits even in the capital multiplier approach. They would then increase very modestly thereafter. But really flat (technical difficulty) scenario for all intents and purposes.

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

In fact, Stephen, if you recall, we do the split between tilted and flat, and we have included both of these in the flat category.

Steven Paget - *FirstEnergy Capital - Analyst*

Thank you, Al, Richard, and good morning.

Operator

Daniel Proussalidis, Sun Media.

Daniel Proussalidis - *Toronto Sun (Sun Media) - Analyst*

I'm interested in getting your take, Mr. Monaco, on just what -- I guess the agreement that has been reached between the premiers of Alberta and BC as far as your future business in getting crude to the West Coast and then on to Asia. How positive of a development is this? Or is it a positive development?

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

I think it's pretty positive. As I said earlier, it is really good to see the collaboration between the two provinces starting to happen. And as I mentioned, I think it does show good leadership with the two premiers having this kind of discussion. And in the big picture, I do think it's a good pathway here. I think we are working on ways to help to move the project forward to yes rather than not being able to come to agreement.

So I think the framework that was discussed and agreed to really opens up, I think, a lot more dialogue, particularly between the producing community, the pipelines and the BC government. If you think about where we were just a few months ago, I think it's clear there's momentum. We have done, first of all, a lot of listening in BC, speaking to communities, including First Nations. We are now coming up to a close in the regulatory process. We are waiting for the decision. That has been a very lengthy and thorough process.

And I think the discussion, having gone through that, is becoming more balanced now and shifting to, as I said, a tone of how we get it done. So I think overall we are seeing very good support.

Daniel Proussalidis - *Toronto Sun (Sun Media) - Analyst*

And just the --



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

Go ahead.

Daniel Proussalidis - *Toronto Sun (Sun Media) - Analyst*

No, no, please continue.

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

Yes, no, I was just going to say, just fundamentally, the need to get to the Asian market is so critical -- that's where the demand growth is. And when you think about our economy being export-driven and the fantastic resources we have in this country, it only makes sense to try and link those two up. And as I said, the framework, I think, gives us pretty good momentum now to have more dialogue and hopefully move forward.

Daniel Proussalidis - *Toronto Sun (Sun Media) - Analyst*

There are two elements in the framework that are particularly interesting. One has to do with consultation with the First Nations communities in BC. The other has to do with revenue from the project and some kind of compensation, again, for the province in that regard. There has been some suggestion that some of that revenue could actually flow from the companies involved in pipeline projects, be it Northern Gateway or something else. So how do you see those two working themselves out, given the opposition that there is still within the First Nations community to Northern Gateway and the unanswered questions about revenue streams?

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

Right. Well, I think the way I see this is that the framework that has been agreed to here really outlines a way for us to fully engage with BC so that we can think about the benefits issue with the knowledge and discussion that is needed with them specifically. We have, don't forget, over the last six months, been putting a lot more effort into that exact issue by meeting with communities, meeting with First Nations, people along the right-of-way. And now with BC hopefully engaged in the process, we can figure out what exactly can be done going forward.

I will say, though, we shouldn't forget about the significant amount of benefits that are already there embedded within the project. With this kind of capital being invested, obviously that generates many construction jobs, many permanent jobs and many spin-offs related to the work that we are doing, in particular the goods and services that we acquire to make a project like this happen. And I wouldn't discount, as well, the significant amount of tax revenues that are available through a project like this, not just provincially but federally as well, and the reinvestment that comes with revenues generated from a project like that.

So I think that all of that is positives from a benefits point of view. I wouldn't also forget about the fact that it's not just about the benefits. I think what everybody has done and particularly sometimes in industry we tend to focus on what the financial benefits are. But an equally important part of the equation is making sure that we are providing enough comfort around the safety and environmental protection of this project. And we think that Gateway will be world-leading in many respects, right from pipeline safety all the way through marine and environmental protection.

Daniel Proussalidis - *Toronto Sun (Sun Media) - Analyst*

Thank you.

Operator

Jeff Lewis, National Post.

Jeff Lewis - National Post - Media

Sticking with Gateway, can you clarify what FEED work you are updating, what stage that work is at and why costs are increasing and by how much?

Al Monaco - Enbridge Inc. - President & CEO

Well, I guess where we are at is the initial project estimate that we had was quite dated, as I said earlier. That's simply because that we were in the development part of the project. As we move forward, obviously we are going to do a more detailed cost estimate that would support actually moving forward with the project. So that's where we are; we are in that process now.

Maybe I missed the other part of your question there. Can you repeat it?

Jeff Lewis - National Post - Media

Yes. Just why are costs increasing? There was some talk there. And by how much? Do you still see this as a CAD6 billion project?

Al Monaco - Enbridge Inc. - President & CEO

I think it's fair to say and believe in our disclosure we're pretty clear that we think the costs will rise. And that's simply a factor of obviously doing a little bit more work on the design and engineering, and the work we have done so far would indicate that the costs are going up.

However, don't forget that there's a natural escalation that occurs. The estimate that was done in 2010 dollars obviously needs to be escalated for today's dollars, so that's a component of it as well.

Jeff Lewis - National Post - Media

Do you have an idea of an estimate of where you think the costs might end up?

Al Monaco - Enbridge Inc. - President & CEO

No, because that would require that we do the detailed engineering and design work. And as I said, that's the path that we are on.

Jeff Lewis - National Post - Media

And then just last question -- do you still see 2018 as a startup date for that project?

Al Monaco - Enbridge Inc. - President & CEO

That would be the earliest in-service date just based on where we are today. It will probably take -- let's call it probably a year to go through the detailed design and engineering, I would say. And then you are probably looking at three construction seasons here. So I would say 2018, at the earliest.



Jeff Lewis - *National Post - Media*

Okay, thanks.

Operator

Lauren Krugel, The Canadian Press.

Lauren Krugel - *The Canadian Press - Media*

I have another Gateway question. Part of the language of the agreement yesterday between Christy Clark and Alison Redford said Alberta supports BC's right to ask industry to help meet condition 5, the economic condition. I'm wondering if you can say specifically if there's anything Enbridge is willing to offer BC at this point in time to get to yes, whether it's a slice of the pipeline tools or any other sort of mechanism. And also just wondering whether you plan to approach Christy Clark again to sit down and talk, because I know that didn't happen a little while ago.

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

Okay. Well, first of all, I think it's actually a little bit premature to address the specifics of where additional benefits may come from. We have obviously been giving that a lot of thought. And as I said earlier, we have been talking to communities -- First Nations and people along the right-of-way -- and now this will allow us to, I think, open up a greater dialogue.

I do think, though, that the way to look at this is not necessarily just from a pipeline perspective. The project is obviously underpinned by the producing communities. So at the end of the day, I think we need to be cognizant of the competitiveness of these projects going forward and we will be thinking about that with our funding participants, the producers that support the project, as we go forward.

As far as the question around meeting with premier Clark, we have actually been meeting with officials of the BC government. We would be, obviously, very pleased to meet with the premier as well to get her views. And we will be looking forward to do that, if it's appropriate.

Lauren Krugel - *The Canadian Press - Media*

Okay, thank you.

Operator

Elsie Ross, Daily Oil Bulletin.

Elsie Ross - *Daily Oil Bulletin - Media*

I apologize if I might have missed this already, but can you talk a little bit about where you are at in terms of the Sandpiper project?

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

Sure. Actually, we are making very good progress on that project from a commercial point of view. A while ago, we had made the decision to structure it as a contract pipeline, so that involves getting firm throughput commitments, long-term commitments from potential shippers on the



line. We are making very good progress on that and we are hopeful that we will be able to announce that commitment in the near future. So all is well.

And as I said earlier, I guess maybe you missed that part, the reason why Sandpiper is so important is that you've got a supply growth dynamic in the Bakken that we have never seen before in North America. And that light crude needs to get to light markets. And the best markets for that obviously is in Patoka and east of Patoka, where there's light oil refining capability, and of course, into Eastern Canada as well, into Ontario/Quebec. So Sandpiper is an important project and we think it's got a very good probability of moving forward.

Elsie Ross - *Daily Oil Bulletin - Media*

Thank you.

Operator

We have no further questions at this time. I will now turn the call back to Jody Balko for closing remarks.

Jody Balko - *Enbridge Inc. - VP of IR and Enterprise Risk*

Great. Thank you, Ellen. We have nothing further to add at this time, but I remind you that Adam McKnight and I are always available for any follow-up questions. Thank you and have a good day.

Operator

Ladies and gentlemen, this concludes the Enbridge Inc. third quarter 2013 financial results conference call. Thank you for participating. You may now disconnect.

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